

# RETURN TO TITLE IV FUNDS (R2T4) POLICY

Norwich University of the Arts is certified to process and administer U.S. Federal Loans (Title IV).

**School Code:**           **042445**

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## 1. Introduction and Background

- 1.1. This policy specifies how Norwich University of the Arts (hereafter referred to as the College) will determine the amount of Title IV (T4) programme assistance (Stafford and PLUS Loans) that students earn if they withdraw from the College, as well as the withdrawal process.
- 1.2. It is essential that you, as the student and borrower of Federal Aid, inform the College if you change the status of your studies in any way. This would include if you decided to:
  - Suspend
  - Withdraw
  - Drop out
  - Transfer course
  - Transfer route
  - Change from full-time to half-time or less than half-time
  - Register but do not commence attendance
- 1.3. Under U.S. Federal law, the College is required to report any changes to your enrolment within tight timescales. For students who withdraw from their studies, interrupt for more than 180 days, or complete their studies earlier than expected, it may be necessary to complete a Return to Title IV (R2T4) calculation and arrange for the return of any 'unearned' Direct Loan funds to the U.S. Department of Education.
- 1.4. The College's Federal Aid Office is responsible for calculating R2T4 and the Finance Office for the actual transfer of the resulting funds. The Federal Aid Office uses worksheets and software provided by the U.S. Department of Education to calculate the R2T4 funds. All funds will be returned to the lender within 45 days from the date when the College determines that a student withdrew. If a student has queries regarding their T4 programme funds, they can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on *Student Aid on the Web* at [studentaid.gov](http://studentaid.gov).
- 1.5. When a student withdraws during a payment period, the amount of T4 programme assistance that has been earned up to that point is determined by a specific formula. The date of withdrawal is the date the student submitted the withdrawal form. If the student received (or the College received on the student's behalf) less assistance than the amount that was earned, then the student may be able to receive those additional funds. If the student received more assistance than what was earned, the excess funds must be returned by the College and/or the student.
- 1.6. Under the Highly Trusted Sponsor scheme, Norwich University of the Arts is required by the UK Home Office to maintain an attendance

monitoring system that runs over the course of the year, ensuring that students are compliant with the regular attendance requirement of their student visa. Students who are not in attendance are reported to the College's Academic Registry, who in turn notifies the International Office of the student's lack of attendance, as well as the appropriate Director of Faculty and Course Leader. The Academic Registry will consult with the student to determine if the student never attended classes or will verify the last date of attendance.

- 1.7. Without an official Withdrawal Form, the College will use the last date of attendance to compute the R2T4 formula. Following this, the student will be reported to the UK Home Office as having withdrawn from their programme of study.
- 1.8. In the event where a student notifies the Course Leader or Course Administrator that they intend to withdraw, the student is informed of the need to complete the Official Withdrawal Form. The Course Administrator will retain a record of the original date of notification of withdrawal. Should the student fail to file the Withdrawal Form or there is a lag between the notification and the completion of the form, then the earlier date of notification will be used in calculating the R2T4 formula. In the event a student receives all failing grades for a semester, the Course Administrator will contact the Course Leader and, if necessary other course academic staff to determine if the "failed" grades were earned or represent a lack of attendance. If it represents a lack of attendance, the Course Administrator will determine the last day of attendance and use that date in the R2T4 calculations. Students who do not attend even one class are ineligible for T4 funds, and all of the loan proceeds will be returned to the U.S. Department of Education.
- 1.9. The amount of assistance a student earns is determined on a pro-rata basis. The payment period is the semester for which the loan was certified, and the percentage of attendance is calculated by dividing the number of days of attendance by the total number of days in the payment period. For example, if the student successfully attends 30% of the payment period or period of enrolment, the student has earned 30% of the assistance they were originally scheduled to receive. Once the student has completed more than 60% of the payment period or period of enrolment, all the assistance that the student was scheduled to receive for that period is considered to have been earned if they were attending full-time.
- 1.10. If the student did not receive all the funds that were earned, they may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan funds so that additional debt is not incurred. The Finance Office will use the R2T4 worksheets as provided by the U.S. Department of Education to determine how much of the loan may be retained and how much must be returned and will notify the student or parent via email.

The College will return any unearned T4 funds within 45 days of the date the College determined the student withdrew. The College will also offer any post-withdrawal disbursement to the student within 30 days of the withdrawal date determined by the College.

- 1.11. The College may use all or a portion of the post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition, fees, and accommodation charges (as contracted with the College). For all other College charges, the College needs the student's permission to use the post-withdrawal disbursement.
- 1.12. There are some T4 funds that students are scheduled to receive but which cannot be earned once a student withdraws because of other eligibility requirements. For example, in certain circumstances, if a first-time, first-year undergraduate student has not completed the first 30 days of their programme before withdrawal, the student will not earn any T4 funds that they would have received had they remained enrolled 30 days past the start date.
- 1.13. If the student receives (or the College receives on behalf of the student) excess T4 programme funds that must be returned, the College will return a portion of the excess equal to the lesser of:
  - (1) The institutional charges multiplied by the unearned percentage of the funds, or
  - (2) The entire amount of excess funds.
- 1.14. The College will return this amount even if it did not keep this amount of the T4 programme funds. If the College is not required to return all the excess funds, then the student must return the remaining amount. For any loan funds that must be returned, the student must arrange repayment in accordance with the terms of the promissory note - that is, scheduled payments are made to the holder of the loan over a determined period. Students who have received a refund of their loan proceeds before withdrawing may be required to return part or all of the funds to the U.S. Department of Education.
- 1.15. T4 funds will be returned in the following order:
  - (1) Unsubsidized Federal Stafford loans
  - (2) Subsidized Federal Stafford loans
  - (3) PLUS Loan Funds
- 1.16. The requirements for returning T4 programme funds when a student withdraws are separate from any refund policy that the College has. Therefore, in the event of withdrawal, the student may still owe funds to the College to cover unpaid institutional charges. The College may also

attempt to collect from the student any T4 programme funds that the College was required to return. The student can request a copy of the College's refund policy from the Finance Office to familiarise themselves with the College's policy.

## **2. Types of Leaves of Absence (LOA) and Withdrawals**

### 2.1. Withdrawal Form

2.1.1. This is the official withdrawal notification form that the College requires a student to complete to formally request a Deferral (or LOA) or Withdrawal. This form is available from the Registry Office and can also be downloaded from the student portal.

### 2.2. Approved Leave of Absence or 'Deferral'

2.2.1. A Deferral (or Leave of Absence) is a temporary interruption in a student's programme of study of up to 180 days. In the context of T4 funds, a deferral or LOA refers to the specific time during a programme when a student is not in attendance but will return to complete the programme. Students returning from an approved Deferral or LOA are not required to re-apply for admission but must re-enrol in their programme of study.

2.2.2. In order for a Deferral (or LOA) to qualify as an approved deferral (or LOA) –

- (1) All requests must be submitted on the Deferral/Withdrawal Form to the College's Academic Registry and must include the reason for the student's request. The form must be signed and dated by the student and must specify the date the student wants the Deferral (or LOA) to begin and end.
- (2) Students must apply in advance for a Deferral or LOA, unless unforeseen circumstances prevent the student from doing so, with the Deferral being subject to approval.
- (3) The situation described as the reason for the Deferral or LOA will be generally non-academic in nature and must be one that leads to a reasonable expectation that the student will return from the Deferral or LOA within the allowed time frame to complete the overall award on which they have enrolled.
- (4) The Deferral or LOA, together with any additional leaves of absence, must not exceed one year.

2.2.3. All requests for Deferrals or LOA's will be reviewed by the College's Academic Registry. The student will be notified in writing by the Academic Registry of the College's decision, with the Finance Office and International Office being notified accordingly.

- 2.2.4. During the Deferral or LOA, the College will not assess the student in respect of any additional institutional charges, ie, the student's financial needs will not increase, and therefore, the student will not be eligible for any additional disbursements of Federal Aid.
- 2.2.5. If the student is a Stafford Loan recipient, the FedAid Office will email the student upon being notified of the Deferral or LOA the effect that the student's failure to return from a Deferral or LOA may have on the student's loan repayment terms and the expiration of the grace period.
- 2.2.6. A student granted a Deferral or LOA that meets the criteria stated above is not considered to have withdrawn, and no Return Calculation is therefore required. Upon the student's return from leave, they will continue to earn the Federal Student Aid awarded for the period.

2.3. Unapproved Leave of Absence or 'Withdrawal'

The College may grant a student a Deferral or LOA that does not meet the conditions to be an approved Deferral or LOA for T4 purposes. An example of this may be an LOA for an extended period. If the Deferral or LOA does not meet all the conditions to be counted as a temporary interruption in a student's education, it is considered a withdrawal for T4 purposes. In these cases, the College will perform a R2T4 calculation. The student's withdrawal date is the date the student begins the Deferral or LOA. An unapproved Deferral or LOA is treated as an official withdrawal.

2.4. Official Withdrawal

An 'official withdrawal' refers to a student's intent to completely terminate studies at the College with no intention to return. Students who subsequently decide to return to their studies, must re-apply for admission through the College's International Office.

2.5. Unofficial Withdrawal

An unofficial withdrawal is one where the College has not received notice from the student that the student has ceased or will cease attending their programme of studies at the College, but the student has not returned to their studies or communicated with the College any intention to return.

**3. Completion of coursework upon return**

- 3.1. In as much as approved, Deferrals or leaves of absence are viewed as temporary interruptions in a student's attendance, and since the academic programmes at the College are considered term-based programmes where the payment period is the term, a student returning from a Deferral or LOA must do so at a time when he or she can complete

the term in order to complete the payment period and be eligible to receive a second or subsequent disbursement. Therefore, the College will allow the student returning from a Deferral or LOA to complete the coursework that he or she began prior to the Deferral or LOA.

#### 3.1.1. Students who return earlier than anticipated

The College may permit a student holding an agreed Deferral or LOA, to re-commence classes before the expiration of the student's Deferral or LOA to review material previously covered. However, until the student has resumed the academic programme at the point where he or she began the Deferral or LOA period, the student is considered to still be on approved Deferral or LOA. The days the student spends in class before the course reaches the point at which the student began their Deferral or LOA must be counted in the one-year maximum period granted for an approved leave of absence. A student repeating coursework while on Deferral or LOA must reach the point at which they interrupted training within one year of the start of the student's Deferral or LOA.

#### 3.1.2. Student who fails to return from Deferrals or LOA's

If a student does not return to the College at the expiration of an approved Deferral or LOA (or a student takes an unapproved Deferral or LOA), the student's withdrawal date is determined as the date that the student began the Deferral or LOA.

#### 3.1.3. Explanation of consequences of withdrawal to loan recipients

A student who is granted an approved Deferral or LOA is considered to remain an enrolled student for T4 loan repayment purposes. If a student on an approved Deferral or LOA fails to return, then the College will report that student to the loan holder giving the student's change in enrolment status as the withdrawal date. One possible consequence of not returning from a Deferral or LOA is that a student's grace period for a T4 programme loan might be exhausted. It is the student's responsibility to fully understand their responsibilities for repayment outlined in their signed MPN, but the College will also inform a student who is granted an approved Deferral or LOA and who is a T4 loan recipient that there are possible consequences of a withdrawal on their loan repayment terms, including the exhaustion of the student's grace period.