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# RETURN TO TITLE IV (R2T4) POLICY

**2020/2021**

# RETURN TO TITLE IV (R2T4) POLICY AND SUMMARY OF REQUIREMENTS

**Introduction**

US federal law specifies that, should a student who began attendance withdraw from their programme of study, Northern School of Contemporary Dance (NSCD) must complete a Return to Title IV (R2T4) calculation and arrange for any ‘unearned’ loan funds to be returned to the US Department of Education. For R2T4 purposes, an Intermission of Studies (IOS) (period of leave) for longer than 180 days or an ‘unapproved IOS’ is also deemed to be a withdrawal (see further detail and definitions below). Title IV funds are only released to student who have fully enrolled on their course and began their attendance. If the student never begins their attendance the Title IV Federal Loans will be cancelled on the COD portal without disbursing any funds to the school or a student. When considering Title IV Federal Loans NSCD is classed as an attendance taking institution.

This policy will also be used when calculating the return of funds to the US Department of Education for reasons other than withdrawal/IOS for more than 180 days. The policy will be applied when a student completes or graduates earlier than anticipated and R2T4 calculation needs to be completed in order to determine what Title IV Federal funds have to be returned to the US Department of Education. If a student ceases attendance (drops out or withdraws) from all their Title IV eligible courses in a payment period or period of enrolment, the student must be considered a withdrawal for Title IV purposes.

# Timeframes and treatment of Title IV funds when a student withdraws (including unapproved IOS and IOS for more than 180 days)

When a student withdraws, US Federal Aid Manager will calculate the amount of Title IV program assistance that has been earned up to that point, using a Return of Title IV (R2T4) calculation as provided by the US Department of Education.

All funds must be returned to the US Department of Education within 45 days of the date of when the school determined that a student withdrew for Title IV purposes.

Any funds that have been disbursed to the students and are regarded as an overpayment must be returned to the loan servicer by the student within the same timeframe in accordance with the terms of the master promissory note. Upon notice of a withdrawal from study, the US Federal Aid Manager will email the student to notify of any funds that may require repayment once the R2T4 calculation has been completed.

The date of withdrawal used for R2T4 will normally be the date that is shown on the NSCD student records system or no later than after 14 days, when it is determined whether the student intends to return to classes or to withdraw. For an unapproved absence or Intermission of studies, it will be the last date of attendance.

**Changes to Personal Circumstances**

We recognise that personal circumstances can change and affect the studies, it is important to be aware that such changes can also affect your right to borrow Title IV Federal Loans.

You must ensure that your personal details (such as address, phone number, email, next of kin) held by the School are correct and up-to-date. You should contact student services studentservices@nscd.ac.uk to update your information.

If you change your name, you will need to provide proof of change (for example, a marriage certificate). Please contact student services studentservices@nscd.ac.uk with your evidence so that your information can be updated both by registry and with our Immigration Compliance Officer.

# Changes to Academic Circumstances – Withdrawal, Intermission or Change of Studies

If you are considering taking a leave of absence from your studies, transferring from one programme to another, or withdrawing, please first discuss your situation with your Programme Leader. He/she/they will be able to advise you on an appropriate course of action.

NSCD’s Attendance Policy informs the student regarding their expected attendance: <https://www.nscd.ac.uk/wp-content/uploads/2020/10/Attendance-Policy-v3-July19.pdf> If circumstances are such that you are unable to do so, then please contact your Programme Leader to discuss your situation and agree an appropriate course of action. You should also consult the Student Finance office on finance@nscd.ac.uk where you will be able to receive an advice on how this will impact the Title IV funding.

NSCD’s Intermission of studies policy provides more information around taking a period of leave from study <https://www.nscd.ac.uk/wp-content/uploads/2020/10/Intermission-Policy-202021.pdf>

Students can apply for an intermission of studies by completing and returning the following Interruption of studies request form <http://www.cdd.ac.uk/policies/student-resources/> to the Head of Academic Registry

If you have an approved Intermission of studies which will be longer than 180 days your status will be changed to ‘withdrawn’ for the purposes of Title IV Federal Loans. This is not to be confused with being classified as ‘withdrawn’ from your programme of study.

**Intermission of Studies and Withdrawals:**

**DEFINITIONS and PROCEDURES**

**Approved Intermission of Studies (IOS)**

An IOS is a temporary interruption in a student's program of study. IOS refers to the specific time period during a program when a student is not in attendance but intends to return to complete the program to. Students returning from an IOS are not required to re-apply for admission but must re-register/re-enrol on their course. NSCD refers to such periods as “Year Out” or “Partial Year Out” and students are expected to re-join their courses at the same point where they left unless otherwise agreed with academic staff and the student at the point of approving the period of time out of study. An IOS must also meet a condition where a student must return to the same point of study where they left off for it to be counted as a *temporary* interruption in a student’s education instead of being counted as a withdrawal (which requires the school to perform a Return of Title IV calculation). If an IOS does not meet the conditions, the student is considered to have ceased attendance and to have withdrawn. To secure an approved IOS, a student must contact Hannah Perry Head of Academic Registry (hannah.perry@nscd.ac.uk) to officially register themselves for an IOS and have this change of status correctly reflected on their student record. They are also required to inform their programme leader as well as the US Federal Aid Manager (in this case Darren Carr, Vice Principal darren.carr@nscd.ac.uk) of any changes to their student status. This information will also be passed to our Immigration Compliance Officer so that UK Visas and Immigration can be updated accordingly and the student visa curtailed where necessary.

# Unapproved Period of Absence

NSCD may grant a student an IOS that does not meet the conditions to be an approved IOS for Title IV purposes (for example, for academic reasons). However, any IOS that does not meet all of the conditions for an approved IOS is considered a withdrawal for Title IV purposes. Unapproved IOS usually occur when students simply stop attending, do not inform the School or the US Federal Aid Manager of their intentions and do not provide correspondence or confirmations when requested. This information will be passed to our Immigration Compliance Officer so that the UK Visas and Immigration can be updated accordingly and the student visa curtailed where necessary.

# Official Withdrawal

A ‘withdrawal’ refers to a student’s intent to completely terminate their studies with no expectation of return. Students who subsequently decide to return to their studies must re-apply for admission and go through the standard admissions process. To secure a withdrawal, students are required to complete withdrawal paperwork and an exit interview with Academic Registry to have this change of status correctly reflected on their student record. Students are also required to inform their programme leaders as well as the US Federal Aid Manager of any changes to their student status.

This information will be passed to our Immigration Compliance Officer so that the UK Visas and Immigration can be updated accordingly and the student visa curtailed.

# In order for an IOS to qualify as ‘approved’:

1. The situation described for the reason for the IOS must be generally non- academic in nature and must be one that leads to a reasonable expectation that the student will return from the IOS within the allowed time frame and to the same point of studies where they left off.
2. The IOS together with any additional leaves of absence must not exceed a total of 180 days in any 12-month period including days in which school is not is session. During the IOS, the institution will not charge the student any additional institutional charges, the student's financial need will not increase, and therefore, the student will not be eligible for any additional disbursements of Federal Student Loan funds.

If the student is a Federal Direct Stafford Loan (subsidized and unsubsidized) recipient, the US Loan Manager will explain to the student the effects that the student’s failure to return from an IOS may have on the student’s loan repayment terms, including the expiration of the student’s grace period.

A student granted an IOS that meets the criteria stated above is not considered to have withdrawn, and no Return of Title IV calculation is required. Upon the student’s return from the leave, he or she can continue to earn the Federal Student Loan funds previously awarded for the period.

# Change of Status – Consequences to Loan Recipients Determining Last Date of Attendance (Withdrawals and IOS)

Overseas students at NSCD are subject to attendance monitoring as part of the UK Visas and Immigration protocols and we will use this attendance data as a means of determining a student’s last date of attendance for both IOS’ and Withdrawals where the information is not made clear by the student. A registered Intermission of Studies or Withdrawal will be updated against a student’s record with the appropriate date of validity and used for any R2T4 calculations.

An unapproved IOS is treated as an official withdrawal, and a Return calculation must be performed, using the date the student begins the IOS as the specified withdrawal date in the Return calculation.

If a student does not return to the school at the expiration of an approved IOS (or a student takes an unapproved continued absence), the student’s withdrawal date is the last date of student’s attendance.

If there was a period of Intermission (absence) before withdrawing, the date of withdrawal is the date of the decision to withdraw, not the date the Intermission began (which might be in a previous academic year). Where students are reported as a fail and withdrawn, the date of withdrawal will be the date that the Exam Board met to approve such a withdrawal.

If NSCD is unable to determine the date of withdrawal e.g. due to no communication from the student, then the date of withdrawal will be determined by the academic department, normally the last known date of attendance obtained from our attendance records.

# Calculating the Amount to Be Returned

When a student withdraws for Title IV purposes, the amount of Title IV funding that has been earned up to that point is determined by a specific formula.

The amount of assistance earned is determined on a pro-rata basis and the percentage of attendance is calculated by dividing the number of calendar days completed in the payment period as of the day the student withdrew by the total number of calendar days in the payment period. For example, if the student completes 30% of the calendar days in a payment period, the student has earned 30% of the assistance they were originally scheduled to receive. Once the student has completed more than 60% of the calendar days in a payment period, 100% assistance that the student was scheduled to receive for that period is considered to have been ‘earned’. If the student did not receive all of the funds that were earned, he/she/they may be due a post-withdrawal disbursement.

# Post-Withdrawal Disbursement

The US Loan Manager will use the R2T4 worksheets to determine how much of the loan may be retained and how much must be returned and will communicate this to the student in writing via email.

NSCD will return any unearned Title IV funds it is responsible for returning within 45 days of the date the school determined the student withdrew. The school will offer any post-withdrawal disbursement of loan funds within 30 days of the date the school determined the student withdrew. If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan funds so that additional debt is not incurred, which is recommended.

NSCD will notify a student or parent for a Direct Parent PLUS Loan by email prior to making any post-withdrawal disbursement of loan funds. The notice will include:

* + type and amount of the loan funds to be credited to the student’s account or disburse directly to the student or parent;
	+ explain that a student, or parent for a Direct Parent PLUS Loan may accept or decline all or a portion of the funds;
	+ explain the obligation to repay the loan funds whether they are disbursed to the student’s account or directly to the borrower;
	+ explain that student, or parent for a Direct Parent PLUS Loan may not receive as a direct disbursement loan funds that the institution wishes to credit to the student’s account unless the institution agrees to do so.
	+ If the student, or parent for a Direct Parent PLUS Loan, does not wish to accept some or all of the loan funds that the institution wishes to credit to the student’s account, the institution will not disburse those funds.

NSCD will disburse any Title IV funds a student is due as part of a post-withdrawal disbursement within 45 days of the date the student withdrew and will disburse any loan funds a student accepts within 180 days of the date the school determined the student withdrew.

The school may automatically use all or a portion of a post-withdrawal disbursement (Including loan funds, if the student accepts them) for tuition fees (as contracted with the school). For all other school charges, NSCD needs the student’s permission to use the post-withdrawal disbursement. If the student does not give permission, the student will not be offered the funds.

However, it may be in one’s best interest to allow the school to keep the funds to reduce their personal debt at the school.

# 30 Day Rule for First-Time First-Year Undergraduates

Students classified as being first-year, first-time undergraduate borrowers to the Title IV Federal Loans programme are not permitted access to their loan funds until 30 days after enrolment has occurred. In instances where the school’s default rate is less than 15%, this rule does not apply.

In terms of withdrawals, there are some Title IV funds that students were scheduled to receive that cannot be *earned* once a student withdraws because of other eligibility requirements. For example, if a first-time, first-year undergraduate student has not completed the first 30 days of the program before withdrawal, the student will not earn any Federal loan funds that he or she would have received had the student remained enrolled past the 30th day. If the student receives (or the school receives on behalf of the student) excess Title IV program funds that must be returned, the school must 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

The school must return this amount even if it didn't keep this amount of the Title IV program funds. If the school is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that must be returned, the student repays in accordance with the terms of the Master Promissory Note; scheduled payments are made to the holder of the loan over a period of time.

Students who have received a refund of their loan proceeds before withdrawing may be required to return part or all of those funds to the lender.

# Loan Entitlement and Returning Funds

If you withdraw from NSCD, or make changes to your studies that affect your eligibility for Title IV Federal Loans, we will recalculate your loan entitlement based on the period of attendance/entitlement. As a result, NSCD or you, may be required to return funds to the U.S. Department of Education from the Title IV Federal Loans (Direct Subsidized, Direct Unsubsidized, Direct Parent PLUS or Graduate PLUS) received/disbursed. Future disbursements may also be affected.

Title IV funds will be returned in the following order:

1. Unsubsidized Federal Direct Stafford Loans
2. Subsidized Federal Direct Stafford Loans
3. Federal Direct PLUS Loans

The requirements for Title IV program funds when students withdraw or lose eligibility are separate from the refund policy that the school has, which is available in our Enrolment Terms and Conditions document:

<http://www.cdd.ac.uk/wp-content/uploads/2020/12/SINGLE-CDD-TsandCs-2021-entry.pdf> A student may still owe funds to the school to cover unpaid institutional charges. The school will also attempt to collect from the student any Title IV program funds that the school was required to return.

If you have questions about Title IV program funds, you can call the Federal Student Aid Information Centre 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 [www.studentaid.ed.gov.](http://www.studentaid.ed.gov/)