Return of Title IV Funds R2T4 Policy

Students earn Title IV Federal Financial Aid by attending class. If they are not enrolled long enough to earn all the aid, the ‘unearned’ portion must be returned to the US Department for Education.

The Return of Unearned Title IV Funds Policy applies if the student withdraws from study before 60% of aid has been earned. Cardiff University is required to notify the student within 45 days of determining the student’s withdrawal date of any portion of unearned Title IV funds and return any overpayment to the US Department for Education.

Students who fund their studies via the US Federal Aid system are required to inform USFederalLoans@cardiff.ac.uk of their withdrawal from study.

If you have questions about the returning of Title IV program funds, students 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.

Cardiff University’s withdrawal policy and information on the process can be found on your Student Intranet.

Registry must be informed as soon as you have decided to permanently withdraw from the University. All students are advised to discuss withdrawal with their personal tutor and/or the Student Advisory Service before taking a final decision.

What should I do when I have decided to withdraw from University?

Having discussed the possibility of withdrawal with your School and the Student Advisory Service and decided to withdraw permanently from the University, you must notify Registry and the Financial Aid Officer of your intention.

You may do this online through SIMS Online or if you do not have internet access you should complete a Notification of Withdrawal Form which can be obtained from your School. The form must be completed and brought to your School, or sent by post, as soon as practicable after you have made the decision to withdraw permanently.

The date that you begin the process of withdrawal will be the date that will be recorded on your student record as your last date of attendance and this is then used by the Financial Aid Officer to determine the Financial Aid that you have earned.

How will we calculate the amount to be paid back?

When a student withdraws during a payment period, the amount of Title IV program assistance that has been earned up to that point is determined by a specific formula and the University will use the last date of attendance to calculate the R2T4 formula.

The payment period is the academic year for which the loan was certified, and the percentage of attendance is calculated by dividing the number of days attended by the total number of days in the payment period. For example, if the student attends University for 50%
of the payment or enrolment period, the student has earned 50% of the assistance they were originally scheduled to receive, the unearned balance is then returned to the US Department for Education.

Once the student has completed more than 60% of the payment or enrolment period, all the assistance that the student was due to receive for that period is considered to have been earned and no refund will be made. The Financial Aid Officer will use the R2T4 worksheets as provided by the US Department of Education to determine how much of the loan may be retained and how much must be returned.

Any unearned Title IV funds which the student may have received will be returned to the US government using the G5 system by the University.

Loan funds must be returned in the following order:

1. Unsubsidized Federal Stafford loans
2. Subsidized Federal Stafford loans
3. Federal PLUS loans

Please note that after calculating the amount you have earned in financial aid if you have not earned enough to cover any charges due to the University, then the University will bill you for any outstanding balance and you will be required to pay this within 45 days.

Post-withdrawal Disbursement Process

If Cardiff University owes the student a post withdrawal disbursement of funds, the following action will be taken:

- Cardiff University will contact the student, or a parent for a Direct Parent PLUS Loan, in writing, prior to making any post-withdrawal disbursement of loan funds, whether those loan funds are to be credited to the student’s account, or disbursed directly to the student or parent, in accordance with sections 5-117 and 5-118 contained in Chapter 1 of the FSA handbook as at May 2013 edition.

- This must take place no later than 30 calendar days of the determination of the date the student withdrew. Cardiff University is permitted to credit a student’s account without the student’s permission for current charges for tuition, fees and accommodation, if applicable, up to the amount of the outstanding charges.

- The notice must identify the type and amount of the loan funds it wishes to credit the student’s account, or disburse directly to the student or parent, advising that they may accept or decline all or a portion of the funds, but will include information about the advantages about keeping the loan debt to a minimum.
Return of Title IV Funds R2T4 Policy

- Once Cardiff University has received confirmation from a student, or parent in the case of a Direct PLUS Loan, that a post withdrawal disbursement is to be made, (the recommended time frame to receive a response is 14 days), it must be processed as soon as possible, but no later than 180 days after the date of the school’s determination that the student withdrew.

- Any unearned Title IV funds which the student may have received will be returned to the US government using the G5 system by Cardiff University within 45 days of the date of withdrawal, with priority as follows: Federal Unsubsidised Stafford, Federal Subsidised Stafford, Federal PLUS (graduate or parent).

Student Responsibility

If a student did not receive all of the funds earned, a post-withdrawal disbursement may be due, but the student must give the permission for this to take place.

However, Cardiff University can automatically deduct without the student’s permission, any charges due for tuition, fees and accommodation, if applicable, up to the amount of the outstanding charges.

A student may choose to decline some or all of the funds to avoid incurring additional debt.

Any loan funds that a student, or parent are required to be repaid, must be in accordance with the terms of the promissory note.