

The Courtauld

US Federal Student Loans R2T4 (Return to Title IV)

The [1998 Reauthorization of the Higher Education Act](#) requires institutions to calculate a return of Title IV funds to all financial aid students who withdraw from classes. As a participant of the US Direct Loan Program The Courtauld Institute of Art is required to adhere to US law regarding the repayment of Title IV funds following a student's withdrawal from study. The Title IV programs that are covered by this law include Direct Loans and Direct PLUS Loans. This document sets out how this is calculated and the procedure followed to return 'unearned' funds to the US government.

Students are responsible for following The Courtauld's Interruption of Studies and Withdrawal Policy found under Student Policies [here](#).

A student is considered to have withdrawn, for financial aid purposes, if they

- stop attending lectures/seminars before the end of term, or if they
- take an approved leave of absence of more than 180 days over a 12-month period.

A student who stops attending lectures/seminars, but who does not officially withdraw from The Courtauld, will be subject to return of funds. This will be based on the date of withdrawal or on the last documented date of attendance as determined by The Courtauld.

Withdrawing from lectures/seminars means that a student may not receive:

- further financial aid disbursements,
- may have to repay some or all of the aid that has already been disbursed, and
- will be personally responsible for the payment of any charges for tuition fees that are due.

If The Courtauld determines that a student has withdrawn, the student is no longer considered to be enrolled and in attendance at the Institute. Therefore, the student is no longer eligible for an in-school status or in-school deferment, and The Courtauld must report the student to the US Federal Loans as withdrawn in NSLDS Enrolment Reporting. Although each term's US Federal Loans disbursement is posted to each student's account at the start of each period students only earn the funds as they complete the period. If a student withdraws during the term the amount of Title IV program assistance they have earned is determined by a specific formula set out below.

If a student has received less assistance than the amount that they have earned, they may be able to receive those additional funds. If a student has received more assistance than they have earned, the excess funds must be returned by The Courtauld and/or the student. The amount of assistance a student has earned is determined on a pro rata basis, using the withdrawal date/last date of attendance. The number of days counted includes all calendar days in the term excluding The Courtauld closure dates that exceed four days. The percentage of the term attended is used to determine the amount of 'earned' versus 'unearned' aid. The Courtauld will calculate R2T4 using worksheets provided by the US Department of Education for the purpose of this. All funds must be returned to the lender within 45 days of the withdrawal date.

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For example, if a student completes 30% of the payment period or period of enrolment, they earn 30% of the assistance they were originally scheduled to receive. Once a student has completed more than 60% of the payment period or period of enrolment, they have earned all the assistance that they were scheduled to receive for that period.

The Courtauld is required to return a portion of the excess equal to the lesser of unearned Title IV aid or unearned institutional charges. The Courtauld must return this amount even if it didn't keep this amount of the student's Title IV program funds.

The student is responsible for the return of any difference. If a student is required to return Title IV funds to a Federal Loan program, the loan may be repaid in accordance with the existing terms of the loan program promissory note.

The requirements for Title IV program funds when a student withdraws are separate from any refund policy that The Courtauld has. Therefore, a student may still owe funds to The Courtauld to cover unpaid institutional charges. The Courtauld may also charge the student for any Title IV program funds that the institute was required to return. The Courtauld's Tuition Fee Refund Policy is [here](#)

There may be cases where The Courtauld has originated funds for a student who fails to arrive and enrol during the registration period. Any Title IV funds already received will be returned to the US Department of Education, and their systems updated to confirm that the student did not enrol or receive any funds. There will be no tuition fee liability for the student. Further information about Title IV program funds can be found on the [US Student Aid website](#)

Return of Title IV funds by The Courtauld

A student 'earns' aid daily and therefore if a student withdraws any 'unearned' aid for that payment period will need to be returned to your lender. Once the amount the Institute and the student needs to return has been calculated a cheque will be sent to the lender and the student notified if they need to return any funds.

Loans are returned in the following order:

1. Unsubsidised Stafford
2. Subsidised Stafford
3. PLUS (Graduate or Parent)

There are some Title IV funds that students may have been scheduled to receive that 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 the program before withdrawal, the student will not earn any FFEL loan funds that he or she would have received had the student remained enrolled past the 30th day.

A first-year undergraduate, receiving Aid for the first time who withdraws within the first 30 days of a programme will be deemed not to have earned any aid.

As this policy uses a different calculation to the Institute withdrawal policy it may mean that the student owes the Institute once the money has been returned to the lender. Students will be notified if this is the case.

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Return of Title IV funds by the student

If the student is notified that there are loan funds that must be returned (by the student) the student should repay in accordance with the terms of the promissory note. That is, 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 those funds to the lender.

Approved leave of absence

If a student interrupts, it is important that they also speak to the Finance Office in order for the correct loan status to be determined.

An Approved Interruption can last for 180 days before a student goes into repayment or has to return funds. If the student does not return after 180 days the last date of actual attendance will be used to calculate the 'earned' loan amount and the date a student enters repayment.

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