



US Financial Aid - Withdrawal and Return of Title IV Funds Policy

Overview:

Bangor University has a clear refund policy for students attending the institution. The following is an addendum for students who are utilising US Federal student aid funds, authorised under Title IV of the Higher Education Act.

If a student who received Title IV funding withdraws, temporarily suspends their studies in excess of 180 days, falls below half time attendance, or, in the case of research students, submission of thesis during an enrolment period, Bangor University will follow the requirements of returning funds in line with USDE guidelines. This will be applied alongside the following University policies:

Debt Management Policy

<https://www.bangor.ac.uk/student-administration/fees/documents/Tuition-Fees-Policy-202021-EN-published-16092020.pdf>

General Regulations for All Students

<https://www.bangor.ac.uk/regulations/regulations/reg13.php.en>

Attendance and Engagement Policy

<https://www.bangor.ac.uk/governance-and-compliance/policy-register/documents/Attendance-Engagement-Policy-v4-Sept20.pdf>

The US Loans Officer will use a RT24 process (the return of funds calculator provided by the USDE) to determine how much of the loan must be returned and how much may be retained. For further information on the procedures for suspending or withdrawing from studies see here <https://www.bangor.ac.uk/studentservices/leaving/index.php.en> .

The student is responsible for ensuring that they follow the correct withdrawal procedure. If **they withdraw** from Bangor University whilst in receipt of aid, **they may** also be required to pay back money to the US Federal government. The withdrawal date is the date agreed on the appropriate *Notification of Withdrawal* form or where the student has ceased to attend, then the date of last attendance recorded in the University's attendance monitoring system. The withdrawal date is used in all Return to Title IV calculations. If the student fails to formally notify the University of their withdrawal, and stops attending classes, the University will take the withdrawal date as the last date of academic activity.

If a student who is in receipt of financial aid withdraws from the University and is due a refund of fees (tuition and/or University residence) paid for that period of enrolment, a determination must be made as to whether any of the refund money must be returned to the US Federal aid programme. This determination will be made in accordance with the Return of Title IV Aid requirements of section 484B of the Higher Education Act of 1965, as amended (HEA) and §668.22 of the Student Assistance General Provisions regulations. The Return of Title IV Aid requirements were added to the HEA by the Higher Education Amendments of 1998 (Public Law 105-244, enacted October 7, 1998). These requirements describe how Title IV funds must be treated when a Title IV student aid recipient withdraws from an institution without completing the payment period or period of enrolment, as appropriate. Return to Title IV Calculations are carried out in accordance with US Government regulations, using the US Federal Loan

Return to Title VI Worksheet (RT24.). All funds must be returned to the lender within 45 days of the date of when the University determined that a student withdrew.

Students considering Withdrawing from their studies are encouraged to contact their department in the first instance to discuss all their options **before** making a decision.

All requests to 'Withdraw' must be submitted and processed in accordance with the University's procedures <https://www.bangor.ac.uk/student-services/leaving/index>

A student 'earns' aid daily and therefore if a student withdraws, any 'unearned' loans for that payment period must be returned to the lender.

Bangor University is required to calculate the amount of financial aid the student earned and the amount of financial aid that must be returned. These calculations are based on the time the student was enrolled in that payment period. The percentage of the payment period the student completed is the percentage of aid the student can keep. The percentage of the payment period the student did not complete is the percentage of aid that must be returned.

Once the amount of "unearned" loans has been calculated by the University this will be returned to the lender and the student notified if they need to return any additional funds.

If a student completes more than 60% of the payment period in question, the student is deemed to have earned 100% of the aid they received for that payment period and no federal refund is required.

The Financial Aid Office will have 30 days after the day of determination to calculate a refund and return funds via the Return to Title IV (R2T4) calculation process.

If a student received federal student aid before withdrawing, being dismissed, or being granted a leave of absence, any tuition refund calculated will be returned to the federal aid programmes **first**. Federal regulations mandate that the percentage of the payment period the student did not complete will be the percentage of available federal aid the student did not earn.

If the student received more federal student aid than they earned, the school must return the unearned funds to the student's lender in a specified order through the COD system.

When a refund is required, the amount of the student's aid that the school is required to return to the student's lender is determined by multiplying the amount of the student's tuition and fees by the percentage of the payment period the student did not complete.

Once institutional and federal refunds are complete, the student will be required to pay any remaining balance due to the school within 30 days.

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, a first year undergraduate who withdraws within the first 30 days of the programme of study, will not earn any loan funds that they would have otherwise received had they remained registered as a student past the 30th day.

As this policy uses a different calculation to Bangor University's Debt Management Policy, it would result in the student owing Bangor University once the money had been returned to the lender. The student should repay the lender in accordance with the terms of the promissory note.

Pro-rata refund calculations apply for any student in receipt of US Federal financial aid who withdraws within a time equating to 60% of the payment period. If a student withdraws from Bangor University whilst in receipt of aid, they may also be required to pay back money to the US Federal government.

The US Loans Officer will inform students in writing of the amount of funds that Bangor University is obliged to return to the US Federal aid programme, the amount that the student must return to the US Federal Aid Programme and the amount that Bangor University will refund directly to the student.

Process for calculating Return of Title IV Funds

The policy for the return of Title IV funds is applied alongside the University's withdrawal and refund policies. The University will calculate any 'unearned' loan in accordance with the guidelines from the US Department of Education.

The last date of attendance for a student will be identified from the University's attendance recording systems for students.

Returning unearned funds

Return of the University's share

The University must return its unearned Title IV funds percentage to the US Department of Education as soon as possible using the G5 system and within 45 days from when the withdrawal was identified, up to the value of the disbursement for that term.

Loans are returned in the following order:

Unsubsidised Direct Loans

Subsidised Direct

Loans PLUS (Graduate or Parent)

At the same time, the University will advise the student via email of the calculation, advising them if they have a responsibility for returning any 'unearned' income.

Return of the Student's share

Any unearned funds that have been disbursed directly to the student will be paid back to the US Department of Education by the student in accordance with the terms set out in the student's Promissory Note, and the Direct Loan servicer will be notified. The student will be required to return their 60% to their loan servicer and to repay their 40% earned along with repayment of the school's share and all other loans. The student **must** contact their services to make arrangements for repayment.

The University will provide the student with a copy of their R2T4 calculation, and the student will be notified within 30 days of the withdrawal date of the requirement to repay the overpayment or else make satisfactory arrangements to repay the overpayment, in accordance with the terms set out the student's Promissory Note.

The University will also advise the student to complete exit counselling, which will explain repayment arrangements.

Once the return has been completed, a statement will be produced for the student detailing any balances owed to the University after repayment of the unearned funds. Bangor University's Finance Office will contact the student to request payment of any outstanding balance

If the outcome of the calculation is that the student has earned more loan than they have received, they may be entitled to a post-withdrawal disbursement and arrangements for this would be agreed with the student.

Post-withdrawal Disbursement

If a student did not receive all the funds earned, a post-withdrawal disbursement may be due, but the student must give permission for this to take place. A student may choose to decline some or all the funds to avoid incurring additional debt.

If Bangor University owes the student a post-withdrawal disbursement of funds, **we will** contact the student, or 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.

This written notification must take place no later than 30 calendar days of the determination of the date the student withdrew. Bangor 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 from these funds first.

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 to the parent in the case of a Direct Parent PLUS Loan, advising that they may accept or decline all or a portion of the funds, and will include information about the advantages about keeping the loan debt to a minimum. The student or parent will have 14 days to respond.

Once the University has received confirmation from a student or parent that a post-withdrawal disbursement is to be made, any Credit Balance will be processed as soon as possible, and no later than 14 days after the R2T4 calculation has been completed.

Additional information about Federal Student Loans can also be found online at <https://studentaid.gov/>

University refund policy

All refunds will be dealt with in accordance with the University's policies

<https://www.bangor.ac.uk/international/future/payment>

Any student considering requesting **Withdrawing** and is in receipt of financial aid, should consult with the Financial Aid Office to determine how their financial aid will be affected.

PLEASE NOTE

As a consequence of withdrawing/interrupting during a payment period, a student may owe money to Bangor University for outstanding tuition and/or accommodation fees and is responsible for clearing any payment due, where the R2T4 amount has left a fee deficit.