



RETURN OF TITLE IV AID POLICY

Introduction

The University of Liverpool has a clear refund policy for students attending this institution; [Fees Payment Policies](#). The following is an addendum for students who began attendance at the University and are in receipt of US Federal student aid funds which have been authorised under Title IV of the Higher Education Act (2008). If a student who began attendance and is in receipt of Title IV financial aid withdraws from the University and is due a refund of fees (tuition and/or 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 (R2T4) 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 prescribe how Title IV funds must be treated when a Title IV student aid recipient who began attendance withdraws from an institution without completing the payment period or period of enrolment, as appropriate.

If it is determined that refund money must be returned to the aid programme, the distribution of funds will be as follows:

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

Summary

When a student who began attendance withdraws during a payment period then the amount of Title IV program assistance that has been earned up to that point is determined by a specific formula. The date of withdrawal is the earlier of the date the student notified the University of their intent to withdraw or the date the student submitted the withdrawal form. If the student received (or the University received on the student's behalf) less assistance than the amount which has been earned then the student may be able to receive those additional funds. If the student received more assistance than was earned then the excess funds must be returned by the University and/or the student.

Date of withdrawal

In a case where a student notifies the University that he or she intends to withdraw then the student will be informed of the need to complete the official Withdrawal Form and document the date the student notified them.

Without an official Withdrawal Form, the University will use the midpoint of the payment period or the last date of academically related activity to compute the R2T4 formula. In the event a student

receives all failing grades for a semester, the Program Director will contact the faculty members to determine if the “F” grades were earned or represent a lack of attendance. In the event it is determined that those grades were the result of lack of attendance then the Program Director and faculty will attempt to determine the last day of attendance and use that date in the R2T4 calculations. If the exact date cannot be determined, the University will assume a 50% attendance and use that date as the withdrawal date. Students who do not attend even one class are ineligible for Title IV funds and all of the loan proceeds will be returned to the lender.

Calculating the amount of assistance earned

The amount of assistance earned is determined on a *pro rata* basis. The payment period is the period for which the loan was certified and the percent of attendance is calculated by dividing the number of days attended by the total number of days in the payment period. For example: if a student completes 30% of the payment period or period of enrolment then they have earned 30% of the assistance which they were originally scheduled to receive. Once the student has completed more than 60% of the payment period or period of enrolment then all the 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 or she may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds then the student may choose to decline the loan funds so that additional debt is not incurred. The University 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.

There are some Title IV funds that students may be scheduled to receive 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 the program before withdrawal, the student will not earn any loan funds that he or she would have received had they remained enrolled past the 30th day. If the student receives (or the University receives on behalf of the student) excess Title IV program funds that must be returned, the University 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 University will return this amount even if it did not keep this amount of the Title IV program funds. The student repays any loan funds that must be returned 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 of those funds to the lender. The University may also attempt to collect from the student any Title IV program funds that the school was required to return.

Post-withdrawal disbursements

The University may automatically use all or a portion of a post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition, fees, and room and board charges (as contracted with the University). For all other charges, the University needs the student's permission to use the post-withdrawal disbursement and they must be notified within 30 days of the determination; they may decline all or a portion of the loan. The student will be asked to respond within 14 days confirming the amount to be credited directly to their account or returned to the borrower and the University must make any post-withdrawal disbursements the student accepts within 180 days from date of determination.

Further information

For further information about the return of Title IV funds, please contact Mrs Maria Muldoon by emailing merob@liverpool.ac.uk