

Policy for Return of Title IV Funds

Overview

If a student in receipt of Federal Aid withdraws from his/her programme of study, s/he may no longer be eligible for the full amount of Title IV funds that the student was scheduled to receive for the payment period in question.

Relevant regulations require that if a student receiving Title IV funds withdraws, the University completes the Return of Title IV calculation to determine the earned and unearned portions of Title IV funds based on the amount of time the student spent in attendance as a portion of the expected amount of time that they would have been in attendance if they completed the period.

Return of Title IV Funds calculations are completed by the Funding Team (for undergraduate and postgraduate students).

Notification and Recording of Withdrawal

The regulations specify that the date of withdrawal is “the earlier of the date the student notified the Progress Team of their intent to withdraw or the date the student submitted the withdrawal form”.

At the University of Essex students are required to follow the University’s published withdrawal procedure for undergraduate and postgraduate students. Students contacting individual members of staff about their intentions will be directed towards professional administrative staff for advice on completing the withdrawal procedure. Please refer to our web page <http://www.essex.ac.uk/students/course-admin/withdrawing.aspx>

The actual date of cessation of attendance and the date of notification of withdrawal will be recorded on the University’s Student Records Database (SRDB) and will be used in the assessment of the proportion of the Title IV funds that have been earned.

Students that did not attend any teaching events for the relevant period are ineligible for any funds and all loan funds received on behalf of the student will be returned to the lender.

If the actual date of withdrawal cannot be determined, the University will assume a 50% attendance within the relevant period.

The Progress Team will notify the Funding Team which represents the Financial Aid Office function.

Calculation of Title IV Entitlement

Students earn Title IV Funds through attendance and the amount of assistance earned by the student is determined on a pro rata basis: the percentage of aid earned is equal to the percentage of the payment period completed.

Once the student has completed at least 60% of the payment period, a student has earned 100% of the Title IV funds he or she was scheduled to receive during the period. If the student did not receive all of the funds that were earned, s/he may be due a “post-withdrawal disbursement”.

If the student has withdrawn prior to completing 60% of the relevant period they may not have earned all of the Title IV Funds. A calculation must be performed to determine the proportion of funds that s/he was scheduled to receive that have actually been earned pro-rata to the proportion of the payment period for which s/he was in attendance.

The Funding Team will use the Return of Title IV Funds worksheets provided by the US Department of Education to calculate the amount of a post-withdrawal disbursement or the amount of funds to be returned.

Return of Funds

If the calculation determines that funds must be returned, the Funding Team will instruct the Income Office to arrange a bank transfer for the corresponding amount. Funds must be returned within 30 days of the date of the University being notified of the student's withdrawal.

Title IV Funds will be returned in the following order:

1. unsubsidized Federal Stafford Loans
2. subsidized Federal Stafford loans
3. PLUS loans

The Funding Team will arrange for an update of the student's records in COD and enrolment status via NSLDS.

The requirements for Title IV funds when students withdraw are separate from the University's tuition fee and accommodation refund policies. The student may still owe funds to the University to cover unpaid charges

Post-withdrawal Disbursement

If the calculation determines that a post-withdrawal disbursement is required, the Funding Team will ensure that the student is notified within 30 days of the date of the University being notified of their withdrawal.

The student will be notified of:

- the type and amount of funds
- their option to accept or decline some or all of these funds
- their responsibility to repay any funds disbursed

and they will be given a deadline of 15 working days to make a response.

If a disbursement is required then the University will seek and retain confirmation of this from the student or parent borrower.

The Funding Team will arrange for the disbursement, update the student's records in COD, enrolment status via NSLDS and will notify the student.

Any disbursement will be made as soon as possible, but no later than 180 days after the date of determination.

The University may automatically use all or a portion of any post-withdrawal disbursement to meet liabilities for tuition fees or accommodation charges, as determined by the student's contractual relationship with the University and the University's policies on refunds of tuition fees and accommodation charges following withdrawal.

Leave of Absence

LOA is a temporary interruption of a student's program of study and refers to a specific time period when the student is not required to be in attendance. All requests for leave of absence must be submitted and processed in accordance with the University's procedure for requesting leave of absence. In approving a request there will be a reasonable expectation that the student will return. A student who is granted a leave of absence is not considered to have withdrawn.