

# U.S. Federal Student Aid – Withdrawal and Return of Title IV Funds

<b>Purpose:</b>	This policy sets out the manner in which the University will return funds received from the United States government under the United States Federal Student Aid Program, established under the Title IV of the Higher Education Act 1965 (as amended) (U.S.), following withdrawal from candidature of a student participating in the program at Murdoch University.		
<b>Audience:</b>	Staff, Students, Public		
<b>Contact Officer:</b>	Financial Aid Administrator	<b>Phone:</b>	08 9360 2733

## Objectives:

1. To comply with Return of Title IV requirements under the United States Federal Student Aid Program under Title IV of the Higher Education Act 1965 (as amended) (U.S.)
2. To ensure the cancellation, amendment, or return of Federal Student Loans is undertaken with minimal potential losses

## Policy:

### 1. Application

**1.1.** This policy applies to all enrolled students in receipt of any of the following forms of United States government student aid:

- 1.1.1.** Federal Stafford Direct Loan – Unsubsidized
- 1.1.2.** Federal Stafford Direct Loan – Subsidized
- 1.1.3.** Federal PLUS Loan

### 2. Return of Funds

**2.1.** When a student who is funded by the United States Federal Aid Program withdraws, the University will return unearned funds received under the program in accordance with this policy.

**2.2.** Murdoch University will:

- 2.2.1.** Calculate the R2T4 amount, including the University's and the student's portion of that amount, within 30 days from the date of the withdrawal; and
- 2.2.2.** Return the University's unearned portion of the R2T4 amount to the lender within 45 days of the student's last attendance.
- 2.2.3.** The unearned amount that must be repaid is calculated pro rata based on the withdrawal date.

### 3. Reduction of Enrolment load

**3.1.** Student considering reducing their enrolment load should be aware that International students visa holders are required to maintain a full time load per Visa and ESOS Conditions, and doing so without appropriate University approval may result in a breach of Visa conditions

**3.2.** Additionally students should be aware of relevant dates around withdrawing (terminating) enrolment in units:

**3.2.1.** Withdrawal on or before the census date; withdrawal is not formally recorded on the academic record and no fee is incurred. An administrative record is kept.

**3.2.2.** Withdrawal after the census date, but on or before the last date for withdrawal without penalty in the teaching period in which the unit is to be completed; withdrawal is recorded and fees incurred.

**3.2.3.** Withdrawals after the last date for withdrawal without penalty: fail recorded and fees incurred.

**3.2.4.** Details of census and withdrawal dates for all units are made available on the University web site, and can be accessed from the online Handbook: <http://goto.murdoch.edu.au/TeachingPeriodsCensusDates>

**3.3.** Students must:

**3.3.1.** Notify the Financial Aid Administrator before reducing their enrolment load, or as soon as practical thereafter

**3.3.2.** Apply for approval for Reduced Load, for international student visa holders by completing the form and following the instructions available from <https://www.murdoch.edu.au/mymurdoch/support-advice/student-admin/>

#### **4. Withdrawal**

**4.1.** Student considering Withdrawal should be aware that the University will be required to cancel the electronic Confirmation of Enrolment (eCOE) originally issued to them for the purpose of obtaining an Australian temporary student visa.

**4.1.1.** Students should speak to the Department of Immigration and Border Protection (DIBP) about departure requirements from Australia or for alternate Visa options to remain in Australia

**4.2.** Students must:

**4.2.1.** Notify the Financial Aid Administrator before Withdrawing, or as soon as practical thereafter

**4.2.2.** Lodge a Withdrawal from Murdoch University form to The Student Centre by completing the form and following the instructions as available from <http://our.murdoch.edu.au/Student-life/Get-organised/Useful-forms/>

**4.3.** Students who advise the Financial Aid Administrator of their intention to Withdraw will be provided with mandatory U.S. Financial Aid Exit Counseling

**4.3.1.** Exit Counseling will need to be completed within 14 days, and

**4.3.2.** Will include information on loan repayment obligations and rights.

#### **5. Withdrawal Date**

**5.1.** Withdrawal date is deemed to be the date of official notification of withdrawal, as detailed on the application for Withdrawal outlined in clause 8 (b).

**5.2.** In the absence of notification from the student, the last date of attendance (as determined by the Universities attendance records) is deemed to be the withdrawal date.

**5.3.** In the case of Retrospective Withdrawal's, the University will use the Retrospective Withdrawal application date as the last date of attendance for R2T4 purposes.

#### **6. Unofficial Withdrawal**

**6.1** Although the University is not required to keep attendance records for students, lecturers are expected to notify the International Student Support team when an

international student is not attending. The Student Support team will advise the Financial Aid Administrator when a student has been reported as 'not attending'. Without written advice of a student's intention to withdraw, the University will use the last date of attendance to calculate the R2T4 amount.

## **7. Calculations of R2T4 amount, including University and Student portions**

**7.1.** If the student withdraws during the loan payment period (or period of enrolment), the R2T4 amount to be returned will be the amount of unearned aid. This will be determined, as at the date of withdrawal, on the basis of the calculation formulas provided by the U.S. Department of Education.

**7.2.** The percentage of aid earned in any loan payment period (or period of enrolment) will be determined on the basis of the student's attendance.

**7.2.1.** The number of calendar days completed by the student in the payment period (or period of enrolment) is divided by the total number of calendar days of the payment period (or the period of enrolment) excluding scheduled breaks of five days or more or periods for which the student has been granted Approved Leave.

**7.2.2.** This calculation is represented by the following formula:

$$\frac{\text{number of days completed}}{\text{total number of days in loan payment period (or period of enrolment)}} \\ = \% \text{ of payment period completed (or period of enrolment period)}$$

**7.2.3.** If the percentage calculated through application of this formula is greater than 60%, the amount of aid earned by the student is considered to be 100% of the applicable aid.

**7.2.4.** Where the percentage calculated through application of this formula is less than or equal to 60%, the amount of aid earned by the student is determined by multiplying this percentage by the total amount of the aid disbursed.

**7.2.5.** The unearned amount of aid will be the amount equivalent to the remaining percentage of the relevant payment period (or period of enrolment). [For example if the student withdraws after completing 40% of the payment period, the R2T4 or unearned amount will be 60% of the applicable aid]

**7.2.6.** A student who is a first year, first time borrower under the United States Federal Student Aid Program, and who withdraws within the first 30 days of their program will not earn any aid.

**7.2.7.** The University's portion of the R2T4 amount is the percentage of the Universities allowable institutional charges for the loan payment period (or period of enrolment) equal to the remaining percentage of the payment period after deduction of the proportion completed by the student. [For example, if the student withdraws after completing 40% of the payment period, the University's portion of the R2T4 amount will be 60% of the University's charges for the payment period]

**7.2.8.** If the University's portion of the R2T4 amount is a dollar amount less than the total dollar amount of all unearned aid, the University will return the amount of the University's portion.

**7.2.9.** If the University's portion of the R2T4 amount is a dollar amount greater than the total amount of unearned aid, the University will return the total amount of unearned aid.

**7.2.10.** Any amount of the total R2T4 amount that remains after the University's portion is returned becomes the student portion of the return. This amount, if any, is repayable after the student leave the University in accordance with the payment

terms and conditions attached to the applicable loan(s). The student will not be liable for these funds immediately upon withdrawal.

**7.2.11.** Students are responsible for ensuring that all earned loan funds they receive are repaid according to the terms of the loan.

## **8. Returning unearned aid funds**

**8.1.** The Financial Aid Administrator is responsible for organising processing of the return of unearned aid to relevant recipient.

**8.1.1.** Student Records Office may be responsible for processing returns through G5

**8.1.2.** Financial Support Office may be responsible for processing returns by cheque

**8.2.** Unearned funds (i.e. the R2T4 amount) must be returned to the appropriate program(s) in the following order:

**8.2.1.** firstly, to Unsubsidized Federal Stafford Direct Student Loans

**8.2.2.** secondly, to Subsidized Federal Stafford Direct Student Loans, and

**8.2.3.** thirdly, to Federal PLUS Direct Loans

## **9. Post-withdrawal disbursements**

**9.1.** A student who has not received all the aid funds they earned may receive a post-withdrawal disbursement of the remaining earned funds.

**9.2.** The University will notify the student and or any parent borrower of eligibility for a post-withdrawal disbursement.

**9.3.** A student entitled to receive such a post-withdrawal disbursement may decline it.

**9.4.** If the student owes outstanding debts to the University at the time of a post-withdrawal disbursement, these amounts will be deducted from any such disbursement.

## **10. Funds outstanding to the University**

**10.1.** This policy operates separately and in addition to the [Fee Rules](#); [Fee Regulations](#); and [Statute No: 22 - Fees](#).

**10.2.** The University may also seek re-imburement from a student directly for any funds outstanding and for any U.S. Federal Aid returned

## **11. Responsibilities of the student**

**11.1.** Student withdrawing officially from the University, which in receipt of Title IV funds are required to complete exit counselling

**11.2.** Any access loan funds to be returned by the student to the US Department of Education must be repaid in accordance with the terms of the Promissory note. That is, scheduled payments must be made to the US Department of Education over a period of time. Students who have received payment of excess loan funds from Murdoch University before withdrawing will be required to return funds to their US Department of Education for which they are no longer eligible.

## **12. Approved leave / Intermission of Studies**

**12.1.** Approved Leave / Intermission of Studies for the purpose of United States government funding may be granted by Student Records

**12.2.** Requests for Approved Leave / Intermission must:

**12.2.1.** Be made in writing;

**12.2.2.** State the reason(s) for the request;

- 12.2.3.** Specify the dates for commencement and end of the Approved Leave / Intermission of studies
- 12.2.4.** Be signed and dated by the student
- 12.3.** The Approved Leave / Intermission of Studies must be applied for in advance, unless unforeseen circumstances prevent this.
- 12.4.** Approved Leave / Intermission of studies will not be granted for periods longer than 180 days in a 12 month period.
- 12.5.** Any absence exceeding 180 days in a 12 month period, will be considered as a withdrawal.
- 12.6.** Leave of Absence is viewed as a temporary interruption to a student's attendance at the University. To be approved for Title IV purposes, a Leave of Absence must meet the following conditions:
  - 11.6.1.1** All requests for Leave of Absence must be submitted in writing and include the reason for the student's request. The form must be signed and dated by the student and specify the date the student would like the Leave of Absence to begin and end.
  - 11.6.1.2** Students must apply in advance for a Leave of Absence unless unforeseen circumstances prevent them from doing so.
  - 11.6.1.3** The reason for the requested Leave of Absence must generally be non-academic in nature and there must be a reasonable expectation that the student will return from the Leave of Absence within the allowed time frame.
  - 11.6.1.4** The total time taken for all Leave of Absence must not exceed 180 days in any 12-month period, including days in which the University is not in session.
  - 11.6.1.5** The student must be able to return to complete the required coursework for the Teaching Period that he or she began prior to the Leave of Absence.

**Supporting Guidelines:**

There are no supporting guidelines.

**Supporting Standards:**

There are no supporting standards.

**Definitions:**

**The definition of these terms appears in the "Dictionary of Terms". Please refer to the "Dictionary of Terms" in Policy and Procedure Manager™ to ensure you are referring to the latest version.**

**Definitions: Per Title IV Higher Education Act 1965 (as amended) (U.S.)**

<b>Approved Leave / Intermission of Studies</b>	means a period of temporary approved leave (interruption) to a student's studies.
<b>Payment period</b>	means the semester for which the aid was certified and disbursed
<b>Period of enrolment</b>	means the period for which the a United States government student loan is intended, which is the relevant teaching period for which the University assesses its charges. For example Semesters, Trimesters, Summer, Winter etc.
<b>Post withdrawal</b>	means a payment made to the withdrawing student of aid funds to which the student has become entitled (i.e. earned) but which has not

<b>disbursement</b>	previously received.
<b>Reduction of Enrolment Load</b>	means the reduction of enrolment load after United States government loan is awarded,. (i.e. terminating enrolment from 1 or more units in a specified period, but not terminating studies)
<b>Retrospective Withdrawal</b>	means the process of applying to have unit outcomes amended from Fail or Withdrawn to Withdrawn with or without load, and for remission of student HELP or tuition fee liabilities.  The Retrospective Withdrawal form with eligibility information is available at: <a href="http://goto.murdoch.edu.au/StudentForms">http://goto.murdoch.edu.au/StudentForms</a>
<b>R2T4</b>	means "Return of Title IV". This acronym refers to the return of unearned funds to the United States government when a student withdraws.
<b>R2T4 amount</b>	means the amount of money to be returned to the United States government on account of unearned aid, calculated in accordance with the provisions of clause 9 of this policy and U.S. government requirements. The amount will usually consist of a University portion, repayable by the University, and the Student portion, repayable by the student.
<b>Withdrawal</b>	means the termination of a student's studies at the University, for any reason.
<b>Withdrawal date</b>	means the date that a student officially informs the University of their intention to withdraw. In the absence of notification from the student, the last date the student attended is deemed to be the withdrawal date.