

## **Withdrawal and Return of Title IV Funds (R2T4) Policy**

If a US Federal Aid student is determined to have withdrawn from the University of Auckland (referred to as 'the University'), the University is required to comply with US regulations and complete a Return of Title IV Funds (R2T4) calculation in order to determine the earned and unearned portions of Title IV funds as of the date the student ceases attendance. The Financial Aid Office must arrange for any "unearned" loan funds to be returned to the US Department of Education.

**Note:** *Under the University of Auckland's tuition/fees refund policy, tuition and fees become payable in full once the student is enrolled beyond the deadlines for Additions and Deletions. The University regulations are separate from the Return of Title IV regulations and withdrawing students may still owe funds to the school to cover unpaid charges which cannot be covered by US Federal Aid.*

### **Types of Withdrawals and Leaves of Absence**

#### **Withdrawals:**

- **Official Withdrawal**

A "withdrawal" refers to a student's intent to completely terminate studies at the University of Auckland with no expectation of return. Students, who subsequently decide to return to their studies, must re-apply for admission. Official withdrawal is where the University has received notice from the student they have ceased or will cease attending the University.

Procedures to officially withdraw from Institution. See [Apply to withdraw from courses](#) and [Discontinue a programme](#).

- **Unofficial Withdrawal**

An unofficial withdrawal is one where the University has not received notice from the student that the student has ceased or will cease attending the University.

## Leaves of Absence (For Post Graduate Research Students only)

- **Approved Leaves of Absence (LOA)**

A LOA/Suspension is a temporary interruption in a student's programme of study. LOA/Suspension refers to the specific time period during a programme when a student is not in attendance and will return to complete the programme. Students returning from a LOA are not required to re-apply for admission but must re-enrol for their courses. A student who is granted an approved LOA is considered to remain in an in-school status for Title IV loan repayment purposes.

- **Unapproved Leaves of Absence**

The University may grant a student a LOA/Suspension that does not meet the conditions to be an approved LOA for Title IV purposes. However, any LOA/Suspension that does not meet all the conditions for an approved LOA is considered a withdrawal for Title IV purposes.

**Note:** *An LOA must meet the conditions below to qualify as an Approved LOA*

- The situation described as the reason for the LOA must be **nonacademic** in nature and one that leads to a reasonable expectation that the student will return from the LOA within the allowed time frame.
- A copy of an 'Application for Senate Approval of Suspension from Enrolment [AS-502](#)' must be forwarded to the Financial Aid Office by the student.
- Students must apply in advance for a LOA unless unforeseen circumstances prevent the student from doing so (for example, injury or illness).
- The LOA together with any additional leaves of absence must not exceed a total of 180 days in any 12-month period including days in which school is not in session.

**Note:** *A failure to return from an Approved LOA may affect loan repayment terms, including the expiration of the grace period.*

### **Determination of the withdrawal date**

The withdrawal date used in the return calculation of a student's federal aid is the actual date indicated on the official drop form. If a student stops attending classes without notifying the University, the withdrawal date will be the midpoint of the enrolment period or the last date of academic activity determined by the University. Additional documentation supporting the last date of academic activity may be provided by the student if they verify a later date of attendance than determined by the University.

### **Withdrawing prior to completing 60 percent of an enrolment period**

Unless a student completes 60 percent of the enrolment period in which federal aid was disbursed, the student will be required to return all or part of the financial aid disbursed in the period. This applies to students who have officially (including medical), or unofficially withdrawn.

If a student's programme has a different start and end date for the payment period, they should contact the Financial Aid Coordinator for the 60 percent completion date.

## **Return of Title IV Funds**

The Financial Aid Office is required to perform calculations in accordance with the US regulations for Return of Title IV funds to determine the percentage of Title IV aid "earned" by the student. The calculations must be completed within 30 days from the date it determines a student's complete withdrawal. The University must return unearned funds for which it is responsible as soon as possible but no later than 45 days from the determination of a student's withdrawal.

Up through the 60 percent point in the period of enrolment, a pro-rated schedule is used to determine the amount of federal student aid funds he/she will have earned at the time of the withdrawal. After the 60 percent point in the period of enrolment, a student is considered to have earned 100 percent of the Title IV funds he or she was scheduled to receive. For a student who withdraws after the 60 percent point-in-time, there are no unearned funds.

Fees Statute 2001 outlines the mode of which any refund of fees paid is made to a student. The following is an addendum for US Federal Aid students.

### **Steps in the return of Title IV aid policy**

#### **Step 1: Student's Title IV information**

The Financial Aid Office will determine:

- a. The total amount of Title IV aid disbursed for the enrolment period in which the student withdrew. A student's Title IV aid is counted as aid disbursed in the calculation if it has been applied to the student's account on or before the date the student withdrew.
- b. The total amount of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the semester in which the student withdrew.

### **Step 2: Percentage of Title IV aid earned**

The Financial Aid Office will calculate the percentage of Title IV aid earned as follows:

The number of calendar days completed by the student divided by the total number of calendar days in the enrolment period in which the student withdrew. The total number of calendar days in an enrolment period shall exclude any scheduled breaks of at least five consecutive days in the period of enrolment.

$$\text{Days Attended} \div \text{Days in Enrolment Period} = \text{Percentage Completed}$$

### **Step 3: Amount of Title IV aid earned by the student**

The Financial Aid Office will calculate the amount of Title IV aid earned as follows: The percentage of Title IV aid earned (Step 2) multiplied by the total amount of Title IV aid disbursed or that could have been disbursed for the term in which the student withdrew (Step 1-a).

$$\text{Total Aid Disbursed} \times \text{Percentage Completed} = \text{Earned Aid}$$

If the calculated percentage completed exceeds 60 percent, then the student has “earned” all the Title IV aid for the enrolment period. As an example, if the student completes 30% of the payment period, he or she has earned 30% of the Title IV aid that was originally scheduled to receive within that loan period.

### **Step 4: Amount of Title IV aid to be disbursed or returned as a result of a withdrawal**

- If the aid already disbursed equals the earned aid, no further action is required.
- If the aid already disbursed is greater than the earned aid, the difference must be returned to the lender within 45 days of the date of determination. Total Disbursed Aid – Earned Aid = Unearned Aid to be Returned
- If the aid already disbursed is less than the earned aid, then the Financial Aid Office will calculate a post-withdrawal disbursement (See Post Withdrawal Disbursement information on below section).

- Once the Financial Aid Office has determined the amounts of each type of unearned Title IV aid that it must return, any remaining unearned funds that were disbursed are the responsibility of the student. Remaining unearned funds must be repaid by the student in accordance with the terms of the loans and conditions according to the promissory note.
- Title IV funds must be returned in the following order: Direct Unsubsidized loans  
Direct Subsidized Federal Stafford loans (awarded to undergraduates only)  
Direct PLUS loans.

**Step 5: Written notification to the student, or parent in the case of parent PLUS loan.**

The University must provide within 30 days of the date of the institution's determination that the student withdrew, a written notification to the student, or parent in the case of parent PLUS loan indicating the type of loan and the amount of the earned Title IV aid.

In addition, students who withdraw from the University while in receipt of aid are obliged to repay the dispersed funds to the US Federal Government in accordance with the terms of the loan and conditions of the promissory note.

## **Post Withdrawal Disbursements**

If a student has “earned” funds, according to the Return of Title IV Funds calculation, that have not yet disbursed, the student and/or parent may be eligible for a post-withdrawal disbursement (PWD) of these eligible funds. The student's R2T4 calculation will indicate if the student and/or parent may be eligible for a PWD. All conditions listed below are required for a PWD to be considered:

- A valid Institutional Student Information Record (ISIR) with an eligible student aid index;
- Meet the requirements for a late disbursement;
- Must be the Subsequent Disbursement of the direct loan
- Must have a completed and valid Students Aid Report (SAR)
- A student must be previously packaged with federal aid eligibility;
- Award letter must be received and processed for loan eligibility;
- A completed Master Promissory Note (MPN) must be on file in order to be eligible for loans;
- Student must have a completed Entrance Counselling on file to be eligible for loans;
- Loan(s) must have been certified;
- Student and/or parent must accept the eligible loan PWD in writing;
- Student must have established half-time enrolment (starting courses) for a loan PWD;

**Note:** *There are some Title IV funds that a student may be scheduled to receive that cannot be disbursed once the student withdraws because of other eligibility requirements. For example, if a student is a first-time, first-year undergraduate student and has not completed the first 30 days of the program before withdrawing, the student will not receive any Direct Loan funds that would have been received if the student remained enrolled past the 30th day.*

The student, or parent has an option to accept or decline some or all earned funds. A response from the student or parent must be received within 14 days of the written notification being sent by the University.

The University requires confirmation from the student or parent borrower prior to the disbursement of funds. This does not have to be in writing but will be documented by the University.

If confirmation is received after the deadline but no later than 180 days after the date of determination of withdrawal, the University may still consider it.

### **Students who receive all failing grades at the end of semester**

Financial aid is awarded under the assumption that the student will attend the University for the entire enrolment period for which Title IV funds were disbursed. When the student has failed to earn a passing grade in at least one course for the period, federal regulations require the University to determine whether the student established eligibility for funds disbursed by attending at least one class or participating in any University academic-related activity.

In the event a student has a combination of DNS, DNC and withdraw grades for the enrolment period, the Financial Aid Office will contact the faculty to determine the last day of attendance and use the date in the R2T4 calculations. If the exact date cannot be determined, the Financial Aid Office will assume a 50 percent attendance, and that date as the last date of attendance. If the student can prove to have participated in a University lecture or academic-related activity past the 60 percent date, the student will not be required to return any disbursed financial aid. Students who are able to verify attendance beyond the University's records may submit supporting documentation to the Financial Aid Office. The student must submit supporting



documentation within 30 days from the last date of the enrolment period.

Recalculations for aid eligibility will not be performed for documentation received after that date.

Examples of the University's academic-related activities include, but are not limited to, physically attending a class where there is an opportunity for direct interaction between the instructor and students.

***Proof of participation:***

- Exams or quizzes
- Tutorials
- Computer-assisted instruction
- Completion of an academic assignment, paper or project
  
- Participating in an online discussion about academic matters
- Initiating contact with a faculty member to ask a question about the academic subject studied in the course
- A University required study group where attendance is taken

***Documentation not acceptable as proof of participation:***

- Student's self-certification of attendance that is not supported by school documentation
- Verification of Enrolment form issued by the International Office
- Living in the University's housing
- Participating in the school's meal plan

**Consequences of non-repayment**

If a student does not pay funds due to the University to cover their tuition and fees balance, the student's records will be placed on financial hold. This means he/she will not be permitted to enrol in classes or receive transcripts until the balance is paid.

### **How a withdrawal affects future financial aid eligibility**

For the first occurrence of a semester withdrawal:

- If you are currently meeting Satisfactory Academic Progress standards, you will be placed on Financial Aid Probation.
- If you were already in a Probation status, you will be placed on Financial Aid Suspension.

### **Contact Information:**

Financial Aid Coordinator

[Complete our online enquiry form](#)