Withdrawal and Return of Title IV Funds (R2T4) Policy

In accordance with US Federal Law 34 CFR 668.22, if a US Financial Aid student is determined to have withdrawn from the University of Auckland (referred to as 'the University'), the student is no longer considered to be enrolled and in attendance. Therefore, the student is no longer eligible for an in-school status or in-school deferment, and the University must report the student as withdrawn.

Federal regulations require Title IV funds to be awarded under the assumption that a student will attend the institution for the entire period in which federal assistance was awarded. When a student withdraws from all courses for any reason, including medical withdrawals, the University must determine the earned and unearned portions of Title IV funds as of the date the student ceased attendance based on the amount of time the student spent in attendance.

When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that he or she was originally scheduled to receive. If the amount disbursed to the student is greater than the amount the student earned, the unearned funds must be returned. If the amount disbursed to the student is less than the amount the student earned, and for which the student is otherwise eligible, he or she is eligible to receive a Post-withdrawal disbursement of the earned aid that was not received.

The Policy covers the following:

- Types of Withdrawals and Leaves of Absence
- Determination of the withdrawal date
- Withdrawing prior to completing 60 percent of an enrolment period
- How the earned Title IV aid is calculated
- Students who receive all failing grades at the end of semester
- Repayment to the lender
- Student notification of repayment
- Consequences of non-repayment
- How a withdrawal affects future financial aid eligibility
- The University and student responsibilities in regard to the R2T4 policy and process
The Policy should enable students to:

- Determine the procedures for withdrawing and the financial consequences of doing so;
- Estimate how much Federal Student Aid (FSA) Title IV funds he or she will retain, and how much he or she may have to return, upon withdrawing;
- Understand how the University might adjust a student’s charges to take into account any Return of Title IV funds the University might be required to make;
- Understand that if he or she withdraws, the University charges that were previously paid by FSA funds might become a debt that the student will be responsible for paying.

**Note:** The University of Auckland’s tuition/fees refund policy is separate from the federal regulations to repay unearned Title IV funds. This policy augments the requirements for withdrawal and refund specified in the University of Auckland Calendar

**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.

- **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 (LOA)**

- **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

- 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 situation described as the reason for the LOA must be generally non-academic in nature and must be one that leads to a reasonable expectation that the student will return from the LOA within the allowed time frame.
- 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 financial 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 Co-ordinator for the 60 percent completion date.

<table>
<thead>
<tr>
<th>Term</th>
<th>Period</th>
<th>60% of period of enrolment/Payment</th>
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<tbody>
<tr>
<td>Semester One 2016</td>
<td>29 February – 27 June 2016</td>
<td>16 May 2016</td>
</tr>
<tr>
<td>Semester Two 2016</td>
<td>18 July – 14 November 2016</td>
<td>03 October 2016</td>
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<tr>
<td>PhD 2016</td>
<td>Determined on a case-by-case basis</td>
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**How the earned Title IV aid is calculated**

The Financial Aid Office is required to determine the percentage of Title IV aid “earned” by the student and to return the unearned portion to the appropriate aid programmes. Regulations require the Financial Aid Office to perform calculations within 30 days from the date it determines a student’s complete withdrawal. The Business Office must return the funds within 45 days of the date of determination. The R2T4 calculation is processed by the Financial Aid Office and the return of funds is completed by the Business Office.

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.

**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.

Days Attended ÷ Days in Enrolment Period = 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).

Total Aid Disbursed x Percentage Completed = Earned Aid

If the calculated percentage completed exceeds 60 percent, then the student has “earned” all the Title IV aid for the enrolment 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.
- Title IV funds will be returned in the following order:
  Unsubsidized Federal Stafford loans
  Subsidized Federal Stafford loans

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

Note: The requirements for Title IV funds when students withdraw are separate from the refund policy that this University has. If a US Financial Aid student withdraws, his or her
tuition and fees that were previously paid by FSA fund might become a debt that the student will be responsible for paying.

**Student notification of repayment**

A notification letter outlining the amount returned to the US Department of Education along with the federal government's repayment worksheet will be mailed to the student's permanent address. The University will return funds on the student's behalf to the lender and subsequently will bill the student's tuition and fees account. A statement reflecting these charges will be mailed to the student. The student is responsible for all charges resulting from a Return of Title IV calculation.

**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.

**School and Student responsibilities in regard to the R2T4 policy and process**

The University of Auckland’s responsibilities in regard to the Return of Title IV funds:

1. To provide each student with the information given in this policy.
2. To identify students affected by this policy and completing the Return of Title IV Funds (R2T4) calculation.
3. To inform the student of the result of the R2T4 calculation and any balance owed to the University as a result of a required return of funds.
4. To return any unearned Title IV aid that is due to the Title IV programmes and, updating the student’s enrolment status on NSLDS.
5. To notify a student and/or Plus borrower of eligibility for a Post-Withdraw Disbursement, if applicable.
Student’s responsibilities in regard to the Return of Title IV funds:

1. To become familiar with the Return of Title IV Funds (R2T4) policy and how withdrawing from all courses effects eligibility for Title IV aid.

2. Students funding their studies through US Federal Student Aid are required to inform the Financial Aid Office of their withdrawal at the same time as notifying their faculty / School of Graduate Studies.

3. To resolve any outstanding balance owed to the University resulting from a required return of unearned Title IV aid.

**Contact Information:**

Financial Aid Co-ordinator
Student Information Centre
Level 1, The ClockTower
22 Princes Street
Email: int-questions@auckland.ac.nz
Website: www.auckland.ac.nz/uoa/is-us-federal-loans