



### **Introduction**

#### **RETURN TO TITLE IV (R2T4) REGULATIONS**

The law specifies how the University of New Brunswick (UNB) must determine the amount of Title IV program assistance (Direct Loans) that students earn if they withdraw from school. See section on Withdrawals for specific information regarding Leaves of Absence (LOA) and the withdrawal process. The Office of Financial Services is responsible for calculating R2T4 and transfers the funds. The Offices of Financial Aid/Financial Services uses worksheets and software provided by the US Department of Education to calculate the R2T4 funds. All funds must be returned to the lender within 45 days of the last date of attendance. If you have questions about your Title IV program funds, students can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on Student Aid on the Web at <https://studentaid.gov/help-center/contact>.

### **Information Session to the Student**

Prior to commencement of studies at UNB, the student must attend a mandatory meeting with the Director of Financial Aid Officer to complete a financial needs analysis (FNA). The FNA provides the student with a detailed budget listing the full cost of attendance inclusive of living, tuition, fees, textbooks and incidentals. The student provides the Director with information regarding resources outside of the Direct Loan Program. The student is also directed to the following:

- UNB undergraduate Academic Calendar  
<https://www.unb.ca/academics/calendar/undergraduate/current/index.html>
- or Graduate Academic Calendar:  
<https://www.unb.ca/academics/calendar/graduate/current/index.html>

where the student can view the regulations and policies related to their students on subjects such as withdrawing from UNB, attendance policies and services available for students with disabilities.

### **Auditing Student Accounts**

Every 60 days, the student standings are reviewed by the Supervisor of Student Accounts in Financial Services using the US Loan Disbursement Spreadsheet, discussed under policy 3295.03.

### **Timeline for Withdrawals and Refunds**

If a student completely withdrawn from UNB a Title IV refunds earned assessment must be completed. Any unearned Direct Loan funding will be returned to the US government within **45 days**.

**Timeline for Withdrawals and Refunds (continued)**

When a student withdraws during a payment period, 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 earlier of the date the student notified the Registrar or Program Director of their intent to withdraw or the date the student submitted the withdrawal form. If the student received (or the school received on the student's behalf) less assistance than the amount that earned, the student may be able to receive those additional funds. If the student received more assistance than was earned, the excess funds must be returned by the school and/or the student.

**Determining Last day of Attendance**

An official withdrawal from UNB is determined by the day the student submits the withdrawal form to the Registrar's Office. The student is responsible for notifying the Registrar's office that he / she are requesting to withdraw. The student must do this in writing or by completing the on-line withdrawal form [www.unb.ca/academics/registration](http://www.unb.ca/academics/registration)

UNB is not required to take attendance although many professors may require a student to attend to receive a passing grade. The Director of Financial Aid will consult with the student's faculty to determine if the student never attended classes or to verify the last date of attendance. UNB will use the last date of attendance to compute the R2T4 formula.

In the occurrence of a student doing an unofficial withdrawal, whereby he/she is no longer attending classes or submitting assignments, the date of withdraw will be determined by contacting the student to confirm when they submitted their last assignment or attended their last class. Financial Services will follow up with the registrar's office upon receipt of this information.

Should the student fail to file the Withdrawal Form or there is a lag between the notification and the filing of the form, the earlier date of notification will be used in calculating the R2T4 formula. In the event a student receives all failing grades for a semester, the Director of Financial Aid 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, the 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 last date of attendance. 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 Refund**

The amount of assistance earned is determined on a pro rata basis. The payment period is the semester 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 the student completes 30% of the payment period or period of enrollment, the student has earned 30% of the assistance they were originally scheduled to receive. Once the student has completed more than 60% of the payment period or period of enrollment, 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 the funds that were earned, he or she may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan funds so that additional debt is not incurred. The Office of Financial Aid 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.

In the case that a student has withdrawn, and the DL funding has arrived after the withdrawal, UNB will return the funds immediately via CIBC and following the PWD requirement by notifying the student of the earned portion of R2T4 within 30 days of date of determination and wait for a confirmation (full or portion) permission from borrower before UNB can disburse any PWD.

The following guidelines are used in this calculation:

1. Calculate the number of days a student has been in attendance. In the calculation, UNB will exclude scheduled breaks of 5 days or more and days that the student was on an approved LOA.
2. If funds returned leave an outstanding balance on the student account, it will be the responsibility of UNB's Financial Services Office to collect on these fees.
3. A Title IV refund is not required if the student's enrollment states is calculated more than 60% of earned funding. Ex. - If the student attended 48 days out of the possible 78 this equal to the student earning 61.5% of his DL Funding therefore no refund is required.
4. Title IV refunds are only required if the student completely withdraws from the institution.

### **Post Withdrawal Disbursements**

UNB will automatically use all or a portion of your post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition, fees, and room and board charges (as contracted with the school). For all other school charges, UNB needs the student's permission to use the post-withdrawal disbursement. If the student does not give permission, the student will not be offered the funds. However, it may be in one's best interest to allow the school to keep the funds to reduce the debt at the school.

In the case that a student has withdrawn, and the DL funding has arrived after the withdrawal and the student is still eligible for some of the loan funding, then the student will



be notified that there is money available to the student or parent. The decision on if the funds will be accepted will be determined by the student or parent for Parent Plus Loans before the money is released to the student's account. The student will be notified via email and will have 14 days to respond. **UNB will not draw down any financial support without a response.**

### **Order of Title IV Returns**

There are some Title IV funds that students were scheduled to receive that cannot be *earned* once a student withdraws because of other eligibility requirements. For example, 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 Direct Loans funds that he or she would have received had the student remained enrolled past the 30<sup>th</sup> day. If the student receives (or the school receives on behalf of the student) excess Title IV program funds that must be returned, the school must return a portion of the excess equal to the lesser of:

Student accessing Direct Loans need to meet the limitations of late disbursements to be disbursed (Second or Subsequent Disbursement of a Direct Loan, 30 days hold for First Year, First-Time Borrower, Valid Institutional Student Information Record (ISIR), Valid Student Aid Report (SAR), Signed Master Promissory Note (MPN), Loan Originated.

1. The institutional charges multiplied by the unearned percentage of the funds, or
2. The entire amount of excess funds.

The school must return this amount even if it didn't keep this amount of the Title IV program funds. If the school is not required to return all the excess funds, the student must return the remaining amount. Any loan funds that must be returned, the student repay 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 those funds to the lender.

Title IV funds will be returned in the following order:

1. Unsubsidized Federal Direct loans
2. Subsidized Federal Direct loans
3. Federal Direct PLUS loans

The requirements for Title IV program funds when students withdraw are separate from any refund policy that the school may have.

Therefore, the student may still owe funds to the school to cover unpaid institutional charges. The school may also charge for any Title IV program funds that the school was required to return. Student may receive a copy of the refund Policy from the Business Office.



If you have questions about your Title IV program funds, you can call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). TTY users may call 1-800-730-8913. Information is also available on *Student Aid on the Web* at <https://studentaid.gov/help-center/contact>.

**Calculation of Funds Earned.**

Payment Period per Term Sept 2 – Dec 20	
Total # of Class Days within term	78
# of days completed	X
% Earned	X/total # of class days
Direct Loan Returned	
Total Direct Loan Release for the period	XX
Amount Earned	% earned multiply by total DL released
Amount Unearned (amount to return under Title IV)	DL released subtract amount earned

Period of Enrollment Sept 2 – April 24	
Total # of Class Days within term	155
# of Days completed (including first term)	X
% Earned	X/total # of class days
Direct Loan Returned	
Total Direct Loan Release for year (fall/winter)	XX
Amount Earned	% Earned multiply by total DL released
Amount Unearned (amount to return under Title IV)	DL released subtract amount earned

**Internal Process for returning Unearned Title IV**

Following US Federal Government guidelines, refunds will be processed by the Financial Services office electronically within the G5 System. The student’s information will be updated in the Common Origination and Disbursement (COD) website by the Financial Aid Office.

Refunds required to be returned to the US Department of Education must be noted on the student’s electronic file and on US Loan Disbursement Spreadsheet.

**Leave of Absence (LOA) for Studies**

**Definition of Leaves of Absence (LOA)**

An LOA is a temporary interruption in a student's program of study. LOA refers to the specific time during a program when a student is not in attendance and will return to complete the program. Graduate students can request LOA, however undergraduate students with DL are not eligible for LOA.



A student requiring a formal a leave of absence from his or her studies, in reference to their title IV funding, must contact the Director of Financial Aid.

Approved leave of absences requires the following:

- (i) The student follows UNB's policy in requesting the leave of absence (see above).
- (ii) The Director of Financial Aid shall determine if there is a reasonable expectation that the student will return to the school.
- (iii) The Director of Financial Aid shall approve the student's request in accordance with the UNB's academic policy. Please ensure that your LOA is approved by the Financial Aid Office.
- (iv) The leave of absence does not involve additional charges by the institution.
- (v) The total number of days in the approved leave of absence does not exceed 180 days in any 12-month period.
- (vi) Students will be permitted to continue in their program he or she began prior to the leave of absence; and
- (vii) Students will confirm in writing to the Director of Financial Aid, that their failure to return from a LOA **will affect** the student's loan repayment terms, including the exhaustion of some or all the student's grace period.

### **Official Withdrawal**

A "withdrawal" refers to a student's intent to completely terminate studies at an institution with no expectation of return. Students, who subsequently decide to return to their studies, must re-apply for admission through the University's Office of Admissions.

### **Unofficial Withdrawal**

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

### **Note:**

Students who withdraw from courses or the program receive a grade of "W" on their transcript. The grade is considered the same as an "F" grade in calculating the quantitative aspect of the Satisfactory Academic Progress standards and may affect the student's future eligibility for Financial Aid.

### **Explanation of consequences of withdrawal to loan recipients**

A student who completes a LOA is considered to remain in an in-school status for title IV loan repayment purposes. If a student on an approved LOA fails to return, the school must report to the loan holder the student's change in enrollment status as of the withdrawal date. One possible consequence of not returning from an LOA is that a student's grace period for a Title IV program loan might be exhausted. UNB must inform a student who is a



Title IV loan recipient of the possible consequences a withdrawal may have on the student's loan repayment terms, including the exhaustion of the student's grace period.

Any LOA that does not meet all the conditions for an approved LOA is considered a withdrawal for Title IV purposes. The student's withdrawal date is the date the student begins the LOA.