

Royal Welsh College of Music and Drama

US Student Loans and Federal Aid Return of Title IV Funds (R2T4) Policy

Students earn Title IV Federal Financial Aid by attending class and if they are not enrolled long enough to earn all of the aid, the 'unearned' portion must be returned to the US Department for Education. The Return of Unearned Title IV Funds Policy applies if the student withdraws study before 60% of aid has been earned.

RWCMD is required to notify the student within 45 days of determining the student's withdrawal date of any portion of unearned Title IV funds and return any overpayment to the US Department for Education.

The Finance Office will use the 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. The US Department of Education is the "lender".

Return of funds by the RWCMD

A student "earns" aid on a daily basis and therefore if a student withdraws, any "unearned" aid for that payment period needs to be returned to the lender. Once the College has determined the amount of "unearned" aid, funds will be returned to the lender and the student notified if he or she needs to return any funds to the lender.

Loans are returned in the following order:

- Federal Unsubsidised Stafford
- Federal Subsidised Stafford
- PLUS Loan (Graduate or Parent)

Loans must be repaid in accordance with the terms of the borrower's Promissory Note.

Students should note that this policy uses a different calculation from the RWCMD's withdrawal policy which may mean that the student owes the RWCMD once the money has been returned to the lender. Students will be notified if this is the case.

There are some Title IV funds that students are scheduled to receive that cannot be "earned" once a student withdraws because of other eligibility requirements. For example, a new student receiving aid for the first time who withdraws within the first 30 days of a programme will be deemed not to have "earned" any aid.

How will we calculate the amount to be paid back?

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 and the RWCMD will use the confirmed date of withdrawal to calculate the R2T4 formula. The payment period is the academic year for which the loan was certified and the percentage 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 attends the RWCMD for 50% of the payment or enrolment period, the student has earned 50% of the assistance they were originally scheduled to receive, the unearned balance is then returned to the US Department for Education.

Once the student has completed more than 60% of the payment or enrolment period, all the assistance that the student was due to receive for that period is considered to have been earned and no refund will be made. The Finance Office 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.

Please note that after calculating the amount you have earned in financial aid if you have not earned enough to cover any charges due to the RWCMD, then the RWCMD will bill you for any outstanding balance and you will be required to pay this within 45 days.

Return of funds by student

If the student is notified that there are loan funds that must be returned by the student, the student should repay in accordance with the terms of the promissory note signed by the student at the time of making the application for funds.

If you have questions about the returning of Title IV program funds, students can call the Federal Student Aid Information Centre at 1-800-4-FEDAID (1-800-433-3243).

Withdrawal Policy

The student must inform Academic Services soon as the decision to permanently withdraw or take leave of absence from the RWCMD has been made. All students are advised to discuss withdrawal with their personal tutor and/or the Student Services Department before making a final decision.

What should I do when I have decided to withdraw from RWCMD?

Having discussed the possibility of withdrawal with the relevant Department and Student Services and then decided to withdraw permanently from the RWCMD, the student must notify the Head Academic Services and the Finance Office of the decision.

The student must complete a Notification of Withdrawal Form which can be obtained from academic services or online <http://hub.rwcmd.ac.uk/course-information/> . The form must be completed and brought to Academic Services, scanned and emailed, or sent by post, as soon as practicable after the decision to withdraw permanently has been made.

Determining the date of withdrawal

The date of withdrawal from a programme will be determined by the Head of Academic Services in discussion with the relevant Head of Programme once the student has determined an intention to withdraw.

In the case of students withdrawing without notifying the RWCMD, the date of withdrawal will be the date on which the student was last known to have attended.