

US Federal Loans: Return to Title IV (R2T4) Policy

1.0 Introduction

US federal law specifies that, should a student withdraw from their programme of study, York St John University must complete a Return to Title IV (R2T4) calculation and arrange for any 'unearned' loan funds to be returned to the US Department of Education. For R2T4 purposes, a Leave of Absence (LOA) for longer than 180 days or an 'unapproved LOA' is also deemed to be a withdrawal (see further detail and definitions below). When considering US Federal Loans, the University is classed as an attendance-taking institution.

A LOA is a temporary interruption in a student's programme of study and is equivalent to a suspension of studies at York St John University.

This policy covers the following topics:

- York St John University's procedure for withdrawing or taking leave of absence, including the offices designated to receive official notifications of intent to withdraw;
- York St John University refund policy;
- Requirements regarding the treatment of Title IV funds when a student withdraws or takes leave of absence.

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) he or she will retain, and how much he or she may have to return, upon withdrawing;

- Understand the difference and interaction between the University's refund policy and the federal Return requirements;
- Understand how the University might adjust a student's charges to take in to account any Return of FSA funds the University might be required to make;
- Understand that if they withdraw, University charges that were previously paid by FSA funds might become a debt that the student will be responsible for paying;
- Understand the effects that a failure to return from LOA may have on loan repayment terms, including the expiration of the grace period.

This policy will be used when calculating the return of funds to the US Department of Education when a student withdraws, fails all their course, or drops below half-time status. The policy will also be applied when a student becomes ineligible for federal aid at York St John University following changes to their enrolment or other factors; or for any other reasons that federal aid funds are returned to the US Department of Education.

2.0 York St John University Procedure: Withdrawal or Leave of Absence (LOA)/Suspension

Withdrawal: If you are considering withdrawing, please first discuss the matter with your Personal or Academic Tutor and/or your Associate Head and if relevant, supporting services from the University. Guidance and procedural information can be found on our website on the [Withdrawal page](#).

Suspension of Study: If you are considering taking a break from your studies you should discuss the matter with your Associate Head and/or Academic Tutor without delay. Following this discussion if you feel you need to suspend your studies you can log into your e:Vision account and go to Change of Circumstances to submit your request online. Guidance and procedural information can be found on our website on the [Suspension of Studies page](#).

3.0 York St John University: Refunds of Fees

The tuition fee liability charged by the University for students in receipt of Title IV funds is calculated in line with R2T4 calculations and refunds. Further information on the University's Student Financial Regulations policy is available from the [US Loans Team](#) - or on the [student section](#) of the Finance Documents and Policies webpage.

4.0 Timeframes and treatment of Title IV funds when a student withdraws (including unapproved LOA and LOA for more than 180 days)

When a student withdraws, the US Loans Team will calculate the amount of Title IV program assistance that has been earned up to that point, using a Return of Title IV (R2T4) calculation as required by the US Department of Education. The US Loans Team is responsible for the transfer of R2T4 funds to the US Department of Education.

The University will 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. For a student who receives no disbursement before withdrawing, the funds will be returned in full within 30 days. Within the same 30 days, the University will also inform NSLDS (National Student Loan Data System) of the withdrawal which will trigger all loans going into repayment.

When a student enrolls but never attends their course, the student's award will be returned in full within 30 days. Within the same 30 days, the University will also inform NSLDS (National Student Loan Data System) of the withdrawal which will trigger all loans going into repayment.

Loan funds must be returned in the following order:

1. Federal Direct Unsubsidized loans

2. Federal Direct Subsidized loans (awarded to undergraduates only)
3. Federal PLUS and Grad PLUS loans

The date of withdrawal used for R2T4 will normally be the date that the Associate Head signed the Notification of Withdrawal from Programme form. This is classed by the University as the last date of attendance. For an unapproved LOA, it will be the date the student began the LOA, unless the LOA was requested retrospectively, in which case the LDA (last date of attendance) will be used as recorded by the School.

The amount of loan funds earned is calculated as follows:

Number of study days completed divided by total number of study days in payment period = amount of loan funds earned.

As an example, standard payment periods at York St John University for the year 2025-26 are:

	Loan Period	Total number of days	Non-study days*	Study days	Post-60% date for reference**
UG Loan Period 1	10 October 2025 to 5 February 2026	118	22 December 2025 to 11 January 2026 = 21 days	97	8 December 2025
UG Loan Period 2	6 February 2026 to 12 June 2026	126	23 March 2026 to 11 April 2026 = 21 days	105	10 April 2026
PG Loan Period 1	10 October 2025 to 5 February 2026	118	22 December 2025 to 11 January 2026 = 21 days	97	8 December 2025

PG Loan Period 2	6 February 2026 to 28 May 2026	111	23 March 2026 to 11 April 2026 = 21 days	90	1 April 2026
PG Loan Period 3	29 May 2026 to 25 Sep 2026	119	20 July 2026 to 26 July 2026 = 7 days	112	4 August 2026

*Breaks of 5 or more consecutive days (outside of the term period) are to be counted as non-study days. Any period of less than 5 consecutive days, and weekends in the study period, are study days.

**Students withdrawing on or after this date have completed 60% of the payment period and therefore no funds need to be returned to the US Department of Education. The day of withdrawal is counted as a completed day.

Once the student has completed more than 60% of the payment period, all the assistance that the student was scheduled to receive for that period is considered to have been earned. As an example, if the student completes 30% of the payment period, he or she has earned 30% of the assistance they were originally scheduled to receive within that loan period. If the student has completed 60% of the payment period, he or she has earned 100% of the assistance they were scheduled to receive.

If the student received more assistance than was earned, the excess funds must be returned to the US Department of Education by the University and/or the student. The requirements for Title IV program funds when students withdraw are separate from the University's refund policy. Therefore, the student may still owe funds to the University to cover unpaid institutional charges. The University may attempt to collect from the student any Title IV program funds that the University is required to return.

Students who do not attend even initial lectures or seminars are ineligible to receive any Title IV funds and all loan proceeds will be returned to the US Department of

Education. The student will be liable for any fees or outstanding balances owed to the University.

Students who fail all, or part, of their course should seek advice from their tutor as soon as possible. In general, the regulations permit students failing at the first attempt to be re-assessed. The detailed provisions for any resit arrangements for each qualification are explained in the University's Regulations. Once exact arrangements are known the US Loans team can advise students on the impact this will have on their loans depending on whether they are withdrawing/suspending their status. The University will require documentation to show when a student has failed, for example the score from an examination.

If a student fails their course through non-attendance, for example not attending at an examination or attending lectures, the University will follow the unofficial withdrawal process. The last verifiable date of attendance will be used for the R2T4 calculation.

5.0 Unofficial Withdrawals

An unofficial withdrawal occurs when a student ceases to attend the University, but the University has not received notice of this from the student. School administrators are required to advise the US Loans Team of any unofficial withdrawals of federal loan recipients. For R2T4 purposes, the US Loans Team will use as the date of withdrawal either:

- the LDA (last date of attendance) as determined by the attendance records which are monitored for all students in receipt of a Tier 4 visa; or
- where a student has attended past the last date of attendance recorded for the purpose of Tier 4 visa monitoring, the University will use the last verifiable date of attendance at an academically-related activity.

The unofficial withdrawal will then follow the normal procedure for returning Title IV loan funds.

6.0 Post-withdrawal Disbursements

If the value disbursed to the University or student before withdrawal were less than the earned value, we would contact the student (and parent in the case of a PLUS loan) as follows:

- To explain that the borrower may decline all or a portion of the loan disbursement
- To request confirmation of any amount to be credited to the student's account or directly disbursed to the borrower, within 14 days
- To explain that the borrower has an obligation to repay the loan.

If the University receives no response within 14 days, funds will be returned to the Department of Education.

7.0 Treatment of Title IV funds when a student takes approved LOA for less than 180 days

In order to qualify as an approved LOA for the purposes of federal aid (negating the need for the University to perform a Return calculation), the LOA must meet the conditions outlined below:

- the LOA must be approved by the University, in accordance with the Suspension procedures outlined above;
- the situation described as the reason for the LOA (which will normally be found on the Suspension of Studies form) 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;

- the student must resume training at the same point in the academic programme that he or she began the LOA;
- the LOA must be requested in advance, unless unforeseen circumstances prevent the student from doing so (for example, injury or illness);
- the University must inform the student of the possible consequences a withdrawal may have on the student's loan repayment terms, including exhaustion of the student's grace period.

A student granted a LOA that meets the criteria stated above is not considered to have withdrawn, and no Return calculation is required.

During the LOA, the University will not charge the student any additional institutional charges, the student's financial need will not increase, and therefore, the student will not be eligible for any disbursements of Federal Student Aid. A student who is granted an approved LOA maintains in-school status for Title IV loan repayment purposes.

The start date of the LOA for federal loans purposes is the date that the LOA comes into effect. Where a LOA is requested retrospectively, the date the Associate Head of School signed the Suspension of Studies form.

If a student does not return from an approved LOA, or the LOA does not qualify as an approved LOA, the student will be deemed to have withdrawn for the purposes of federal aid and R2T4 will be required. One possible consequence of not returning from a LOA is that a student's grace period for Title IV program loan repayments might be exhausted. The date of withdrawal will be treated as the date that the approved Leave of Absence began.

8.0 Further Information

Please contact the [US Loans Team](#) for more information or consult the [Student Aid](#) website.

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