

## U.S. Federal Student Aid

### RETURN OF TITLE IV POLICY

#### TITLE:

U.S. Federal Student Aid Return of Title IV Policy

#### POLICY:

US Federal law specifies that if a student begins attendance, then withdraws from all eligible courses, drop below half-time or ceases attendance at Massey University, then Massey must complete a Return to Title IV (R2T4) calculation and arrange for any unearned funds to be returned to the US Department of Education.

Massey University does not have a Leave of Absence policy or process. Therefore for Return to Title IV (R2T4) purposes, a Leave of Absence (LOA) or a temporary interruption in a student program is deemed a withdrawal in terms of US Federal Aid.

In accordance with the Code of Federal Regulations Title 34, Volume 3, Section 668.22 a student will be deemed to have withdrawn from Massey University under the following circumstances:

Circumstance	Date Deemed Withdrawn
Student formally withdraws from University	Date which student begins withdrawal process unless student provides written declaration that he or she will continue to, and subsequently follow through to, meet course requirements through completion
Student formally advises University of intent to withdraw from University	Date which student advises of intention to withdraw unless student provides written declaration that he or she will continue to, and subsequently follow through to, meet course requirements through completion
Student ceases to attend University	<p>Date of last recorded attendance at an academically-related activity, which will include attendance at:</p> <ul style="list-style-type: none"><li>▪ A learning session (including but not limited to, a lecture, tutorial, lab, online activity, or course specified study group)</li><li>▪ Submission of an assignment, test, or examination</li><li>▪ Academic meeting with a University advisor, lecturer, tutor, or supervisor</li><li>▪ Any other academic related activity as recognised by the College in which the student is enrolled.</li></ul> <p>Where the University has not recorded such attendance, the onus is on the student to provide evidence of such attendance</p>
Student ceases to attend University and there is no evidence of continued attendance at an academically-related activity	The mid-point of the semester for single semester enrolment or the break between semesters for double Semester enrolment
Student ceases to attend University, because of illness, accident, grievous personal loss, or similar event	The last date of attendance prior to the inciting event

The withdrawal date calculated above will be used to determine whether the student is in receipt of US Federal Student Aid funds in excess of those which they have earned for the period or whether they are eligible for additional funds not yet disbursed.

The amount of assistance earned is determined on a pro-rata basis. In general, a loan period is for an entire academic year, comprising two payment periods, each equating to a single semester.

Determining number of days:

Use the Massey Semester and Examination dates for the official dates for the calculation. First, the total days for the semester is determined, then any breaks are removed (mid-semester and study). The total days of a break is determined by taking the dates for the break and including the weekend days before and the weekend days at the end of the break. Then subtract total break days from total days of semester and that is the number for "total days" portion of the calculation. To determine days earned, take the start date of the semester and the withdrawal date for the student and determine number of days the student attended. Then take the number of days the student attended and subtract any breaks per the calculation above. Once the breaks are removed from days attended then that is used as the "completed days" portion of the calculation. Then divide the "completed days" by the "total days" and that will be the percentage of completion for the Semester.

Example: Number of days in the Payment Period 110

Student attended 45 days and withdrew.

$45/110 \times 100 = 41\%$  which is less than 60%

If student was disbursed \$10,000.00. Student only earned 41% of that.

This calculation is made in accordance with the U.S. regulations for Return of Title IV funds. The R2T4 worksheets provided by the U.S. Department of Education will be used to determine how much of the loan may be retained, how much must be returned, and whether the student is eligible for any further disbursement pending.

Other eligibility criteria will also be taken into account in calculating the amount of Financial Aid earned:

- A first-year first-time borrower who withdraws within the first 30 days of a programme will be ineligible for aid.
- Students who complete more than 60% of the payment period will be deemed to have earned all the assistance awarded for that payment period.
- Students who change their enrolment to an ineligible programme prior to the conclusion of a payment period will not be deemed to have earned aid for that payment period.

Under Massey University regulations, tuition fees become payable in full once the student is enrolled beyond the Census Date without Financial Penalty (generally 17% of the course enrolment period).

The University regulations are separate from the Return of Title IV regulations and withdrawing students may still owe funds to the University to cover unpaid charges which cannot be covered by Financial Aid.

Massey University's Student Refund and Fee Protection policy outlines the mode of which any refund of fees paid is made to a student. The following is an addendum for students who are utilising US Federal Student Aid.

If a US Federal Student Aid recipient withdraws from the University and is eligible for a refund of fees paid for that period of enrolment, a determination must first be made as to whether any of the refund money must be returned to the US Federal Student Aid programme. If it is determined that refund money must be returned under this programme, the distribution of Federal funds will be as follows:

1. Federal Stafford Unsubsidized
2. Federal Stafford Subsidized
3. Federal PLUS

If Massey University is required to repay US Federal Aid funds on a student's behalf to the U.S. Department of Education as a result of early withdrawal, Massey University will return the US Financial Aid funds within 45 days of the withdrawal date. The return of funds will result in a debt for the student and the student will be responsible for repaying the returned funds to Massey University.

Any remaining funds will be returned to the student or their parents (Parent PLUS only) after these calculations and payments are done.

If it is determined through the return to Title IV process that the student is eligible for a post-withdrawal disbursement, then the student will be notified of their loan eligibility within 45 days of the withdrawal date and the student will be given 14 days to respond.

After a post-withdrawal disbursement is applied to a student's Massey University student account, if any credit balance remains on the student's account, then the credit balance must be disbursed as soon as possible but no later than 14 days after the calculation of the Return to Title IV.

Students who withdraw from the University while in receipt of aid may be required to pay back money to the US Federal Government.

Students who have been inactive for a period of three consecutive years will be deemed to have abandoned their qualification. Abandonment releases the University from its obligation to ensure a qualification can be completed. Students may be permitted to be readmitted to a subsequent current qualification should they meet the entry requirements; credits previously achieved will be assessed and applied in accordance with current regulations.

#### **AUDIENCE:**

All students applying for or receiving U.S. Federal Student Aid assistance  
Finance staff  
Federal Aid Administrators and Office of Global Engagement Staff  
Pastoral Care staff

#### **RELEVANT LEGISLATION:**

U.S. Amended *Higher Education Act* 1965.  
U.S. Federal Regulations Title 34, 668 (Student Assistance General Regulations) and 685 (William D. Ford Direct Loan Programme)

#### **LEGAL COMPLIANCE:**

Universities accredited to administer U.S. Federal Student Aid are required to comply with U.S. Federal Regulations

#### **RELATED PROCEDURES/DOCUMENTS:**

MU FSA Loan Disbursement Policy  
MU FSA Satisfactory Academic Performance Policy  
MU FSA Cost of Attendance Policy  
Student Fee Policy  
Student Refund and Fee Protection Policy  
General Terms and Conditions

#### **DOCUMENT MANAGEMENT & CONTROL**

Reviewed by: Amy Odom  
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