

Federal Student Aid: R2T4 Policy

Overview

US federal regulation specifies that if a student begins attendance, then withdraws or transfers from all eligible courses or ceases attendance at King's College London, King's 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.

'Withdraw' is used in this document to mean complete withdrawal or transfer from an eligible course or a period of interruption.

Support with withdrawal or interruption

If a student is considering **withdrawing** from their course or **interrupting their studies** they should consult the following guidance:

<https://self-service.kcl.ac.uk/article/KA-01765/en-us>

The above linked guidance also details other steps that students are encouraged to take, including speaking to their Personal Tutor.

For international students subject to immigration control, it is essential they [contact the Advice & Guidance Team](#) about how withdrawal/interruption affects their visa and right to remain in the UK.

Calculation of Loan Entitlement following a withdrawal

If a student withdraws from their course or interrupts their studies, then King's College London will handle their loan funds in accordance with the regulations set out by the US Department of Education.

In the first instance we will use the US Federal Student Aid office's **RT24** form to calculate the amount of funds from the current disbursement period that will need to be returned.

The **R2T4** process will use the student's **last date of attendance** to calculate their entitlement to Federal Student Aid.

Attendance is calculated for the **payment period** during which the **withdrawal** occurs. A student *earns* aid for every day they attend, and any *unearned* aid must be returned. Attendance is calculated by the number of calendar days, including weekends, holidays and other non-study days, but excluding any periods of more than five consecutive scheduled non-study days.

The university is responsible for returning any proportion of *unearned* funds it has received to the US Department of Education.

If you have attended for over **60%** of the current disbursement period, then no funds will be returned by the university.

The R2T4 requirement is independent of King's [tuition fee regulations](#) and your fee liability may be greater than your loan entitlement.

Payment Periods

The dates for the payment periods for your US Federal Student Aid are as follows:

	Start	End	Total No. of Days	Scheduled Non-Study Days	Post 60% Date
Payment Period 1	26/09/2022	08/01/2023	105	23	14/11/2022
Payment Period 2	09/01/2023	03/04/2023	85	0	27/02/2023
Payment Period 3	04/04/2023	02/06/2023	60	20	18/05/2023
Payment Period 4 (PG)	03/06/2023	25/09/2023	115	0	14/08/2023

All dates are calculated inclusive of start and end date.

The **Post 60% Date** column gives the Last Date of Attendance (*not the first day of the leave of absence*) at which point the student has earned aid for more than 60% of the payment period, and therefore no funds from the payment period must be returned.

Example Calculations

Tim

Tim enrolls on a postgraduate degree programme and withdraws from his studies on 4th November 2022.

The corresponding payment period runs from 26/09/2022 up until the day prior to his next payment period, 08/01/2023.

This represents 105 total days, however 23 scheduled non-study days (representing the Christmas break period, commencing 17th December) do not count towards the calculation.

This means that there are 82 days in the enrolment period that count towards the R2T4 Calculation. Tim has completed 40 days of study. Our calculation therefore looks like this:

$$40 \div 82 = 49\%$$

As Tim has earned entitlement for 49% of the payment period, this means that, assuming King's College London has disbursed 100% of the funds for the period, King's College London must return 51% of all the funds allocated to fees from his disbursement.

If King's has disbursed less than 49% of funds, then King's must offer Tim a post-withdrawal disbursement.

Daisy

Daisy withdraws from her programme on the 28th February 2023.

Her current payment period runs from 09/01/2023 to 03/04/2023 and includes 85 days. There are no scheduled non-study days.

Daisy has been enrolled for 51 days at the point that she withdraws.

$$51 \div 85 = 62\%$$

As the number of days that Daisy has been enrolled is above the 60% threshold, no funds need to be returned as a result of the R2T4 calculation.

Order in Which US Loans are Returned

Loans are returned in the following order:

1. Unsubsidised Stafford
2. Subsidised Stafford
3. PLUS (Graduate or Parent)

Where a student receives notification that funds should be returned then they will do so via their loan servicer in accordance with the terms of the promissory note.

In the event a student **withdraws** from their studies we will report them as **Withdrawn** via the National Student Loan Database. Please be aware that loan repayment will trigger 6 months after the date of a student's last day of study (in this case the date of their withdrawal).

An **R2T4** calculation will be performed within 30 days of the date that we determined that a student withdrew from their programme of study. This will be the date that the change of circumstance request is applied to their student record by the appropriate Registry centre. Any funds that King's College London has allocated to fees from the student's disbursement and must now be returned will be returned within 45 days.

Once King's College London has performed the R2T4 Calculation, we will provide students with an email confirming:

- The amount unearned aid that we will return to the USDE
- The amount of unearned aid that the student must arrange to return via their loan servicer
- The amount of any tuition fees owing that have not been covered by the R2T4 process

Post-Withdrawal Disbursement

Where a student withdraws from their programme prior to their Title IV funds being disbursed, if Title IV funds could have been disbursed (i.e. the dates of the student's withdrawal means that they retain some entitlement to their disbursement) then King's College London will determine the amount of the funds earned by the student.

A written post-withdrawal disbursement notification must be offered to the student within 30 days of the date that the school determined the student withdrew. The notification will:

- Identify type and amount of funds
- Option to accept or decline some or all funds
- Explain your obligation to repay any loan funds disbursed
- Provide a deadline to Respond

We must receive a confirmation from the student or borrower prior to releasing the disbursement. If received after the deadline, King's may choose to honour a late response.

Reducing Course-Load

Where a student reduces their course-load, for example by transferring from a full-time mode of attendance to a part-time mode of attendance, the student will not be considered to be withdrawn. If the student transfers to a course delivered by telecommunications – Distance Learning – then they will be considered withdrawn.