

Policy for Return of Title IV Funds for Federal Aid recipients



Summary

If a student who receives Title IV funding withdraws, takes Leave of Absence, or drops below half time attendance, Loughborough University will follow the requirements of returning funds using the formula provided by the US Dept of Education.

A student 'earns' aid on a daily basis and therefore if a student withdraws any 'unearned' loans for that payment period need to be returned to the lender. Once the amount of "unearned" loans has been calculated by the University this will be returned to the lender and the student notified if they need to return any additional funds.

Process for withdrawal

For information on withdrawals from the University please see Withdrawals ([Undergraduate](#), [Postgraduate Taught](#), and Postgraduate Research.)

For information on Leave of Absence from the University please see Leave of Absence. ([Undergraduate](#), [Postgraduate Taught](#), and [Postgraduate Research](#).)

Relevant University Policies

The University's refund policy is laid out in [Regulation XVI](#).

The University's policy for Withdrawal and Leave of Absence is laid out in [Regulation IX](#).

As the Return to Title IV policy uses a different calculation to Loughborough University's refund policy it may mean that the student owes Loughborough University once the money has been returned to the lender. Students will be notified if this is the case.

Process for calculating Return of Title IV Funds

The policy for the return of Title IV funds is applied alongside the University's withdrawal and refund policies. The University will calculate any 'unearned' loan in accordance with the guidelines from the US Department of Education.

The last date of attendance for a student will be identified from the University's attendance recording systems for taught and research students.

Loans are returned in the following order:

Unsubsidised Direct Loans
Subsidised Direct Loans
PLUS (Graduate or Parent)

Once the calculation of any 'unearned' loan has been made the University will return any unearned loans to the lender within 30 days of the withdrawal date. At the same time, the University will advise the student in writing to their University email address, of the calculation, advising them if they have a responsibility for returning any 'unearned' income.

If the outcome of the calculation is that the student has earned more loan than they have received, they may be entitled to a post-withdrawal disbursement and arrangements for this would be agreed with the student.

Students in receipt of Federal Aid who are considering taking a Leave of Absence must speak to Francesca Pearce to discuss the impact of a Leave of Absence on their eligibility for Financial Aid.

If you have any questions regarding this, please contact [Francesca Pearce](#).

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