

Return to Title IV Policy

US federal aid regulations mandate a Return to Title IV Funds (R2T4) calculation when a student receiving Title IV financial aid (US Direct Loans (subsidized and unsubsidized), Parent PLUS loans or Grad PLUS loans) withdraws from the University. If a student ceases enrollment, or withdraws from all courses in the semester and the student received US federal financial aid, the college must determine if these funds are required to be returned to the US government. If a student never attends, the loan is cancelled and all funds are returned to the Department (no R2T4 calculation).

Definitions

- Official Withdrawal date: the date on which a student officially informs the University of the intention to withdraw
 - In the absence of an official notification from the student, the withdrawal date could be the mid-point of the payment period or the academic semester.

Withdrawal and leave of absence

- Procedures to follow to officially [withdraw from the University](#)
- Formal leave of absence (LOA) policy

Undergraduate Students:

Undergraduate students needing a break from studies due to medical or personal reasons, should reach out to an academic advisor in their faculty/school/college for information about relevant policies or regulations on Leaves of Absence

Graduate Students: Please refer to the link on [LOA policies](#).

Leave of absence policy:

- Approved leave of absence for R2T4 purposes.
 - A leave of absence (LOA) for R2T4 purposes is a temporary interruption in a student's program of study during which a student is not in attendance (except for an institutionally scheduled break).
 - An LOA must meet certain conditions to be counted as a temporary interruption in a student's education instead of being counted as a withdrawal requiring a school to perform an R2T4 calculation. If an LOA does not meet the conditions in 34 CFR 668.22(d), indicated below, the student is considered to have ceased attendance and to have withdrawn from the school, and the school is required to perform an R2T4 calculation.
 - For an LOA to qualify as approved:

- The University has a formal written policy regarding leaves of absence requiring that all requests for leaves of absence be submitted in writing and include the reason for the student's request.
- The student must request and the school must approve the LOA in accord with the school's policy
- There must be a reasonable expectation that the student will return from the LOA.
- The student is not assessed additional institutional charges
- The LOA, together with any additional leaves of absence, must not exceed a total of 180 days in any 12-month period.
- A student returning from an LOA must resume training at the same point in the academic program that he or she began the LOA.
- Loan recipients must be told about the effects on their grace period if they do not return

Return of funds

US Department of Education regulations state that **a school must return loan funds if a student has not completed more than 60% of the payment period.** If a student received more loan funding than was "earned," the excess funds must be returned by the school and/or the student. The amount of money to be returned is determined by a calculation ("Return to Title IV" Calculation) that includes the number of school days completed.

The R2T4 calculation may result in a reduction of the student's US federal loan(s) if the student attended 60 percent or less of the semester. The R2T4 calculation is based on the following:

- The number of days the student attended
- The number of days in the semester
- The total amount of US Direct Loan aid awarded, accepted and/or disbursed.

Calculation of R2T4 amount, including University and student portions

1. If a student withdraws during the loan payment period, the R2T4 amount to be returned will be the amount of unearned aid. This will be determined, as at the date of student withdrawal, on the basis of the calculation formulas provided by the U.S. Department of Education
2. The percentage of aid earned in any loan payment period will be determined on the basis of the percentage of the student's attendance.
 - The number of calendar days completed by the student in the payment period is divided by the total number of calendar days of the payment period excluding scheduled breaks of five days or more or periods for which the student has been granted leave of absence.
 - This calculation is represented by the following formula:
 - $\text{number of days completed} / \text{total number of days in loan payment period} = \text{\% of payment period completed.}$

3. If the percentage calculated through application of this formula is greater than 60%, the amount of aid earned by the student is considered to be 100% of the applicable aid.
4. Where this percentage calculated through application of this formula is less than or equal to 60%, the amount of aid earned by the student is determined by multiplying this percentage by the total amount of the aid disbursed.
5. The unearned amount of aid will be the amount equivalent to the remaining percentage of the relevant payment period.
 - For example, if the student withdraws after completing 40% of the payment period, the R2T4 or unearned amount will be 60% of the applicable aid.
6. The University will notify the holders of the loans of the student's withdrawal date via NSLDS (National Student Loan Data System).

If the amount of the loan funds returned exceed any existing credit on the student's account, **the student will owe the funds to the University. The student should make arrangements with the Accounting Office of the University of Manitoba to repay the outstanding amount to the University as soon as possible.**

Funds returned to the U.S. Department of Education on behalf of a student are used to repay the current year's loans in the following order:

1. Unsubsidized US Direct Loan
2. Subsidized US Direct Loan
3. Parent PLUS for Undergraduate students
4. Grad PLUS for Graduate students

If a student completed more than 60% of the payment period, a student has earned 100% of the Title IV funds the student was scheduled to receive during the period and there are no unearned funds to return.

The University will calculate the R2T4 amount, including the University's and the student's portion of that amount, within 30 days from the date the institution determined the student withdrew and return the University's unearned portion of the R2T4 amount to the US government within 45 days from the date the institution determined the student withdrew.

Withdrawing from studies and Direct Loan repayments

If you withdraw from your studies at the University of Manitoba, you may be required to:

- Repay the University of Manitoba any "unearned" US Direct Loan funds that the University returned on your behalf (as stipulated by US Department of Education regulations), and/or
- Repay part or all of your loan(s) to the designated servicer
- If the amount of Title IV aid to be returned, based on the Title IV aid earned by the student, is greater than the amount for the University to return, the repayment of the student's loans are as follows:

- The student is responsible for repaying the difference between the Net loans disbursed to the student and the Total loans the University must return. These loans are repaid to the loan holders according to the terms of the borrower's master promissory note (MPN).

If the student did not receive all of the funds that were earned, the student may be eligible for a post-withdrawal disbursement. The University will notify the student or the parent borrower of eligibility for a post-withdrawal disbursement within 30 days of the University's determination that the student withdrew. The notice will identify the type and amount of the loan funds that can be credited to the student's account or disbursed directly to the student or parent. The student or parent borrower may accept or decline all or a portion of the funds. Please see below for additional information on notifications and deadlines with respect to post-withdrawal disbursements:

- The University has no later than 180 days (but as soon as possible) after the date the school determined the student withdrew to process the post-withdrawal disbursement to student's account
- The student has 14 days from the date the University notifies the student of his/her eligibility for a post-withdrawal disbursement to respond with his/her decision. If there is no response from the borrower, no post-withdrawal disbursement can be made.
- Notification to student (or parent) of outcome of late request for a post-withdrawal disbursement to student (request received by the University after the specified period)

A letter from the Scholarships and Student Aid Office will be sent via a student's University of Manitoba email address indicating the type and amount of aid returned to the U.S. Department of Education on their behalf. The letter will also include a link to complete [exit counselling](#) which will include information about loan repayment obligations and options.