

### **Return of Title IV (Direct Loans) Funds (R2T4) Policy**

The United States Department of Education requires a Return of Title IV Funds (R2T4) calculation when a student receiving Title IV financial aid withdraws from Carleton University. This policy applies to all students receiving US Direct Loans (subsidized and unsubsidized), Parent Plus and Grad Plus loans.

The Awards & Financial Aid Office is responsible for calculating the Return of Title IV funds to determine the earned and unearned portions of the Direct Loans as of the date the student ceased attendance based on the amount of time the student spent in attendance. Students who complete 60% or more of their period of study have earned 100% of their US Direct Loans. Students who complete less than 60% of their period of study are required to repay the portion of their loan they have not earned.

The return calculation is based on the R2T4 worksheet provided by the US Department of Education to determine how much of the loan may be retained and how much must be returned. Regulations require schools to perform calculations within 30 days from the date the school determines a student's complete withdrawal. The school must return the Funds within 45 days of the calculation.

**Withdrawal** - A student is considered to have withdrawn from a payment period if the student does not complete all the days in the payment period or enrollment that the student was scheduled to complete. The school is not required to take attendance. It is expected students receiving Title IV funds will attend all, or at least, the majority of classes. Where a student intends to withdraw from studies it is the student's responsibility to do so according to University policies and procedures.

As Carleton's programs are measured in credit hours and the institution is not required to take attendance, the date of withdrawal is determined using the following:

**Official withdrawal date:** The official date of withdrawal is the date on which the student withdrew from all their courses by using Carleton Central during the Office of the Registrar's official withdrawal period; last day of academic related activity for student submitted his/her petition to withdraw form to the Office of the Registrar if the Office of the Registrar's withdrawal period has ended and the student successfully petitioned to withdraw.

**Unofficial withdrawal date:** For students who do not notify the Office of the Registrar (using Carleton Central or a petition to withdraw form), this is considered an unofficial withdrawal and the withdrawal date is mid-point of the term or last date of an academically related activity. If the student has F grades on all enrolled courses, the Award & Financial Aid will confirm with the Office of the Registrar if the grades were earned or if the student unofficially withdrew. If this is the case, the unofficial withdrawal date will be determined as referenced above.

### **Withdrawal Procedures**

Students are responsible for formally withdrawing from a course or courses within the published deadlines. Ceasing to attend classes, or informing an instructor of intent to withdraw, does not constitute withdrawal. Withdrawal is completed by using Carleton Central at [central.carleton.ca](http://central.carleton.ca).

Undergraduate Students: refer to the [Undergraduate Calendar](#)

Graduate Students: refer to the [Graduate Calendar](#)

**Financial Withdrawal Refund Policy:** refer to the [Refund Policy](#)

### **The calculation of earned and unearned funds is based on the following:**

Number of days attended minus unscheduled leave of 5 days or more divided by the total number of days in the payment period.

### **Percentage of Title IV Aid Earned**

Calculate the percentage of Title IV aid earned as follows: - The number of calendar days completed by the student divided by the total number of calendar days in the semester in which the student withdrew.

The total number of calendar day in a semester shall exclude any scheduled breaks of more than five days.

### **Days Attended ÷ Days in Enrollment Period = Percentage Completed**

If the calculated percentage exceeds 60%, then the student has "earned" all the Title IV aid for the enrollment period

### **Calculate the amount of Title IV earned as follows:**

The percentage of Title IV aid earned multiplied by the total amount of Title IV aid disbursed or that could have been disbursed for the term in which the student withdrew

## **Total Aid Disbursed x Percentage Completed = Earned Aid**

### **Amount of Title IV Aid to be Disbursed or Returned**

If the aid already disbursed equals the earned aid, no further action is required.

If the aid already disbursed is greater than the earned aid, the difference must be returned to the appropriate Title IV aid program no later than 45 days after determining the student has withdrawn.

### **Total Disbursed Aid – Earned Aid = Unearned Aid to be Returned**

**Example:** \$4,500 Unsubsidized Loan Disbursed

Days attended 45

Days in Payment Period 110

Percentage Completed 41%

\$4500 x 41% \$1845 earned

\$4,500-\$1845 = \$2655 Unearned needs to be returned.

If the aid already disbursed is less than the earned aid, a calculation of a Post-Withdrawal Disbursement will be done.

### **Return of the Title IV Aid, based on the type of aid disbursed, in the following order**

1. Federal Unsubsidized Stafford Loan
2. Federal Subsidized Stafford Loan
3. Parent Plus Loan or Graduate Plus Loan

Loans must be repaid by the loan borrower (student/parent) as outlined in the terms of the borrower's Master Promissory Note.

As a result, Carleton and the student may be required to return any "unearned" US federal aid received. Carleton may be required to return funds on behalf of a student. If the amount of the loan funds returned exceed any existing credit on the student's account, the student will owe the funds to Carleton. The student should repay the outstanding amount to the University as soon as possible. If there is a credit balance on the student account owing to the student this must be disbursed to the student no later than 14 days after the calculation of R2T4.

A notice from the Awards & Financial Aid Office will be sent to the student's Carleton email address indicating the type and amount of aid returned to the U.S. Department of Education on their behalf.

### **Students are responsible for:**

Notifying the Awards & Financial Aid Office immediately, of their withdrawal or course load reduction via email [awards@carleton.ca](mailto:awards@carleton.ca).

- Repaying to Carleton University Student Accounts Office within 45 days from the notification by the Awards & Financial Aid Office, the amount of funds returned to the DOE on behalf of the student if this exceeds the credit on the student's account.

### **Post-Withdrawal Disbursement of Loan Funds**

Students may be eligible for a post-withdrawal disbursement if all of the earned loan funds have not yet been paid to them by the time of their withdrawal date. Notification will be sent to the student regarding eligibility for a post-withdrawal disbursement within 30 days of the date that Awards & Financial Aid Office determines that the student has officially withdrawn. Students will have 14 days from the date of notification to respond in writing that they will accept or decline all or a portion of the post-withdrawal disbursement.

- If the student accepts the post-withdrawal disbursement, the loan funds will be disbursed to the students account within 180 days from the date of withdrawal.
- Awards office will not issue any post-withdrawal disbursement of loan funds if the students and parents fail to respond within the required 14 days.

### **For further information, please contact:** Awards & Financial Aid Office

Tel): 613-520-3600 or 613-520-2600 ext. 8501

email: [awards@carleton.ca](mailto:awards@carleton.ca)

*The procedures and policies listed above are subject to change without advance notice. Students considering are encouraged to consult with the Awards & Financial Aid Office prior to any withdrawal activity.*