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 or drops to part-time (less than half-time) 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 to withdrawal or reduction of course load to part-time status (less than half-time) are required to repay the portion of their loan they have not earned. Calculating unearned US loans must be completed within 30 days of the date the university determines the student has officially withdrawn.

Withdrawal - A student is considered to have withdrawn from a payment period if the student does not complete all the days in the payment period or enrollment that the student was scheduled to complete.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 although many professors may require a student to attend in order to receive a passing grade. 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.

Withdrawal Procedures

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 calendar days in the study period
- Number of calendar days completed in the study period
- Institutional charges (original tuition and fee charges before withdrawal, reduced course load
- Total amount of the U.S. Direct Loan awarded, accepted and/or disbursed

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.

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.

Title IV Funds will be returned in the following order:

1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
3. Direct Plus Loans for Parents / Graduates (if applicable)
Students are responsible for:

- Notifying the Awards & Financial Aid Office immediately, of their withdrawal or course load reduction. Via email awards@carleton.ca.

- Repaying the full amount of their unearned loan(s) to the loan holder. This repayment must be done in accordance with the terms of the loan noted in the signed Master Promissory Note.

- Repaying to Carleton University Student Accounts Office within 45 days from the notification by awards 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.

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.

Title IV Funds will be returned in the following order:

1. Unsubsidized Direct Loans
2. Subsidized Direct Loans
3. Direct Plus Loans for Parents / Graduates (if applicable)

For further information, please contact:

Awards & Financial Aid Office
202 Robertson Hall
Carleton University
1125 Colonel By Drive
Ottawa, ON, K1S 5B6
Tel): 613-520-3600 or 613-520-2600 ext. 8501
email: awards@carleton.ca (please reference U.S. Student Aid in the email subject line)

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.