U.S. FEDERAL STUDENT AID PROGRAM
WILLIAM D. FORD DIRECT LOANS
RETURN OF TITLE IV FUNDS POLICY

DETAILS

Avondale College, as a participant in the William D. Ford Direct Loan program, is bound by US Department of Education regulations (Section 34CFR 668.22) covering the student US Federal Student Aid Program, and as such is required to administer and ensure that a student’s eligibility for the William D. Ford Direct Loan Program remains in adherence to those regulations.

Where a student withdraws from their studies, and Title IV funds have been released by the US Treasury, Avondale must determine whether the student is eligible for the loan amount, and if not, return funds to the US Treasury as required.

This policy must be read in conjunction with the Avondale College Refund Policy [F.03], and the Withdrawal Policy and Leave of Absence Policy as found under Academic Policies in the Avondale Handbook.

POLICY

1. RETURN OF TITLE IV FUNDS (R2T4)

Title IV funds must be returned by Avondale to the US Treasury in the following circumstances:

- Where Avondale received a loan disbursement for a student in the current teaching period, and the student has withdrawn and was enrolled for less than 60% of the loan payment period, or
- Where Avondale has received a loan disbursement for a student in the current teaching period, and the student made changes to their enrolment resulting in their eligible Title IV loan amount being reduced.
If a first-time, first year undergraduate student has not completed the first 30 days of the loan payment period before withdrawal, the student will not be eligible for any Title IV funds and any such funds received by Avondale must be returned to the US Treasury.

All other students who have withdrawn from study and who are enrolled for less than 60% of the loan payment period are eligible for Title IV funds on a prorata basis according to the percentage of the loan payment period for which they were enrolled.

Students who were enrolled for at least 60% of the loan payment period are eligible for the full amount of Title IV funds allocated to them for that teaching period.

If Avondale received less Title IV funds than the amount for which the student is eligible, the student is entitled to receive those additional funds after withdrawal by application to the Student Finance Office, who will take the appropriate steps to obtain the required funds from the US Treasury.

Upon a student’s withdrawal, Avondale is required to return funds to the US Treasury, for which the student is no longer eligible up to a maximum equivalent to the institutional fees payable by the student. For any additional funds to be returned over this amount, it is the responsibility of the student to return them to the servicer of their loan.

2. DISBURSEMENT OF TITLE IV PROGRAM FUNDS UPON WITHDRAWAL FROM AVONDALE COLLEGE

Where a student has made an unofficial withdrawal from study, the Student Finance Office will automatically use all or a portion of the post-withdrawal disbursement for institutional fees due.

Where a student has officially withdrawn from study, the Student Finance Office must have the student’s permission to use the post-withdrawal disbursement to pay any outstanding institutional fees.

3. DETERMINING THE WITHDRAWAL DATE FOR A STUDENT WHO WITHDRAWS OFFICIALLY OR UNOFFICIALLY

- OFFICIAL WITHDRAWAL
  Students must advise Avondale in writing of their intention to withdraw. The date of withdrawal will be taken to be the date of receipt of the notification, in writing, of the student’s intention to withdrawal.
If the student fails to officially complete the required withdrawal documentation but orally advises of their intention to withdraw to an Academic Office staff member, this is considered as an official withdrawal. Avondale must record any oral notification.

- **FAILING GRADE**

In the event that a student receives all failing grades for a teaching period, the Academic Registrar will contact the Course Co-ordinator to determine if the results represent a lack of attendance. In the event it is determined that those grades were the result of a lack of attendance, the Academic Registrar will attempt to determine the last day of attendance and this date will be used in the R2T4 calculations.

If an exact date cannot be determined, Avondale will assume a 50% attendance and use that date as the last date of attendance. Students who do not attend even one class are ineligible for Title IV funds and all of the loan proceeds will be returned to the US Treasury.

- **UNOFFICIAL WITHDRAWAL**

Without notification of a student’s intention to withdraw, Avondale will use the last date of attendance to calculate the R2T4 amount.

4. **CALCULATING THE AMOUNT OF THE TITLE IV PROGRAM FUNDS FOR WHICH A STUDENT IS ELIGIBLE UPON WITHDRAWAL**

Avondale College will determine the Title IV loan amount for which the student is eligible up to the point of withdrawal using a specific formula. The Student Finance Office is responsible for calculating R2T4 using worksheets provided by the US Department of Education to determine how much of the loan may be retained by the student and how much must be returned to the US Treasury.

The main factors affecting the formula are:

- Date of withdrawal,
- Start and end dates for the loan payment period,
- Amount of loans due to be disbursed/amount of loans actually disbursed, and
- Amount of institutional fees paid/payable.

The amount of assistance for which a student is eligible is determined on a pro rata basis. The percentage attendance is calculated as follows:

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\text{Percentage Attendance} = \frac{\text{Number of Days Attended}}{\text{Total Number of Days in Loan Payment Period}} \times 100
\]
For example, if the student completes 30% of the loan payment period, the student is eligible for 30% of the assistance they were originally scheduled to receive. Once a student has completed at least 60% of the loan payment period, the student will be eligible for all the assistance that the student was scheduled to receive. If the student did not receive all of the funds for which they were eligible, he or she will be eligible for a post-withdrawal disbursement. The student may decline the post-withdrawal disbursement so that additional debt is not incurred.

If the amount of Title IV loans disbursed to Avondale is determined to be more than the amount for which the student is eligible, some or all of the excess funds must be returned to the US Treasury. The amount to be returned is equal to the lesser of:

I. The current USD equivalent of the institutional fees, or

II. The entire amount of excess funds

Avondale must return the calculated amount even if it did not retain this amount of Title IV funds and has since paid some or all of the funds to the student.

5. TIME FRAME FOR RETURNING TITLE IV FUNDS

Calculations of R2T4 must be completed within 30 calendar days of the date of determination of withdrawal. All funds must be returned to the US Treasury (USD Cheque) as soon as possible, but no later than 45 calendar days after the date of determination of withdrawal.

6. ORDER IN WHICH TITLE IV FUNDS MUST BE RETURNED

Any Title IV funds that are to be returned must be done so in the following order:

- Unsubsidized Direct Loan
- Subsidized Direct Loan
- Direct PLUS Loan (Graduate)
- Direct PLUS Loan (Parent)

7. RESPONSIBILITIES OF THE STUDENT

Students withdrawing officially from Avondale whilst in receipt of Title IV funds are required to complete Exit Counselling (can be performed on www.studentloans.gov).

Any excess loan funds to be returned by the student to the Direct Loan Servicer must be repaid in accordance with the terms of the Master Promissory Note (MPN).
The requirements for returning Title IV funds to the US Treasury when students withdraw are separate from the requirements of Avondale’s Refund Policy [F.03]. Upon withdrawal, students may still owe funds to Avondale for unpaid institutional or other fees, or for Title IV funds which Avondale has returned to the US Treasury. Students will be liable for any outstanding tuition fees and other fees or charges owed to Avondale College.

8. INTERMISSION (LEAVE OF ABSENCE)

The Federal Student Aid Handbook defines Leave of Absence as a temporary interruption to a student’s attendance. Avondale College uses the term Intermission in exchange for Leave of Absence.

To be approved for Title IV purposes, a period of Intermission must meet the following criteria:

a. All requests for Intermission must be submitted in writing and include the reasons for the student’s request. The request must be signed and dated by the student and specify the date the student would like the Intermission to begin and end.

b. Students must apply in for Intermission in advance unless unforeseen circumstances prevent them from doing so.

c. The reason for the requested Intermission must generally be non-academic in nature and there must be a reasonable expectation that the student will return from Intermission within the allowed time frame.

d. The total time taken for all Intermission must not exceed 180 days in any 12 month period, including days in which Avondale is not in session.

e. The student must be able to return to complete the required coursework for the teaching period that he or she began prior to the Intermission.

Student must also comply with Avondale College’s Leave of Absence policy as found in the handbook under Academic Policies.

Avondale may grant Intermission that does not meet the above conditions. However, this Intermission will be considered as a withdrawal for Title IV purposes.

Where a student receives an approved Intermission and returns to their studies within the agreed time frame, completion of the R2T4 process is not required.

Where a student does not return to complete their studies within the agreed time frame, the student will be considered withdrawn as at the date they originally took leave. The R2T4 process will be completed.
9. APPEALS

A student who wishes to appeal a decision of the Student Finance Office made under the provisions of this policy may lodge an appeal in writing with the Financial Controller, setting out the grounds for appeal. Any relevant supporting documentation must be attached.

Any appeal must be lodged within 10 days working days from the date of notification of the decision by the Student Finance Office. Where in the opinion of the Financial Controller, there are circumstances beyond the control of the student, the Financial Controller may extend the time for lodging an appeal.

An appellant shall have the right to be heard in person by the Financial Controller prior to any decision being made. Students who wish to do this must indicate this in the initial appeal application.

The appeal may be based only on the grounds that the guidelines of the US Department of Education were not followed in the process of making the decision.

Any disbursements of funds that are due will not be made while an appeal is being processed.

The process to consider the appeal must commence within 10 working days of lodgement of the appeal with the Financial Controller.

An appellant who elects to be heard in person may be assisted by a support person, not acting in a legal capacity, but the support person shall take no part in the appeal proceedings.

The Financial Controller shall have the power to uphold or dismiss the appeal and the decision will be final.

The appellant will be notified of the outcome of their appeal, and the reasons for the decision, as soon as possible by the Financial Controller.