

Memorial University of Newfoundland

Return of Title IV Funds (R2T4)

Overview – R2T4

Title IV loans (US Direct Loans (subsidized and unsubsidized), Parent PLUS loans or Grad PLUS loans) are awarded to a student under the assumption that eligible students will attend Memorial University for the payment period for which the assistance is awarded. Students “earn” the funding as the payment period is completed. If a student ceases enrollment, withdraws from all courses, or never attends during the payment period, the student may no longer be eligible for the full amount of Title IV funds that was originally determined to be received.

Up **through the 60% point** in each payment period or period of enrollment, a pro rata schedule is used to determine the amount of Title IV funds the student has earned at the time of withdrawal. Memorial University must determine if these funds are required to be returned to the US government and do so within **45 days** of the date of withdrawal. For funds to be returned, Memorial University must perform a Return of Title IV Funds Calculation (R2T4) to determine the amount of Title IV funds “earned” by the student up to their withdrawal date.

After the 60% point in the payment period or period of enrollment, a student has earned 100% of the Title IV funds that he or she was scheduled to receive during the payment period or period of enrollment.

Responsibility for repaying the portion of “unearned” loans to the U.S. department of Education is shared by Memorial University and by the student. As Memorial University is required to repay any unearned Direct loan funds on the student’s behalf to the U.S. Department of Education as a result of the student’s early withdrawal, the student is required to repay those funds to Memorial University.

Reference: Federal Student aid handbook – Volume 5

<https://ifap.ed.gov/sites/default/files/attachments/fsahandbook/1819FSAHbkVol5Master.pdf>

Withdrawal Date

The withdrawal date is the date the student drops all courses or withdraws as determined by Memorial University. This date is used to calculate R2T4 by counting the number of days the student attended Memorial University and “earned” their approved Title IV funds. The withdrawal date can be official or unofficial.

Official Withdrawal Date:

The official withdrawal date is the date Memorial University becomes aware the student has withdrawn. The student cancels all registrations in a given semester through [Memorial Self-](#)

Service. If the student is unable to cancel their registrations through Memorial Self-Service, the student will need to complete the [Cancellation of Registration](#) form and it should include the required signatures from the head of their academic unit. If the student is not declared in a program, the student should acquire the signature of the Senior Faculty Advisor for either the Faculty of Science or the Faculty of Humanities and Social Sciences.

Reference: <https://www.mun.ca/regoff/registration/changes/withdrawing.php>

Unofficial Withdrawal Date:

An unofficial withdrawal can occur when a student stops attending after the last day drop and does not cancel their registration through Memorial Self-Service or complete the [Cancellation of Registration](#).

For Federal aid purposes, a student will be treated as a University withdrawal if a student who began attendance did not officially withdraw and fails to earn a passing grade in at least one course offered (or receives all non-passing grades for courses offered) over an entire period, unless Memorial University can verify/document that the student has not unofficially withdrawn as they have completed the period.

If it is determined that the student unofficially withdrew, then the student's withdrawal date would be determined as either the mid-point of the term or the last date of an academically-related activity.

Acceptable academic-related activities include, but are not limited to,

Physically attendance of a class where there is an opportunity for direct interaction between the instructor and students;

Completion of exams, quizzes, or tutorials;

Completion of an academic assignment, paper or project;

Participation in an online discussion about academic matters.

Not Acceptable activities

A student's self-certification of attendance

Living in on-campus housing and/or participation in the school's meal plan

An unofficial withdrawal where students never attended any of their courses will be deemed ineligible and all loans would be returned to the U.S. department of Education

While ceasing to attend classes, or informing an instructor of the intent to drop a course, does not constitute an official withdrawal as per Memorial University regulation 6.5.7.1 <https://www.mun.ca/regoff/calendar/sectionNo=REGS-0524#REGS-0540>, students must adhere to the R2T4 policy outlined in this document.

How Memorial University Determines the Amount of Funds to be Returned

Regulations require Memorial University to perform calculations within 30 days from the date it determines a student's complete withdrawal. The school must return the funds within 45 days of the calculation. The R2T4 calculation process and return of funds is completed by the Scholarships, Awards and Financial Aid Office in consultation with the Cashier's Office.

The following formula is used to determine the percentage of unearned aid that has to be returned to the federal government:

- The **percent earned** is equal to the number of calendar days completed up to the withdrawal date, divided by the total calendar days in the payment period (less any scheduled breaks that are at least 5 days long).
- The **payment period** for most students is the entire semester.
- The **percent unearned** is equal to 100 percent minus the percent earned.

Example

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| A student is notified that they are eligible for net \$5,500 USD for U.S. Direct Loan for Full-time study for the academic year September 6 – April 20. The student passes their 1 st term and proceeds to the Winter term starting on January 6 th . \$2,250 was disbursed in the Fall term and he remaining \$2,250 is disbursed for the Winter term. The student decides to withdraw from Memorial University effective February 18 th and notifies the Scholarships, Awards and Financial Aid Office on February 19 th that they have withdrawn. | | |
| Number of calendar days in the Winter term | January 6 – April 20 | 105 days (not a leap year) |
| Number of calendar days completed in the Winter term | January 6 – February 18 | 44 days |
| Percentage of Study Period completed | 44 days/105 days | 41% |
| U.S. Direct Loan funds “earned” | \$2,250 * 41% | \$922 |
| U.S. Direct Loan funds “unearned” | \$2,250 - \$992 | \$1,328 |

In this example, \$1,328 is required to be repaid by Memorial University and that amount will be charged to the students account. The student is responsible to pay the memorial University for the returned amount and in this case - \$1,328.

Title IV Funds will be returned in the following order

1. Federal Unsubsidized Direct loan
2. Federal Subsidized Direct loan
3. Federal Parent Plus Direct loan
4. Federal Grad Plus Direct Loan

Once 60% of the semester is completed, a student is considered to have earned all of his/her financial aid and will not be required to return any federal funds.

For a student who withdraws after the 60% point-in-time, there are no unearned funds. However, Memorial University will determine whether the student is eligible for a Post-withdrawal disbursement (PWD). This occurs if all the “earned” loan funds have not been disbursed to the student by the time of their withdrawal date.

If this is the case, notification will be sent to the student regarding their eligibility for a post-withdrawal disbursement. This occurs within 30 days of the date the Scholarships, Awards and Financial Aid Office has determined that the student has withdrawn.

Students have 14 days from notification to reply in writing if they will accept or decline the post-withdrawal disbursement.

If the student accepts, the post-withdrawal disbursement must be disbursed into their student account within 180 days it was determined that the student officially withdrew.

If the student does not reply, there will be no disbursement and the student will be notified of this decision. If no response is received by the Memorial University within 15 days, Memorial University may decide not to disburse but the money needs to be sent back to the Department of Education.

What a Student Should Do If Planning to Withdraw

Notify the Scholarships, Awards and Financial Aid Office in writing or via email. The return of funds will be calculated from the day you officially drop classes or the date you specify you are intending to withdraw in your written notification (or whichever date is earlier).