



Royal  
Academy  
of Music

## UNITED STATES DEPARTMENT OF EDUCATION

### RETURN TO TITLE IV (R2T4) REGULATIONS

#### SUMMARY

If you withdraw from the Academy during a period of your study programme and have any Federal loan money, the Academy calculates the amount of Federal Loan money which needs to be returned to the lender/s and you must repay that money to the Academy immediately. Failure to repay this money is a Federal Offence. You will additionally owe tuition fees to the Academy in accordance with the refund policy in your 'Information for Entry' booklet.

The calculation is based on the completed proportion of the programme period, excluding 'approved' leaves of absence (see below), and excluding standard breaks of five consecutive days or more.

Leaves of absence from the Academy which do not meet the US Department of Education's definition of 'approved' will be treated as if you have withdrawn.

Upon withdrawal, you will have to begin the loan repayment schedules you agreed with your lender.

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#### US Law

United States law specifies how the Royal Academy of Music must determine the amount of Federal Title IV financial assistance (Direct Loans) that students have earned if they withdraw from their studies before completing their programme.

Any amount which has not been earned has to be returned, and this process is known as 'Return to Title IV' or 'R2T4'. The Academy will follow the requirements of the R2T4 legislation in relation to Federal Direct loans.

The Registry is responsible for calculating R2T4 and the Finance Office is responsible for actually transferring the funds. The Registry may use worksheets and software provided by the US Department of Education to calculate the R2T4 funds. All returnable funds must be returned to the lender within 45 days of the last date of attendance.

If you have questions about your Title IV program funds, you can contact the Academy's Registry or call the Federal Student Aid Information Center at 1-800-4-FEDAID (1-800-433-3243). Information is also available on *Student Aid on the Web* at [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

#### Non-Attendance and Withdrawal

When a student withdraws during a payment period (normally these periods are one academic term in length), the amount of Title IV program assistance that has been earned up to that point is determined by a specific formula.

##### Official Withdrawal:

The date of withdrawal is *either* the date the student notified the Head of Academic Administration or their Programme Tutor of their intent to withdraw, *or* the date the student submitted written notification of their withdrawal, whichever is the earlier.

When a student informs their Programme Tutor that they intend to withdraw, the Tutor must inform the student of the need to submit a written notification of withdrawal, and must also record the date the student notified them and pass that information to the Registry.

If the student fails to give written notification or there is a delay between the verbal notification and the written confirmation, the earlier date of notification will be used in calculating the R2T4 formula.

##### Unofficial Withdrawal:

Without any notification of withdrawal, the Academy will use the last date of attendance to compute the R2T4 formula. The Royal Academy of Music is not required to take attendance registers, although students who do not attend are reported to their Programme Tutor. The Programme Tutor will consult with the student's faculty to determine if the student ever attended classes or to verify the last date of attendance.

#### Other withdrawals:

In the event that a student fails to progress, the Programme Tutor will contact the faculty members to determine if the fail grades were earned or if they represent a lack of attendance. If it is determined that those grades were the result of lack of attendance, the Programme Tutor and faculty will attempt to determine the last day of attendance and use that date in the R2T4 calculations.

Students who do not attend even one class are ineligible for Title IV funds and all of the loan funds will be returned to the lender.

For details of what happens if a student is on Leave of Absence and fails to return, see below.

#### **Earning financial assistance**

The amount of *assistance earned* is determined on a pro-rata basis. The payment period is the academic term for which the loan was certified; the percentage of attendance is calculated by dividing the number of calendar days completed by the total number of calendar days in the payment period. The last date of attendance counts as a completed day.

For example, if the student completes 30% of the payment period, the student has earned 30% of the assistance they were originally scheduled to receive. Once the student has completed more than 60% of the payment period or period of enrollment, all the assistance that the student was scheduled to receive for that period is considered to have been earned. Percentages will be calculated to three decimal places.

If the student received more assistance than was earned, the excess funds must be returned within 45 days of the date of withdrawal. The funds must be returned in this order: Direct Unsubsidized Loan; Direct Subsidized Loan; Direct PLUS loan.

If the student did not receive all of the funds that were earned, they may be due a post-withdrawal disbursement. The student may choose to decline the additional loan funds so that further debt is not incurred. The Registry may use the R2T4 worksheets as provided by the US Department of Education to determine how much of the loan may be retained and how much must be returned.

There are some Title IV funds that cannot be earned once a student withdraws because of other eligibility requirements. For example, if a first-time, first-year undergraduate student has not completed the first 30 days of the programme before withdrawal, the student will not earn any of the Federal Aid loan funds that they would have received if they had remained enrolled past the 30<sup>th</sup> day.

If the student receives (or the Academy receives on behalf of the student) excess Title IV funds that must be returned, the Academy must return a portion of the excess equal to the lesser of:

1. The institutional charges multiplied by the unearned percentage of the funds, or
2. The entire amount of excess funds.

The Academy must return this amount even if it didn't keep this amount of the Title IV program funds. If the Academy is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that must be returned are repaid by the student in accordance with the terms of the promissory note. That is, scheduled payments are made over a period of time. Students who have received a refund of their loan proceeds before withdrawing may be required to return part or all of those funds to the lender.

Calculations will be made in US dollars & cents, rounding up, and using the exchange rate which was in force at the time of the original certification.

The requirements for Title IV funds when students withdraw are separate from the Academy's refund policy. Therefore, the student may still owe funds to the Academy to cover tuition fees in accordance with the policy detailed in the 'Information for Entry' booklet which was sent with the Offer Letter.

#### Royal Academy of Music Tuition Fee Refund Policy:

*An enrolled student who withdraws from a programme of study at any point in the academic year will be liable to pay fees to the Academy for that academic year in full.*

The Royal Academy of Music may automatically use all or a portion of the student's post-withdrawal disbursement of loan funds, if the student accepts the disbursement, for clearing tuition fee debts. The Academy may also charge the student for any Title IV program funds that the Academy was required to return.

## Leave of Absence (LOA) and Withdrawals

### **Definitions (according to Title IV legislation):**

#### Approved Leave of Absence (LOA)

An LOA is a temporary interruption in a student's program of study. LOA refers to the specific time period during a program when a student is not in attendance. Students returning from a LOA are not required to re-apply for admission.

The conditions which are required by Title IV legislation for an LOA to be 'Approved' are listed below.

#### Unapproved Leave of Absence

The Academy may grant a student an LOA that does not meet the conditions to be an Approved LOA for Title IV purposes (for example, for academic reasons). However, any LOA that does not meet all of the Title IV conditions for an Approved LOA is considered the same as a withdrawal for Title IV purposes. In this case, the student needs to consider their agreed repayment schedule for their loan funds, and the Academy is required to perform an R2T4 calculation.

#### Official Withdrawal

A "withdrawal" refers to a student's intent to terminate studies completely at the Academy with no expectation of return. Students who subsequently decide to return to their studies must re-apply for admission through the Registry.

#### Unofficial Withdrawal

An unofficial withdrawal is one where the Academy has not received notice from the student that they have ceased or will cease attending the Academy

#### Note:

A withdrawal (official or unofficial) is taken into account when calculating the quantitative aspect of the Satisfactory Academic Progress standards (see the leaflet *Satisfactory Academic Progress* which is available on the AIR intranet and from the Registry) and this may affect the student's future eligibility for Federal Aid.

### **LOA Request Forms**

The Leave of Absence request form required by the Royal Academy of Music is available from the General Office and from the AIR intranet.

### **Conditions for an LOA to be categorized as "Approved"**

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 which would require the Academy to perform an R2T4 calculation. If an LOA does not meet the conditions, the student is considered to have ceased attendance and to have withdrawn from the Academy, and the Academy is required to perform an R2T4 calculation.

In order for an LOA to qualify as an approved LOA –

1. All requests for LOAs be submitted in writing on the appropriate form and must include the reason for the student's request. The form must be signed and dated by the student and must specify the date the student wants the LOA to begin and end.
2. Students must apply in advance for an LOA unless unforeseen circumstances prevent the student from doing so.
3. The situation described for the reason for the LOA must be generally non-academic in nature and must be one that leads to a reasonable expectation that the student will return from the LOA within the allowed time frame.
4. The LOA together with any additional leaves of absence must not exceed a total of 180 days in any 12-month period including days outside term time.

All requests for LOAs will be reviewed by the specified Academy officials. The student will be notified in writing of the Academy's decision.

### **Federal Aid recipients**

If the student is a Federal Student Aid recipient, the Academy will notify the student, before granting the LOA, of the effects that the student's failure to return from an LOA may have on the student's loan repayment terms, including the expiry of the student's grace period.

A student granted an LOA that meets the criteria stated above is not considered to have withdrawn, and no R2T4 calculation is required. Upon the student's return from leave, they continue to earn the Federal Student Aid previously awarded for the period.

During an approved LOA, the student's financial need will not increase, and therefore the student will not be eligible for any additional disbursements of Federal Student Aid, nor will they be 'earning' the Aid which has already been granted.

### **Student who fail to return from LOAs**

During an approved LOA the student will be granted 'in-school' status for Title IV repayment purposes and will not have to begin repayment of loan funds.

However, if they do not return, the 'last day of attendance' will be the date when the student began the LOA and the Academy has to inform the lender of the change in enrolment status from that date. Any 'grace period' allowed on the loan repayment schedule will be deemed to have commenced from that date so the student should be aware of this to avoid defaulting on due payments which would affect their credit rating and their eligibility for future Federal Loan applications.

### **Unapproved LOAs**

The Academy may grant a student an LOA that does not meet the conditions to be an approved LOA for Title IV purposes (for example, for academic reasons). However, any LOA that does not meet all of the conditions for an approved LOA is considered a withdrawal for Title IV purposes.

The student's date of withdrawal is the date the student begins the unapproved LOA, because this is treated as an official withdrawal for Title IV purposes. The Academy immediately must inform the lender of the change in enrolment status and must use the specified withdrawal date in the R2T4 calculation.

The student will have to begin repayment of their loan funds (taking into account any 'grace period' allowed on the repayment schedule).

*Issued by:  
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