

USFA Policy

Return of US Federal Loan Funds (R2T4) Policy

The US law specifies how UTS must determine the amount of US Federal Loan program assistance (Stafford and PLUS Loans) that students earn if they withdraw from school. See section on Withdrawals for specific information regarding Leaves of Absence (LOA) and the withdrawal process. The US Financial Aid Officer is responsible for calculating R2T4 and the Financial Services Unit is responsible to actually transfer the funds. The US Financial Aid Officer uses worksheets and software provided by the US Department of Education to calculate the R2T4 funds. All funds must be returned to the lender within 45 days of the last date of attendance.

When a student withdraws during a payment period, the amount of US Federal Loan program assistance that has been earned up to that point is determined by a specific formula. The date of withdrawal is the earlier of the date the student notified the Registrar or US Financial Aid Director of their intent to withdraw or the date the student submitted the withdrawal form. If the student received less assistance than the amount that was earned, the student may be able to receive those additional funds. If the student received more assistance than was earned, the excess funds must be returned by the school and/or the student.

UTS is not required to take attendance although many professors may require a student to attend in order to receive a passing grade. By day 30 in the academic period, US Financial Aid Officer will remind students to submit approved documentation, signed by the instructors, confirming that he/she is actively participating in the unit and has submitted all course requirements to date. Students who are not participating or fail to submit this documentation are reported to the US Financial Aid Director, and can be disenrolled and excluded from the university and will be treated as having unofficially withdrawn. The US Financial Aid Director will consult with the student's course coordinator to determine if the student never attended classes or to verify the last date of attendance. Without an official Withdrawal Form, the University will use the last date of attendance to compute the R2T4 formula.

In the case where a student notifies the US Financial Aid Director or a staff member that he or she intends to withdraw, the student must be informed of the need to complete the [Official Withdrawal form](#), document the date the student notified them and share that information with the University Registrar. Should the student fail to file the Withdrawal Form or there is a lag between the notification and the filing of the form, the earlier date of notification will be used in calculating the R2T4 formula. In the event a student receives all failing grades for a semester, the US Financial Aid Director will contact the faculty members to determine if the "F" grades were earned or represent a lack of attendance. In the event it is determined that those grades were the result of lack of attendance, the US Financial Aid Director and faculty will attempt to determine the last day of attendance and use that date in the R2T4 calculations. If the exact date cannot be determined, the University 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 US Federal Loan funds and all of the loan proceeds will be returned to the lender.

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The amount of assistance earned is determined on a pro rata basis. The payment period is the semester for which the loan was certified and the percent of attendance is calculated by dividing the number of days attended by the total number of days in the payment period. For example, if the student completes 30% of the payment period or period of enrolment, 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 enrolment, all the assistance that the student was scheduled to receive for that period is considered to have been earned. If the student did not receive all of the funds that were earned, he or she may be due a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan funds so that additional debt is not incurred. The UTS US Financial Aid Office will 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.

UTS may automatically use all or a portion of a student's post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition, fees, and room and board charges (as contracted with the school). For all other school charges, the school needs the student's permission to use the post-withdrawal disbursement. If the student does not give permission (which some schools ask for at the time of enrolment) the student will not be offered the funds. However, it may be in the student's best interest to allow the school to keep the funds to reduce the debt at the school.

There are some US Federal Loan funds that students were scheduled to receive 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 program before withdrawal, the student will not earn any Stafford and PLUS loan funds that he or she would have received had the student remained enrolled past the 30th day. If the student receives (or the school receives on behalf of the student) excess US Federal Loan program funds that must be returned, the school 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 school must return this amount even if it didn't keep this amount of the US Federal Loan program funds. If the school is not required to return all of the excess funds, the student must return the remaining amount. Any loan funds that must be returned, the student repays in accordance with the terms of the promissory note. That is, scheduled payments are made to the holder of the loan 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.

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US Federal Loan funds will be returned in the following order:

1. Unsubsidised Federal Stafford loans
2. Subsidised Federal Stafford loans
3. Federal PLUS Loans

The requirements for US Federal Loan program funds when students withdraw are separate from any refund policy that the school may have. Therefore, the student may still owe funds to the school to cover unpaid institutional charges. The school may also charge for any US Federal Loan program funds that the school was required to return. Student may receive a copy of the Refund Policy from the US Financial Aid Director.

Withdrawals and Leaves of Absence (LOA)

Withdrawals

Official Withdrawal

A "withdrawal" refers to a student's intention to completely terminate studies at an institution with no expectation of return. Students, who subsequently decide to return to their studies, must re-apply for admission through the UTS International.

Unofficial Withdrawal

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

A student in receipt of US Financial Aid who is considering withdrawal from a subject or course should immediately consult with the US Financial Aid Officer.

a. Unit Withdrawal

If a student withdraws from a subject, but retains more than half time enrolment, financial aid will be adjusted to reflect the lesser load. However, while studying at UTS international students must normally be enrolled in 24 credit points, per semester, a full-time load to meet UTS requirements, Australian Government ESOS Regulations, and Student Visa Requirements. From 1 July 2007, international students on student visas must enrol in 24 credit points per semester unless they have applied for and received formal permission to reduce their load.

Less than full-time enrolment may also impact the student's ability to retain visa status to complete the degree. Extension of the visa beyond the initial degree timeframe is not guaranteed. While the maximum

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time allowed for US Financial Aid is 150 per cent of the normal time for completion of the degree, it does not guarantee that you will be granted an Australian student visa to study for that extended time period.

b. Institutional withdrawal

If a student withdraws from the university while receiving Financial Aid, all future disbursements are cancelled and he or she may be required to return funds to the US Federal Government.

Withdrawal also has serious implications for the Australian Student Visa. Confer with your US Financial Aid Director before you withdraw from the University to ensure all possibilities and incumbent consequences are considered. See the [Satisfactory Academic Progress for US Financial Aid Recipients](#) and the information on [Withdrawal](#) on the UTS International website

Note: Students who withdraw from subjects or the degree receive a grade of "W" (withdrawn fail) on their transcripts. The grade is considered the same as an "F" grade in calculating the quantitative aspect of the Satisfactory Academic Progress for US Financial Aid Recipients and may affect the student's future eligibility for Financial Aid.

If a student did not begin withdrawal proceedings before some dire event beyond their control, UTS Financial Aid staff will determine the date related to the circumstances.

Leaves of Absence (LOA)

LOA is a temporary interruption in a student's degree. LOA refers to the specific time period during a degree when a student is not in attendance and will return to complete the degree. Students returning from LOA are not required to re-apply for admission but must re-enrol in their subjects.

International students studying in Australia on student visas are not normally eligible for LOA, other than in compassionate or compelling circumstances. In these instances, students should contact the US Financial Aid Director, regarding any requirement for LOA.

International students studying in Australia must obtain approval from the US Financial Aid Director for any period of absence greater than one week's duration during the study period of enrolment. UTS International has an obligation in to advise the [Department of Home Affairs](#) where an international student studying in Australia takes LOA.

UTS may grant a student LOA from his/her course that does not meet the conditions to be approved LOA for US Federal Loan purposes (for example, for academic reasons). However, any LOA is considered a withdrawal for US Federal Loan purposes, requiring the school to perform a Return Calculation. The student's withdrawal date is the date the student begins the officially approved LOA.

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Return from UTS Leave of Absence

In as much as LOA are viewed as temporary interruptions in a student's attendance, and since the academic programs at UTS are considered term-based programs, where the payment period is the academic period; if a student returns from an approved UTS LOA for a semester in the same payment period, the student may be eligible to receive a second or subsequent disbursement.