US Federal Loans

TITLE IV FEDERAL DIRECT LOANS RETURN OF FUNDS POLICY (R2T4)

A US Federal Aid Title IV loan is awarded on the assumption that the student will attend University for the entire period for which the funding is granted. Where a student withdraws during a payment period, the amount of Title IV funding that has been 'earned' up to that point is calculated in accordance with the US Department of Education's regulations.

The University must arrange for 'unearned' funds to be returned to the US Department of Education; this process is known as R2T4. Oxford Brookes University follows the US Department of Education's requirements for returning funds alongside the University's own Regulations on Withdrawal and Student Debt Policy.

This policy will be used to calculate whether any Title IV Direct Loans need to be repaid to the US Department of Education where a student stops studying.

This applies to any student who, during a payment period in which they are receiving Title IV Direct Loans:

- withdraws permanently from the University;
- is excluded for any reason;
- takes approved or unapproved temporary withdrawal longer than 180 days;
- otherwise becomes ineligible for Title IV aid.

Note: If a student completes enrollment but fails to attend any elements of their course they are not eligible to receive any Title IV funding and all funding will be returned to the US Department of Education by the University.

The University is classed as an attendance-taking institution as set out in the Engagement and Attendance Policy. Additionally, the International Students Compliance Team carry out monthly enrolment checks to ensure that they are aware of any changes in a student's status.

Determining the amount of Title IV Direct Loan funds to be returned:

The amount of Title IV Direct Loans earned is calculated by dividing the number of days of attendance minus any period of unscheduled leave (5 days or more) by the total number of days in the payment period. The payment period is the term for which the loan was certified. For example, a student who attends 40 out of 100 days in a payment period will have earned 40% of the aid for that period. For the purposes of this calculation the number of calendar days in the numerator and denominator includes all days within the period except for institutionally scheduled breaks of five or more consecutive days or days in which the student was on an approved leave of absence.

If a student has completed more than 60% of the payment period, Federal regulations consider that they have earned 100% of Title IV Direct Loan funds for that period, and there are therefore no unearned funds to be returned.

In accordance with Federal regulations, loan funds must be returned in the following order:

- Direct Unsubsidized
- Direct Subsidized
- Direct PLUS

A copy of the document used for the R2T4 calculation will be emailed to the student and/or Parent PLUS borrower, together with details of the University's and borrower's responsibilities.

Timeframe for the return of Title IV funds

Students in receipt of Title IV Direct loan funds must notify the International Students Compliance Team immediately of a pending withdrawal, in order to meet the US Department of Education requirement that the R2T4 process begins no less than 14 days after the student's change of enrolment status.

The University has 45 days from the date it determined that the student's enrolment status changed to return to the US Department of Education all unearned funds for which the University is responsible. The student (or parent, in the case of Parent PLUS loans) must return unearned funds to the US Department of Education within the same timeframe and in accordance with the Master Promissory Note (MPN) they signed for that loan.

Post-withdrawal disbursements

If the student received (or the University received on the student's behalf) less funds than the amount earned, the student may be eligible for a post-withdrawal disbursement. However, the University can deduct without the student's permission any charges due for tuition, accommodation and fees up to the amount of the outstanding charges.

The University must notify the student of any available Post-withdrawal disbursement no later than 30 calendar days of the student's change of enrolment status. The notice must identify the type and amount of the loan funds.

Prior to making any post-withdrawal disbursement of loan funds, the International Student Compliance Team will contact the student or Parent PLUS borrower via email, to establish:

- whether the borrower wishes to accept all or any part of the disbursement
- whether those funds should be credited to the student's account or disbursed directly to the student or Parent PLUS borrower.

A response to the notice is required within 14 days.

Once the International Students Compliance Team has received confirmation from a student or Parent PLUS borrower that a post withdrawal disbursement is to be made, it must be processed as soon as possible but no later than 180 days after the date of the University's determination that the student withdrew.

Last date of Attendance

Permanent Withdrawal	The last date of attendance listed on the engagement monitoring records or confirmed by the Faculty. Student requests withdrawal using the online form and informs ISCT at the same time.
Exclusion for Academic Failure	The date of the Modular Examination Committee where the decision was taken.
Financial or Disciplinary	The date the exclusion is applied to the student's record by Registry teams.
Non-engagement or UKVI exclusion	The last date of attendance as recorded in the University's engagement monitoring records.
Unapproved temporary withdrawal	This occurs when a student fails to complete enrolment at the start of an enrolment period: the withdrawal date will be the start of the relevant semester.
Approved temporary withdrawal (Leave of Absence)	The last date of attendance listed on the engagement monitoring records or confirmed by the Faculty. Student requests withdrawal using the online form and informs ISCT at the same time. A request for Approved Temporary Withdrawal **may** qualify as an approved Leave Of Absence for Title IV Direct Loan purposes (see below).

Except in unusual instances, any date of withdrawal should be determined no later than 14 days after the student's last date of attendance.

Leave of Absence (LOA) / Approved Temporary Withdrawal:

For guidance on how to request approved temporary withdrawal or inform Oxford Brookes that you are leaving, please refer to 'Time out from your course'.

A request for Approved Temporary Withdrawal may qualify as an approved LOA for Title IV Direct Loan purposes. To qualify as an LOA the following conditions must be met:

- The period of Approved Temporary Withdrawal must be approved in advance by the University following completion of an M201 (undergraduate) or F201 (postgraduate) form via Moodle. Where unforeseen circumstances prevent a request being submitted in advance (for example illness or injury) the International Students Compliance Team can determine that an approved LOA is started where appropriate evidence to support the delay is provided.
- The period of withdrawal must be temporary and any reasons stated in the relevant withdrawal form must lead to a reasonable expectation that the student will return to study at the end of the LOA.
- The original LOA and any extension requested (further period of Approved Temporary Withdrawal) must not exceed 180 days in any 12 month period – this includes days in which the University is not in session and is not limited to 'term-time'
- The student must resume their course at the same point in the academic programme that they began the LOA

A student granted an LOA as described above is not considered to have withdrawn and no R2T4 calculation is required.

During the LOA the student will not incur any additional tuition fees - they would not therefore be eligible for any additional disbursements of Title IV Direct Loans. A student who is granted an approved LOA maintains in-school status for Title IV loan repayment purposes.

The start date of the LOA for Title IV Direct loans purposes is the date that the LOA comes into effect. Where an LOA is requested retrospectively (as set out above), the date that the University determined the student ceased attendance may be used.

If the student does not return from an approved LOA, they will be deemed to have withdrawn for the purposes of US Title IV Direct Loans and the R2T4 procedure will be followed. This may lead to a student's grace period for loan repayments being exhausted. The date of withdrawal will be treated as the date that the original approved LOA began.

If the LOA does not qualify as an approved LOA because it does not meet the criteria outlined above, the student will be deemed to have withdrawn for the purposes of US Title IV Direct Loans and the R2T4 procedure will be followed. The last date of attendance as recorded in the University's engagement monitoring records.

Other Information

Oxford Brookes' responsibilities include:

- providing each student with the information given in this policy;
- identifying students who are affected by this policy;
- completing the R2T4 calculation for students who are subject to this policy;
- returning the Title IV Direct Loan funds that are due;
- informing the student if they have to return unearned funds;
- notifying the student of the requirement for them to complete Exit Counselling;
- notifying the US Department of Education of the change in a student's enrolment status via NSLDS within 30 days.

Please note that this R2T4 policy is separate from the University's refund process and applies only to Title IV Direct Loan funds. Therefore, the student may still owe funds to the University to cover unpaid institutional charges. The University may attempt to collect from the student any Title IV Direct Loan funds that the University is required to return.

Last reviewed by International Students Compliance Team, July 2026