

City St George's Return of US Federal Student Loans Title IV Policy 2026-2027

US Federal law stipulates that if a student withdraws from their programme of study, City St George's (CSG) must complete a Return to Title IV (R2T4) calculation and ensure any 'unearned' US student loan (USL) funds are returned to the US Department of Education (USDoE). (Federal Aid is not requested until students are enrolled and registration is complete.)

For R2T4 purposes, a Leave of Absence (LOA) for longer than 180 days or an 'unapproved LOA' is categorised as a withdrawal. For US Federal Loans, CSG is classed as an attendance taking institution. A LOA is a temporary interruption students' programme of study and is equivalent to suspension/dormant periods. This policy may also be applied in other circumstances e.g. early graduation.

This policy covers the following topics:

- CSG's procedure for treatment of US Federal Aid when a student withdraws or takes LOA;
- CSG's tuition fee refund policy;
- Requirements regarding the treatment of US Federal Aid when a student withdraws or takes LOA.

The policy should enable students to:

- Understand the treatment of US Federal Aid when withdrawing from their course or during a LOA;
- Estimate how much US Federal Aid the student can retain and the amount students need to return to the USDoE;
- Understand the difference and interaction between the CSG's refund policy and the R2T4 requirements;
- Understand student liability for tuition fees due to R2T4 compulsory procedures;

1. CSG's Withdrawal or Leave of Absence (LOA)/Suspension/Dormancy Policy

Students should follow the withdrawal/suspension process within their CSG School and discuss the matter with their course officer and personal tutor. Once the related procedures have been completed the student's record will be updated accordingly. Students funding their studies through US Federal Aid (Direct Loans) loans are required to inform the [Student Funding Team](#) and the [Income Team](#) of their withdrawal/suspension at the same time as notifying their CSG School.



2. Students' liability for unpaid tuition fees

The amount of US Federal Aid due for return to the USDoE as a result of the withdrawal/suspension is calculated independently of the tuition fee liability charged by CSG. Where a student has used US Federal Aid to pay their tuition fees and a refund of US Federal Aid is required which results in an underpayment of tuition fees determined by [CSG's refund Policy](#) the student will be liable to pay CSG for the outstanding balance of tuition fees. The Income Team, Finance Department will contact students in these cases directly.

3. Timeframes and treatment of US Federal Aid

When a student withdraws, the Student Funding Team will calculate the amount of US Federal Aid which has been earned up to the date of withdrawal/suspension, [using a Return to Title IV \(R2T4\) calculation as provided by the US Department of Education](#). The processing of US Federal Aid for tuition fees will be carried out by the CSG Income Team. If the student has attended for more than 60% of the payment period no refund is required. In all cases students will be notified by email whether a refund is required or not.

The amount of loan funds earned is calculated as follows:

$\frac{\text{Number of study days completed by student}}{\text{Total number of study days in payment period}} = \text{percentage of USL earned}$
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The table below provides two examples of the US Federal Aid refund assessment:

	Loan Period	Total number of days in payment period	Number of scheduled holiday days	Actual study days (excluding scheduled holidays)	Number of days student studied in payment period	US Federal Aid repayment due?
Example 1	1 Sep to 31 Dec	122	15	107	67	No, earned 62% of Aid during payment period
Example 2	1 Jan to 30 Apr	120	10	110	30	Yes, earned only 27% of Aid during payment period



The CSG will return unearned US Federal Aid used by the student to pay their tuition fees as soon as possible but no later than 45 days from the determination of a student's withdrawal. The student will be notified by email. CSG is required by US Federal law to inform the National Student Loan Data System (NSLDS) of the student's withdrawal which will initiate US Federal Aid going into repayment ([accept where a grace period applies](#)) the US Loan Servicer will contact students directly and provide full details. US Federal Aid will be returned in the following order: a) Federal Direct Unsubsidized loans (undergraduates only) b) Federal Direct Subsidized loans c) Federal PLUS loans. The date of withdrawal used for R2T4 will normally be the date that the CSG School has determined as the last date the student attended their course.

For any US Federal Aid that a student must return, the student (or student's parent for a Direct Parent PLUS Loan) will repay the loan funds in accordance with the terms of the promissory note. That is, the student will make scheduled repayments to the US Loan Servicer over a period of time (the US Loan Servicer will provide full details in due course).

Any unearned US Federal Aid must be returned to the USDoE by CSG and/or the student. The requirements for US Federal Aid when students withdraw are separate from CSG's refund policy. Therefore, the student may still owe funds to CSG to cover their outstanding tuition fees. CSG may collect from the student any US Federal Aid that CSG is required to return to the USDoE.

4. Post-Withdrawal Disbursements (PWD)

Where the amount disbursed of US Federal Aid to CSG /the student before withdrawal is less than the earned amount, the Student Funding Team will contact the student to offer a post-withdrawal disbursement. However, it is better not to accept the PWD to reduce the final loan debt. The following regulations would apply; CSG will provide written notification within 30 days of the date of withdraw including:

- Students are required to repay the full loan balance whether the loan(s) are paid into the student's tuition fee account or directly to the student/parent;
- Providing full details of the loan type(s) and amount(s) that can be disbursed;
- Payment can be either into the student's tuition fee account or/and directly to the student/parent (if a Parent PLUS loan) (the student/parent must instruct which payment method they wish to use);
- The student/parent will be required to confirm if they choose to accept or decline the PWD – for all or part of the PWD;
- Student (or parent) confirmation is required within 14 days of written notification in writing;
- Funds disbursed directly to the student - as soon as possible, but no later than 45 calendar days after date of withdrawal;
- PWD are determined through the R2T4 process.
- In all cases if the student does not request the PWD, the disbursement will not be requested;

5. Treatment of Title IV funds during LOA (for less than 180 days)

In order to qualify as an approved LOA for the purposes of US Federal aid (avoiding the need for CSG to perform a R2T4 calculation mentioned above) the LOA must meet the conditions outlined below:

- The LOA must be approved by CSG;
- The situation described as the reason for the LOA must be one that leads to a reasonable expectation that the student will return from the LOA within the allowed time frame;
- The LOA, together with any additional leaves of absence, must not exceed a total of 180 days in any 12-month period, including non-study days;
- The student must resume at the same point in the academic programme when the LOA began;
- The LOA must be requested in advance, unless unforeseen circumstances prevent the student from doing so (e.g. injury or illness);

A student granted a LOA that meets the criteria stated above is not considered to have withdrawn, and no R2T4 calculation is required. During a LOA the student will not be eligible for any disbursements of Federal Student Aid. A student who is granted an approved LOA maintains in-school status for Title IV loan repayment purposes – this is a [six-months grace period](#). The start date of the LOA for federal loans purposes is the date that the LOA comes into effect.

If a student does not return from an approved LOA, or the LOA does not qualify as an approved LOA, the student will be deemed to have withdrawn for the purposes of US Federal aid the R2T4 procedure mentioned above will be actioned. Where a student does not return from an approved LOA, [the six-month grace period may be exhausted](#) – in these cases the date of the approved LOA will be used as the date of withdrawal.