

RETURN OF TITLE IV FUNDS POLICY

US Student Loans and Federal Aid Return of Title IV Funds (R2T4) Policy

If a student who receives Title IV funding withdraws, interrupts for more than 180 days or drops below half time attendance the Royal College of Music will follow the requirements of returning funds as defined by the US Department of Education and is applied alongside the College's withdrawal and refund policy. The Finance Office will use the 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. The US Department of Education is the 'lender'.

Return of funds by the RCM

A student 'earns' aid on a daily basis and therefore if a student withdraws, any 'unearned' aid for that payment period needs to be returned to the lender. Once the College has determined the amount of 'unearned' aid, funds will be returned to the lender and the student notified if he or she needs to return any funds to the lender.

Loans are returned in the following order:

- Federal Unsubsidised Stafford
- Federal Subsidised Stafford
- PLUS Loan (Graduate or Parent)

Loans must be repaid in accordance with the terms of the borrower's Promissory Note.

There are some Title IV funds that students are scheduled to receive that cannot be 'earned' once a student withdraws because of other eligibility requirements. For example, a new student receiving aid for the first time who withdraws within the first 30 days of a programme will be deemed not to have 'earned' any aid.

The RCM will determine any adjustments to the loan within 30 days of the students' withdrawal and will return the funds within 45 days of that calculation.

Students should note that this policy uses a different calculation from the RCM's withdrawal policy which may mean that the student owes the RCM once the money has been returned to the lender. Students will be notified if this is the case.

Determining the date of withdrawal

The date of withdrawal from a programme will be determined by the Academic Registrar in discussion with the relevant Head of Programme once the student has determined an intention to withdraw. In the case of students withdrawing without notifying the RCM, the date of withdrawal will be the date on which the student was last known to have attended.

Return of funds by student

If the student is notified that there are loan funds that must be returned by the student, the student should repay in accordance with the terms of the promissory note signed by the student at the time of making the application for funds.