



Maynooth University International Office  
An Oifig Idirnáisiúnta Ollscoil Mhá Nuad

## **US Federal Loans: Return to Title IV (R2T4) Policy**

US federal law specifies that, should a student withdraw from their programme of study, Maynooth University (hereafter written as MU) must complete a Return to Title IV (R2T4) calculation and arrange for any 'unearned' loan funds to be returned to the US Department of Education. For R2T4 purposes, a Leave of Absence (LOA) for longer than 180 days or an 'unapproved LOA' is also deemed to be a withdrawal.

Failure to understand this and failure to start repayment of your all your loans within 30 days of withdrawal will affect your credit rating.

If a student fails to attend after registration at MU the student does not qualify for any loan amount and the full loan is cancelled and returned.

If you decide to withdraw from your undergraduate/ postgraduate degree at MU, you must inform the International Office Financial Aid contact person and submit a De-registration Form outlined in the University's [withdrawal procedure](#). The withdrawal date is the date that the student began the formal withdrawal process or provided official notification.

Where a student withdraws unofficially, i.e. does not notify us, the withdrawal date is as below:

- Mid-point, if no notification
- Date of illness, accident, etc.
- Beginning of an LOA if student does not return; or
- Last date of an academically-related activity

If you withdraw from your course before the end of the academic year, you may have to immediately repay some of the loan money you have received, and you will still have to pay any unpaid tuition fees.

You should fully read the Maynooth University's [Tuition Fee Refund Policy](#) for international students attending the university.

Whether or not you are entitled to any tuition fee refund you may still have to repay some of your loan money for the semester.

Although you will have received your loan money for the semester it is only "earned" for each day in attendance as a percentage of the number of days in the semester. Any "unearned" loan money disbursed to you must be immediately returned. The school is responsible for calculating the unearned money and for returning it. This has nothing to do with the amount you may still have to pay for tuition fees or for your accommodation fees, nor the amount you may already have paid.

When a student withdraws, the MU US Financial Aid Officer will calculate the amount of Title IV program assistance that has been earned up to that point, using a formula provided by the US Department of Education. The MU Fees and Grants Office in conjunction with the Finance Office are responsible for the transfer of R2T4 funds to the US Department of Education.

If a student fails all their courses, MU is required to determine whether a student stopped attending class (and thus unofficially withdrew) and what the withdrawal date was, as described above. The university is required to perform a Return to Title IV (R2T4) calculation and arrange for any 'unearned' loan funds to be returned to the US Department of Education.

**Loan funds must be returned in the following order:**

1. Federal Direct Unsubsidized loans
2. Federal Direct Subsidized loans (awarded to undergraduates only)
3. Federal PLUS and Grad PLUS loans

**How the earned financial aid is calculated**

Students who receive federal financial aid must "earn" the aid they receive by staying enrolled in classes. The amount of federal financial aid assistance the student earns is on a pro-rated basis. Students who withdraw or do not complete all registered classes during the semester may be required to return some of the financial aid they were awarded.

Institutions are required to determine the percentage of Title IV aid "earned" by the student and to return the unearned portion to the appropriate aid programs. Regulations require schools to perform calculations within 30 days from the date the school determines a student's complete withdrawal. The school must return the funds within 45 days of the calculation. The R2T4 calculation process is completed by the Scholarship and Funding Officer. The return of funds is facilitated by the Maynooth University (MU) Fees and Grants Office in collaboration with the MU Finance Office.

For example, if a student completes 40 percent of the payment period, they earn 40 percent of the aid they were originally scheduled to receive. This means that 60 percent of the scheduled awards remain "unearned" and must be returned to the federal government. Once 60% of the semester is completed, a student is considered to have earned all of his/her financial aid and will not be required to return any federal funds.

The following formula is used to determine the percentage of unearned aid that has to be returned to the federal government:

- The percent earned is equal to the number of calendar days completed up to the withdrawal date, divided by the total calendar days in the payment period (less any scheduled breaks that are at least 5 days long).
- The percent unearned is equal to 100 percent minus the percent earned.

## **Steps in the return of Title IV funds policy**

### Step 1: Student's Title IV information

MU will determine:

1.1 The total amount of Title IV aid disbursed for the semester in which the student withdrew. A student's Title IV aid is counted as aid disbursed in the calculation if it has been applied to the student's account on or before the date the student withdrew.

1.2 The total amount of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the semester in which the student withdrew.

### Step 2: Percentage of Title IV aid earned MU will calculate the percentage of Title IV aid earned as follows:

The number of calendar days completed by the student divided by the total number of calendar days in the semester in which the student withdrew. The total number of calendar days in a semester shall exclude any scheduled breaks of more than five days.

$$\text{Days Attended} \div \text{Days in Enrolment Period} = \text{Percentage Completed}$$

If the calculated percentage completed exceeds 60%, then the student has "earned" all the Title IV aid for the enrolment period.

### Step 3: Amount of Title IV aid earned by the student

MU will calculate the amount of Title IV aid earned as follows:

The percentage of Title IV aid earned (Step 2) multiplied by the total amount of Title IV aid disbursed or that could have been disbursed for the term in which the student withdrew (Step 1.1).

$$\text{Total Aid Disbursed} \times \text{Percentage Completed} = \text{Earned Aid}$$

### Step 4: Amount of Title IV aid to be disbursed or returned

- If the aid already disbursed equals the earned aid, no further action is required.
- If the aid already disbursed is greater than the earned aid, the difference must be returned to the appropriate Title IV aid program.

$$\text{Total Disbursed Aid} - \text{Earned Aid} = \text{Unearned Aid to be Returned}$$

- If the aid already disbursed is less than the earned aid, then MU will calculate a post-withdrawal disbursement.

Post withdrawal disbursement: If eligible, MU will send notification of the action required to either accept or decline a portion, or all, of the late disbursement. If no response is received within 2 weeks the award will be cancelled

***If you are considering withdrawal, you are strongly advised to speak to Deirdre Dunne at [USFinancialAid@mu.ie](mailto:USFinancialAid@mu.ie) so that you fully understand the financial implication of withdrawal before making your decision. For a detailed breakdown of how much you will have to pay, and all other details please contact [USFinancialAid@mu.ie](mailto:USFinancialAid@mu.ie).***

*Funds that are returned to the federal government are used to reimburse the individual federal programs from which the student received the aid.*

*For more information:*

<https://fsapartners.ed.gov/knowledge-center/library/fsa-assessments/2022-11-17/return-title-iv-funds>  
<https://fsapartners.ed.gov/knowledge-center/library/fsa-assessments/2022-11-17/return-title-iv-funds>