

 BOND UNIVERSITY	US FEDERAL DIRECT LOAN PROGRAM RETURN OF TITLE IV FUNDS (R2T4) POLICY
Policy Owner	Director, Student Business Services
Contact Officer	Financial Aid Officer
Endorsement Authority	University Registrar
Date of Next Review	February 2029

1. PURPOSE AND OBJECTIVES

This Policy applies to all Title IV students who are US citizens, or eligible US non-citizens, who apply for Federal Student Aid while studying at Bond University. Applications may include both new and continuing international students enrolled at Bond University.

This Policy outlines the University policy for the return of funds received under the U.S. Federal Student Aid Program if a student who obtains funds under that program withdraws from their studies or becomes ineligible to receive Title IV funding.

2. AUDIENCE AND APPLICATION

Federal Aid recipients withdrawn during semester

3. ROLES AND RESPONSIBILITIES

Role	Responsibility
Financial Aid Officer	Compliance with the processes outlined in the Policy

4. THE POLICY

4.1. Determining the [Withdrawal Date](#) for a Student

The date of [Withdrawal](#) will be either:

- 4.1.1. the date the student began the official Withdrawal process or the receipt of the Withdrawal notification, in writing, of the student's intention to withdraw, whichever is the earlier; or
- 4.1.2. the last date of enrolment if a student does not officially withdraw, or takes an unapproved [Leave of Absence](#) (LOA) from their program.

For a student who withdraws, without providing notification, the University must determine the Withdrawal Date **no later than 30 days after the end of the earlier of** (1) the [Payment Period](#) or the period of enrolment (as applicable), (2) the academic year, or (3) the student's educational program. The Withdrawal Date will be considered to be either the last documented date of attendance at an academically related activity, or the mid-point of the semester (if last date of attendance cannot be determined, it will be assumed as 50%), whichever is later.

Students should withdraw by submitting a 'Withdrawal from Program' form which is available via eStudent under the 'Online Forms & Enquiries' tab.

4.2. Return of Funds

The University must return Title IV funds to the US Department of Education if:

- 4.2.1. the University has received a loan disbursement for the student in the current semester, or enrolment period, for higher degree research students; and
- 4.2.2. the student has withdrawn and was enrolled for less than 60% of the semester, or enrolment period, for higher degree research students.

Please note that, if loan funds have been disbursed to a student, if who does not commence their studies, the funds will be returned in full to the U.S. Department of Education.

4.3. Timeline for Return of Funds

- 4.3.1. The University must calculate the [R2T4](#) amount, including the University's and the student's portion of that amount, within 30 days from the Withdrawal Date.
- 4.3.2. The University must return the University's unearned portion of the R2T4 amount to the US Department of Education within 45 days from the Withdrawal Date.
- 4.3.3. If the R2T4 calculation results in a credit balance on the student's account, the credit balance must be disbursed no later than 14 days after the calculation of the R2T4.

4.4. Calculation of R2T4 Amounts

- 4.4.1.** The University will calculate the R2T4 amounts by using the [R2T4 worksheet](#) provided by the US Department of Education for credit-hour programs. This will determine how much of the loan was consumed by the student and how much is due to be returned by both the University and the student to the US Department of Education.
- 4.4.2.** The University will calculate earned Direct Loan amounts as follows:
- 4.4.2.1. Number of days in the relevant Payment Period**
Based on the number of days from the first day of the [Loan Period](#) until the final day of the Loan Period, less any breaks of 5 working days or more.
- 4.4.2.2. Number of attended days in the relevant Payment Period**
Based on the number of days from the first day of the Loan Period until the date of Withdrawal, less any breaks of 5 working days or more.
- 4.4.2.3. Percentage of attendance**
Based on the number of days attended, divided by the number of days in the relevant Payment Period.
For example, if the student has attended for 40 days, and the Payment Period/Period of Enrolment is 110 days, the percentage of attendance is calculated as being $40/110 = 36\%$.
- 4.4.3.** If the student has completed at least 60% of the loan Payment Period they are eligible to retain all the loan funds they were scheduled to receive.

4.5. Order in Which Title IV Program Funds Must be Returned

Unearned funds (i.e. the R2T4 amount) must be returned to the appropriate program(s), in the following order:

- 4.5.1. First:** Federal Stafford Direct Unsubsidized loans
4.5.2. Second: Federal Stafford Direct Subsidized loans
4.5.3. Third: Federal Direct PLUS loans

4.6. Post-withdrawal Disbursement Process

- 4.6.1.** Where a student has withdrawn from their course of study and is still entitled to earned Direct Loan funds, they may be eligible to receive a post-withdrawal disbursement.
- 4.6.2.** The University will contact the student within 30 calendar days of the Withdrawal Date to notify them of the post-withdrawal disbursement option, including the amount of the loan funds, the obligation to repay any borrowed amounts, and instructions on how to agree to a post-withdrawal disbursement.
- 4.6.3.** The student must confirm their agreement to a post-withdrawal disbursement within 14 calendar days of being contacted.
- 4.6.4.** If the student agrees to the post-withdrawal disbursement, the University will disburse the funds within 180 days of the Withdrawal Date. If the student fails to respond they are no longer eligible for the post-Withdrawal disbursement.

4.7. Responsibilities of the Student

- 4.7.1.** Any excess loan funds to be returned by the student to the US Department of Education must be repaid in accordance with the terms of the [Master Promissory Note](#) (MPN).
- 4.7.2.** Students who have received payment of excess loan funds from the University before withdrawing will be required to return funds to the US Department of Education for which they are no longer eligible.
- 4.7.3.** Upon Withdrawal, students may still owe funds to the University for unpaid [Institutional Charges](#) or other charges, or for Title IV funds which the University has returned to the US Department of Education. Students will be liable for any outstanding tuition fees, and other fees or charges owed to the University.

4.8. Leave of Absence

- 4.8.1.** A student who is funded by the [US Federal Student Aid Program](#) may be regarded as being granted a Leave of Absence (LOA) from that program, only in the following circumstances:
- 4.8.1.1.** the student follows the University's procedure in requesting the LOA, as per the University's [Enrolment Policy](#);
- 4.8.1.2.** the University determines there is a reasonable expectation that the student will return to the University;
- 4.8.1.3.** the University will not charge the student additional fees when they return from the LOA;
- 4.8.1.4.** the number of days of approved LOA does not exceed 180 days in any 12-month period;
- 4.8.1.5.** the University explains to the student prior to granting the LOA of the effects that the student's failure to return from the LOA may have on the student's loan repayment terms, including the exhaustion of some, or all, of the student's 180-day grace period; and
- 4.8.1.6.** upon the student's return from LOA, the student is permitted to complete the coursework he or she began prior to the Leave of Absence. The student may have to re-apply for Title IV aid.
- 4.8.2.** A student who submits a request for a LOA that does not meet the above criteria will be reported to the US Department of Education as a withdrawn student, and an R2T4 calculation will be completed in

accordance with this Policy and the 180-day grace period for loan repayment will commence from the date the student began the LOA.

- 4.8.3.** Leave of Absence/withdrawn students must complete [Exit Counselling](#). If the student fails to complete the exit counselling session, the University must, within 30 days after it learns that the student borrower has withdrawn from university or failed to complete exit counselling as required, send written counselling materials to the student. If these materials are emailed, they must be sent to a personal email provided by the student.

5. DEFINITIONS, TERMS, ACRONYMS

Institutional Charges	Tuition fees and other mandatory educationally related charges on a student’s account.
Leave of Absence (LOA)	An approved temporary interruption to a student’s studies. To be approved as on LOA for Title IV purposes, it must meet the conditions specified in this Policy.
Loan Period	Time covered by the loan – normally 1, 2 or 3 semesters or a calendar year, or part thereof, for PhD students.
Master Promissory Note (MPN)	An MPN is a legal document that contains the Borrower’s Rights and Responsibilities and Terms and Conditions for repayment. The Note is a legally binding contract that establishes the student’s commitment to repay their federal student loan.
Payment Period	Period of enrolment for which Federal Aid was disbursed.
R2T4	“Return of Title IV” acronym referring to unearned loan funds that must be returned to the US Department of Education if a student who is receiving Title IV aid withdraws from studies.
US Federal Student Aid Program	Loan program authorised by Title IV, part B of the US Higher Education Act of 1965, also known as the Direct Loan Program (DLP), including Federal Stafford and PLUS loans.
Withdrawal	Termination of a student’s studies, with no expectation of return.
Withdrawal Date	The date on which a student officially informs the University of their intention to withdraw. In the absence of notification from the student, the last date the student attended is deemed to be the Withdrawal Date. If the last date of attendance cannot be determined, the University will assume a 50% attendance and will use the mid-point of the semester as the last day of attendance.

6. RELATED DOCUMENTS

[Enrolment Policy SS 5.4.4](#)

[Student Fees, Charges and Refunds Policy SS 5.7.4](#)

[The U.S. Higher Education Act of 1965, re-authorised by The Higher Education Opportunity Act – 2008](#)

[Code of Federal Regulations \(Title 34 part 668.22\)](#)

[Federal Student Aid Handbook, Volume 5 Withdrawals and the Return of Title IV Funds](#)

[R2T4 Worksheet](#)

7. MODIFICATION HISTORY

Date	Sections	Source	Details
February 2026			V 2: converted procedure to policy
28/03/2023	4.1	SBS	V1.1: Amendment to 4.1.1 and addition of paragraphs following 4.1.2. Update to hyperlinks
9 February 2022			Date first approved

Approval Authority: Vice Chancellor