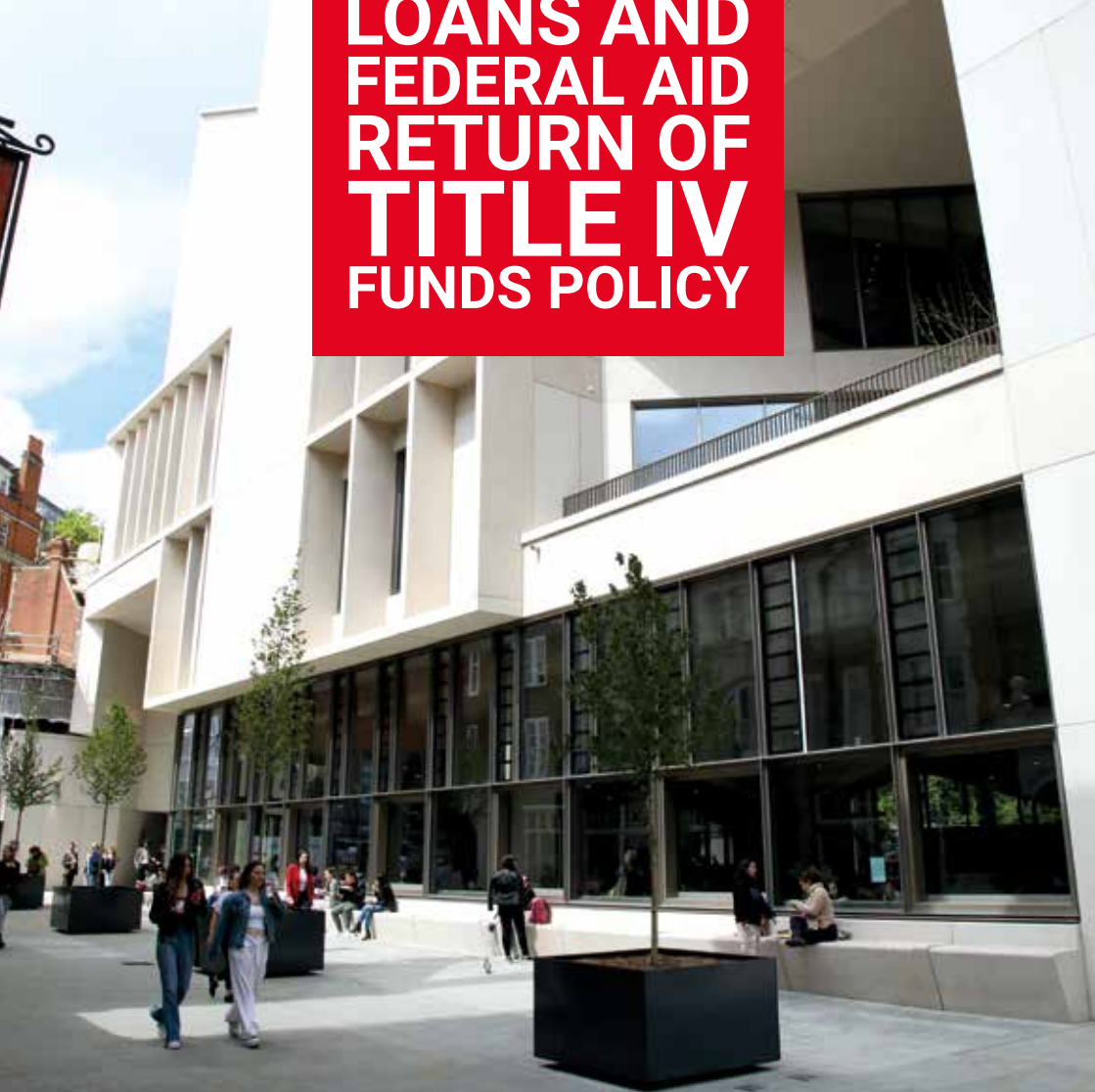




THE LONDON SCHOOL
OF ECONOMICS AND
POLITICAL SCIENCE ■

A photograph of a modern, multi-story building with large glass windows and a balcony. People are walking in the foreground on a paved area. The building has a light-colored facade and a dark metal railing on the balcony. The sky is blue with some clouds.

U.S. STUDENT LOANS AND FEDERAL AID RETURN OF TITLE IV FUNDS POLICY

Purpose

Title IV funds (“Federal Aid”) are awarded to a student with the assumption that the student will attend School for the entire payment period for which the assistance is awarded. Payment periods are normally framed in each term: Autumn term, Winter term and Spring term.

This Policy outlines the requirements and responsibilities of the London School of Economics and Political Science (“LSE”) and the student (“student”) in receipt of Federal Aid.

When a student ceases attendance prior to the planned ending date, the student may not be eligible for the full amount of Federal Aid funds the student was scheduled to receive.

US federal regulation specifies that if a student begins attendance, then withdraws or transfers from all eligible courses or ceases attendance the School 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.

Loans in Scope:

- 1 Federal Direct Subsidised Loan
- 2 Federal Direct Unsubsidised Loan
- 3 Federal Direct PLUS (Parent/Graduate) Loans.



Section 1: Principles

- 1.1** Student earns Title IV aid equal to the amount of attendance.
- 1.2** Percentage of aid earned is equal to the percentage of the payment period or the period of enrollment completed.
- 1.3** If LSE has disbursed more aid than the student has earned, Federal aid will be returned to the U.S. Department of Education.
- 1.4** If LSE has disbursed less Title IV aid than the student has earned, a post-withdrawal disbursement will be calculated and will be offered to the student.
- 1.5** After the student completes more than 60 per cent of the payment period or period of enrolment, the student has earned 100 per cent of the scheduled Federal aid and there will no requirement for a RT24 calculation.
- 1.6** LSE policies have no material impact on the level of aid earned under an RT24 calculation.
- 1.7** LSE will use the withdrawal date documented in the Schools record system to determine last date of attendance.
- 1.8** LSE will monitor attendance records to determine in a timely manner when a student withdraws, interrupts, or drops below half time.
- 1.9** If a student who receives Title IV funding withdraws, interrupts for more than 180 days or drops below half time attendance LSE will follow the requirements of returning funds outlined by the US Dept of Education. The School will use RT24 (Return of funds) to determine how much of the loan may be retained and how much must be returned by either the School or student.
- 1.10** Full information on interruption and withdrawing from LSE can be found in the sections below.



Section 2: Calculating earned financial Aid

Provisions within (34 CFR 668.22- U.S Department of Education) require the School to return unearned funds to the US Department of Education.

2.1 Timing of calculation: Under federal regulations, the University is required to perform calculations within 14 days from the date on which the School determines a student's complete withdrawal. The School must return the funds within 45 days of the calculation and the calculation must be performed within 14 days of the date of determination of withdrawal.

2.2 Calculation method: When a student withdraws from the University, a calculation will be carried out by the School to determine the amount of financial aid that has been earned, and hence the amount (if any) to be returned. The earned financial aid will be determined by applying the total value of aid for the student's enrolment for that academic year to the percentage of the course which has been attended. The percentage of attendance will be calculated as follows:

$$\text{Percentage of attendance} = \frac{\text{Number of calendar days enrolled in a payment period}}{\text{Total number of calendar days in the payment period}}$$

2.3 If the amount of the Earned Title IV funds exceeds the amount that has been disbursed, the difference is due the student as a "Post-Withdrawal Disbursement" PWD.

2.4 PWD: The School must offer the student (or parent in the case of a Parent Plus loan) the PWD within 30 days of the Date of Determination and request confirm that the PWD is accepted.

2.5 PWD notification LSE must with 30 days of the date of determination notify the student and parent in the case of a Parent Plus loan of the following points:

- The borrower may decline all or a portion of the loan disbursement

- The School may request confirmation of any amount to be credited to the student's account or directly disbursed to the borrower
- Advise the obligation to repay the loan
- Require a response of 14 days
- The School reserves the right to not disburse if the response is late
- If the School decides to not disburse, the borrower will be advised by email
- If the event of no response from the borrower, no disbursement of the PWD will be processed and the PWD will be returned to the Department of education.

- 2.6** A Post withdrawal disbursement may be used to pay the following charges:
- Tuition
 - Amend to Fee
 - Room and board (LSE operated residences only).
- 2.7** A student “earns” aid daily and therefore if a student withdraws any “unearned” aid for that payment period will need to be returned.
- 2.8** Once a RT24 calculation has been undertaken the School will issue a copy to the student , if unearned funds have to be returned by the School, a payment will be issued to g5 and the students loan disbursement record will be updated in the Common Origination and Disbursement(COD) portal.
- 2.9** Funds will be returned to the U.S. Department of Education.
- 2.10** Loans are returned in the following order:
- Federal Direct Unsubsidized Loan
 - Federal Direct Subsidized Loan
 - Federal Direct Plus Loans.
- 2.11** If a student never commences attendance for a payment period the student is not an eligible for Title IV funds, therefore R2T4 (34 CFR 668.22) does not apply. The School will return all aid back to the Department of Education.
- 2.12** The School are required to notify the loan servicer when funds have been disbursed directly to the student.
- 2.13** The calculation used for this policy is separate from the LSE Student Fees Policy. It may mean that the student has a balance to pay LSE once the funds has been returned to the U.S. Department of Education. Students will be notified by email.
- 2.14** 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 Master Promissory Note. That is, scheduled payments are made to the holder of the loan over a period. Students who have received a refund of their loan proceeds before withdrawing may be required to return part or all those funds to the lender.

Section 3: Withdrawal Types

Student Visa

3.1 Official withdrawal

All U.S. students wishing to officially withdraw from their programme must refer to:

- the School's [website](#) for details of the withdrawal process
- the [Tuition Fees Policy](#), for guidance regarding the expected financial implications of any decision to withdraw.

The official withdrawal date for students will be the student's Last Date of Attendance as signed off by the Academic Department and recorded in the School's record system, and tuition fees will be calculated accordingly. For students with a Student Visa, withdrawal is reported to UKVI within 10 days of the update being processed in the record system. The School will also report the withdrawal via the National Student Loan Database (NSLDS).

Where a student reduces their course-load, for example by transferring from a full-time mode of attendance to a part-time mode of

attendance, the student will not be considered to be withdrawn. If the student transfers to a course delivered by telecommunications – Distance Learning – then they will be considered withdrawn.

3.2 Unofficial withdrawal

Students who have stopped attending classes and did not follow the official withdrawal process of the School are considered as being on an "unauthorised break" from their studies. At this stage, the record will be updated, and the last date of attendance recorded in the School's system. The same date will be used to calculate any outstanding fees for the relevant academic year and in conjunction with U.S. Federal regulations, a calculation of Return to Title IV funds will be undertaken using the last date of attendance during the Academic Semester.

Note: The date of the Schools determination of a students withdrawal should be no later than 14 days after the student's last date of attendance as determined by the Schools attendance records.



3.5 Students are expected to engage fully with timetabled teaching sessions, as outlined in the School's **Engagement Monitoring policy**, as well as the programme-related learning resources and support materials that are held within the School's online learning environment (**Moodle**). In addition, all students must meet the assessment requirements for their programme.

3.6 The date of withdrawal will be determined as follows:

- Official withdrawal: in a case where a student notifies the School that he or she intends to withdraw, they will be informed of the need to complete the official **Withdrawal Form**, including an indication of their last attendance date. The content of the form will need to be signed off by the relevant Academic Department and the Student Services Centre.
- **Unofficial withdrawal:** Without an official Withdrawal Form, the School will update the record first to "break unauthorised" and, after one academic year, will write the record off as forcibly withdrawn. determine the last date of attendance according to the last attendance recorded on the School's online registers and/or any other type of engagement such the submission of coursework.

Note: USDE regulations require Schools to complete a RT24 calculation when a student withdraws unofficially, and return the funding to the Department of Education. The School will use the last date of attendance for that term to calculate R2T4.

Failure to Progress to the next year of studies or to be Awarded, and Failure to Attend Classes

3.7 Failure to attend your course will be deemed an academic failure and the School will use your last date of attendance to calculate RT24.

3.8 If the attendance level of a student who has successfully enrolled for any given academic year starts falling below satisfactory as defined by the School's **Engagement Monitoring Policy**, the Academic Department and Student Services Centre will follow the required procedures and follow up with the student. Further to this, there can be four outcomes:

- the student start re-engaging satisfactorily
- the student pursues an Interruption of Studies
- the student decides to withdraw permanently
- student is deemed as being on "unauthorised break" if not responding.

Section 4: Interruption of Studies

- 4.1** A request to take an interruption of studies is made by the student and reviewed by the Academic Department and the Student Services Centre before being authorized and formalized in the record system.
- Institutionally scheduled breaks of 5 or more consecutive days are excluded from both the numerator and the denominator of the R2T4 calculation.
 - Breaks of less than 5 consecutive days are not excluded, but rather included in the R2T4 calculation.
- 4.2** The policy for Interruption of Studies is available [here](#), and general information on how to request an interruption of studies can be found [here](#).
- 4.3** Students wishing to suspend their studies are advised to check the impact on their student visa status before considering an interruption. More information for Student Visas can be found in the “Changes to your programme of studies” section on [this webpage](#).
- 4.4** Students in receipt of Federal aid are permitted to take a break for a maximum of 180 days in one academic year. Please note that the 180 rule is a U.S. Department of Education regulation. If you take leave for more than 180 days in a calendar year and/or cannot resume your studies at the point you left off before you took your LOA, you will be deemed withdrawn for the purposes of Federal Aid.
- 4.5** A Return to Title IV funds calculation is required if the student is in receipt of US financial aid, and where the interruption will last more than 180 days.
- 4.6** Further details on the Interrupting can be found [here](#) – please note that this webpage does detail the Schools standard interruption policy.
- 4.7** When a student interrupts their studies, their tuition fees for that academic years are recalculated in line with LSE’s [Tuition Fee Policy](#).
- Once the Interruption is approved, the student is not considered as withdrawn and no return of Title IV calculation is required.
 - The borrower of financial aid will be deemed to be withdrawn from studies for loan repayment purposes if the student does not resume studies within 180 days (6 months). However, students are informed of this rule at the point of the interruption being approved.
 - At this stage, the School is required to calculate the amount of federal aid earned and the total amount of “unearned” aid that must be returned.
- Important:** For students on an approved Interruption, Title IV loans remain in “in-school” status for the period of the Interruption. If a student does not return from Interruption, part or all the grace period could be used, impacting when a student will go into repayment.
- If you have any questions regarding this please contact the [Fees, Income and Credit Control team](#) quoting RT24 Query in the email subject field.



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The School seeks to ensure that people are treated equitably, regardless of age, disability, race, nationality, ethnic or national origin, gender, religion, sexual orientation or personal circumstances.

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Please note: a number of photographs in this document were taken before UK social-distancing guidance was in place.

LSE takes every step to ensure the safety of all students and staff.

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