

University of Waterloo

Return to Title IV Funds Policy (R2T4)

Title IV funds are awarded to a student under the assumption that the student will attend school for the entire period for which the assistance is awarded. When a student withdraws, the student may no longer be eligible for the full amount of Title IV funds that the student was originally scheduled to receive.

University of Waterloo operates on a term-by-term basis and fees are assessed each term (payment period). Students can enroll one term at a time. Fees are charged on a term-by-term basis.

Determining withdrawal date and calculating assistance earned

The University of Waterloo is not an attendance taking institution. Students who withdraw from studies are charged for dropping a course based on the date the student drops the course.

If a recipient of Title IV loan funds withdraws after beginning classes, the amount of Title IV funding “earned” by the student must be calculated within 30 days of the withdrawal. The date of withdrawal used in this calculation is:

- Withdrawal date on the student academic record/quest or.
- Date the student notified the Student Awards & Financial Aid office with intent to withdraw or,
- The midpoint of the period of study (50%) for a student who leaves without notifying the institution.
Regular manual tracking of students in receipt of Title IV funding is done by the Financial Aid Office on a regular basis (twice per term) to review if a student has dropped courses or withdrawn from studies.

R2T4 calculation

The R2T4 calculation is based on the number of days the student attended minus unscheduled leaves that are 5 days or more (e.g., fall or winter term reading week in October and February) divided by the total number of days in the Payment Period or Period of Enrollment.

If the R2T4 calculation results in a credit, the credit balance must be offered to the student within 30 days, allowing the student at least 14 days to respond.

If the calculation results in an amount to be returned that exceeds the school’s portion, the student will need to repay some of the funds. The student will be billed for funds the University is required to repay. Accounts not paid are subject to the University’s regular collection process.

Unearned Title IV funds

If the amount disbursed to the student is greater than the amount the student earned, unearned funds must be returned within 45 days of the withdraw date. Funds will be returned in the following order:

1. Unsubsidized Direct Loans (other than Direct PLUS loans)
2. Subsidized Direct Loans
3. Direct PLUS Loans

Post-withdrawal disbursement

If the amount disbursed to the student is less than the amount the student earned the student is eligible to receive a post-withdrawal disbursement of the earned aid that was not received. A letter from the Student Awards and Financial Aid office will be sent via a student’s University of Waterloo email address within 30 days

of the date of a school’s determination that a student has withdrawn. The communication will state whether the post-withdrawal disbursement includes loan funds and counsel the student to repay the loan funds according to the terms of the promissory note should they choose to accept all or a portion of the funds. The student may choose to decline the loan funds so that additional debt is not incurred. The deadline for the student to respond to this communication is 14 days. If a student fails to respond by the deadline, or respond after the deadline, it is up to the school to determine whether to make the disbursement of loan funds. Post withdrawal disbursements can’t be made after 180 days of the date of determination of withdrawal.

Other information

Funds will be calculated using U.S. dollars and cents, rounded up to the nearest penny. The school will use the same exchange rate as at the time of certification. Final repayment amounts that the school is responsible for returning may be rounded to the nearest dollar.

Prior to leaving school, Direct Loan borrowers must complete exit counseling. The Direct Loan Exit Counseling will explain your rights and responsibilities as a Direct Loan borrower. The entire session takes approximately 30 minutes and involves the completion of a computerized questionnaire. The site address is: <https://studentloans.gov>

Return of Title IV funds requirements and deadlines		
Responsible	Requirement	Deadline
School	Determine withdrawal date	Within 30 days of the withdrawal
School	Return any unearned Title IV funds	As soon as possible, no later than 45 days after school determines student withdrew
School	Post withdrawal disbursement	No later than 180 days of the date of determination of withdraw
School	Written notification to student about opportunity to accept all or part of post withdrawal disbursement	Within 30 days after school determines student withdrew
Student	Respond to school instructions regarding post withdrawal disbursement	14 days