

Return of Title IV Funds Policy, Vrije Universiteit Amsterdam

This policy applies only to eligible US and eligible non-US citizens receiving Title IV funds, specifically the Federal Direct Loan and PLUS loans. When students withdraw, graduate, drop out, are dismissed, or take a leave of absence, the Financial Aid Office is required by federal regulations to perform a return of Title IV calculation (R2T4). This calculation determines the amount of federal title IV funds earned by the student and the amounts that might have to be returned. Vrij Universiteit Amsterdam must perform the R2T4 calculation no later than 30 days after determination of the withdrawal.

General information

Title IV funds are awarded under the assumption that the student will attend university for the entire period for which the assistance is awarded. When a student withdraws from all courses, for any reason including medical withdrawals, the student may no longer be eligible for the full amount of Title IV funds that were originally scheduled to receive.

If the student withdraws from all the courses prior to completing over 60% of a semester, they may be required to repay a portion of the federal financial aid that was received for that term. A pro rata schedule is used to determine the amount of federal student aid funds the student will have earned at the time of the withdrawal. Federal aid includes Federal Direct Loan (subsidized and unsubsidized), Parent Plus Loan, and Graduate Plus Loan.

The return of funds is based upon the concept that students earn their financial aid in proportion to the amount of time they are enrolled. Under this reason, a student who withdraws in the second week of classes earns less financial aid than a student who withdraws in the seventh week. Once 60% of the semester is completed, a student is considered to have earned all financial aid and will not be required to return any funds.

Return of Title IV (R2T4) procedures

1. Before you withdraw from your study programme

Contact the Financial Office of Vrije Universiteit Amsterdam

It is very important that you speak with your Financial Aid Officer before your (temporary) withdrawal. Vrije Universiteit Amsterdam must determine how much of your Title IV aid must be returned to the Federal Direct Loans Program (Subsidized, Unsubsidized, PLUS). There might be some funds that you were scheduled to receive that cannot be disbursed to you once you withdraw because of other eligibility requirements. It is possible that withdrawing will leave you with a debt to the institution and to the Federal Student Aid Agency.

Contact the Financial aid office via this [contact form](#).

Withdrawing temporary / Leave of absence

If you are considering a temporary withdrawal from the VU, your temporary withdrawal might be considered a Leave of Absence as regards to Title 4 policies. This can have different consequences for your financial aid. If you are considering a Leave of Absence, please contact the Financial Aid Office as soon as possible and check out the information in the VU US loan guide.

2. How to withdraw

If you do decide to terminate your enrolment (temporary), you must submit this information via [Studielink](#). Only submitting the request for termination of enrollment in Studielink counts as an official request for withdrawal from the university. If you contact the Financial Aid Office with a request for withdrawal, we will ask you to confirm this by submitting this request to Studielink as well.

Which withdrawal date counts?

- **Official withdrawal date**

The date your withdrawal request by Studielink is registered in the University administration counts as your withdrawal date for Title IV purposes. If there is no official withdrawal date, VU will use the unofficial withdrawal date.

- **Unofficial withdrawal date**

An unofficial withdrawal is the case when a student withdraws from the university without notifying Vrije Universiteit.

VU may always choose to use the last date of attendance at a documented academically related activity as your withdrawal date, such as in the case of graduation after the official withdrawal request. An unofficial withdrawal will be determined based on the transcript of records and contact with the student's study advisor(s). If a student fails (grade <6.0) all their courses, the Financial Aid Officer will review the transcript of records and contact the student's study advisor(s) to make a judgement if a student unofficially withdrew or was just not successful in completing the courses with a satisfactory grade (6.0). In the case of an unofficial withdrawal, the withdrawal date will be the mid-point of the semester in which the student withdrew.

3. Upon determining withdrawal: Financial Aid Office (R2T4) conducts calculation

How will financial aid be recalculated?

Recalculation is based on the percentage of earned aid using the following formula: percentage of payment period or term completed = the number of days completed up to the withdrawal date divided by the total days in the payment period or term. (Any break of five days or more is not counted as part of the days in the term.) This percentage is also the percentage of earned aid.

Funds are returned to the appropriate federal program based on the percentage of unearned aid using the following formula: aid to be returned = (100% of the aid that could be disbursed minus the percentage of earned aid) multiplied by the total amount of aid that could have been disbursed during the payment period or term.

Refunds are allocated in the following order:

- Unsubsidized Federal Direct Loan
- Subsidized Federal Direct Loan
- Direct Federal PLUS Loan

After the Financial Aid Office conducts the R2T4 calculation, we will share the results with you, by emailing you the R2T4 worksheet.

4. R2T4 outcome: student earned less than was disbursed

The result of the R2T4 calculation might be that you earned less aid than the amount that was disbursed. If a student earned less aid than was disbursed, the institution would be required to return a portion of the funds, and the student would be required to return a portion of the funds. It is likely that when Title IV funds are returned, the student borrower may owe a debit balance to the institution. In the R2T4 worksheet, it is explained in detail the amount of unearned aid for which the student is responsible and the amount of unearned aid the VU is responsible for.

After this has been determined, the following actions are the responsibility of the VU:

- The Financial Aid Office will notify the US Department about both amounts of the R2T4 calculation - The Business Officer of the VU will pay the University's portion back to the US Department of Education within 45 days after the University has been informed about the withdrawal
- The Financial Aid Office submits the student's withdrawal date to NSLDS

Repayment by the student

If you have earned less aid than was disbursed, you will have to repay part of the funds received. A written notification will be sent to the student including the R2T4 worksheet, explaining the charges and how the student can repay this.

Repayment of Federal Direct loans

It is the responsibility of the student to repay their own part of unearned aid according to the terms of the promissory note.

Repayment to the VU

Be aware that the R2T4 requirements for Title IV program funds are separate from any refund policy that the VU has. Therefore, the University will charge you for any Title IV program funds that the University was required to return. Also, you may still owe funds to the Vrije Universiteit Amsterdam to cover unpaid institutional charges.

5. R2T4 outcome: student earned more aid than was disbursed

If the total amount of Title IV loan assistance that the student earned is greater than the total amount of title IV grant or loan assistance that was disbursed to the student or on behalf of the student in the case of a PLUS loan, as of the date of the institution's determination that the student withdrew, the difference between these amounts will be treated as a post-withdrawal disbursement.

Within 30 days of the date of the institution's determination that the student withdrew, a written notification will be sent to the student, or parent in the case of parent PLUS loan, that requests confirmation of any post-withdrawal disbursement of loan funds. The post-withdrawal disbursement will only be made after obtaining confirmation from the student or parent in the case of a parent PLUS loan, that they still wish to have the loan funds disbursed. No post-withdrawal disbursement of loan funds will be made if the student does not inform the Financial Aid Officer that the student would like to have a post-withdrawal disbursement within 30 days after the written notification of the Financial Aid Officer. VU will disburse the funds in the manner specified by the student, or parent

in the case of a parent PLUS loan, as soon as possible, but no later than 180 days after the date of the institution's determination that the student withdrew. It is the obligation of the student, or parent in the case of a parent's PLUS loan, to repay any loan funds he or she chooses to have disbursed. We strongly recommend that the student repays any loan funds he or she will not need.

However, credit balance refunds for withdrawn students must be put on hold until R2T4 is calculated. Regulatory timeframe for any credit balance resets to 14 days from the day you perform an R2T4 calculation

Additional Information

Please note that the steps listed here are only to ensure the correct withdrawal procedure with regard to your Federal Direct Loan. There might be other necessary steps relating to your study program, housing, or visa. (See also the Refund policy document)

If you have questions about your Title IV program funds, you can call the Federal Student Aid Information Center at 1-800-4 FED AID. You may also go to www.studentaid.ed.gov