



Return of Title IV Funds Policy

This policy is of relevance to staff / applicants / students

Approved by
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Written by

Operations Board
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Editorial – updated links and amended terminology
Registry

Purpose

The Guildhall School of Music & Drama is required to complete a Return to Title IV (R2T4) calculation for US Federal loan recipients who withdraw from their studies during an academic term. An R2T4 calculation may also be required if a student has an interruption to their studies.

Scope

This policy applies to all students registered at the School and who are in receipt of US federal financial support via the following financial programmes:

- Federal Direct Subsidized Loan;
- Federal Direct Unsubsidized;
- Federal Direct PLUS Loans.

Process

A student who wishes to withdraw or interrupt should first discuss this with their Department, and Student Affairs if applicable, in order to fully understand the process and implications. Once a student has made the decision to go ahead, they should complete the relevant online form on [eGo](#). Further information on the School's withdrawal and interruptions policies and procedures can be found in [Section 2 of the Academic Regulations](#) and the [Interruption of Study Policy](#).

If a student who receives Title IV funding withdraws or interrupts for more than 180 days the Guildhall School of Music & Drama will follow the requirements of returning funds as defined by the US Department of Education, which is applied alongside the [School's Tuition Fee Payment, Enrolment & Debt Collection Policy](#). This includes our refund policy. The Finance Office will use the worksheets as provided by the US Department of Education to determine how much of the loan may be retained and how much must be returned. The US Department of Education is the 'lender'.

Determining the date of withdrawal

The date of withdrawal for R2T4 is the official last date of attendance as notified by the student in their withdrawal request. If no official notification is received, the date is the day the School became aware that the student ceased attendance. The decision that a student should be withdrawn without notification will be made within 14 days of the student's non-attendance. If a student does not return to the School within 180 days of the start of a period of interruption, the student's withdrawal date for these purposes is the date the student began the interruption.

Return of funds by the School

A student 'earns' aid on a daily basis and therefore if a student withdraws, any 'unearned' aid for that payment period needs to be returned to the lender. This is calculated based on the number of days the student attended, minus any unscheduled leave of 5 days or more, divided by the total number of days in the term. If the student has attended more than 60 percent of the term, then no funds will need to be returned. Once the School has determined the amount of 'unearned' aid, funds will be returned to the lender and the student notified if they need to return any funds to the lender.

Loans are returned in the following order:

- Federal Unsubsidised loans
- Federal Subsidised loans
- PLUS Loan (Graduate or Parent)

Loans must be repaid in accordance with the terms of the borrower's promissory note.

There are some Title IV funds that students are scheduled to receive that cannot be 'earned' once a student withdraws because of other eligibility requirements. For example, a new student receiving aid for the first time who withdraws within the first 30 days of a programme will be deemed not to have 'earned' any aid. The School will determine any adjustments to the loan within 30 days of the student's withdrawal and will return the funds within 45 days of that calculation.

Students should note that this policy uses a different calculation from the School's Tuition Fee Payment, Enrolment and Debt Collection Policy which may mean that the student owes money to the School once the money has been returned to the lender. Students will be notified if this is the case.

Return of funds by student

If the student is notified that there are loan funds that must be returned by them, the student should repay in accordance with the terms of the promissory note.

Post-withdrawal disbursements

If the student received (or the school received on the student's behalf) less assistance than the amount that they earned, the student may be able to receive those additional funds if they wish. Any credit balance refund for a withdrawn student should be put on hold until the R2T4 calculation has been made. The

regulatory timeframe for any credit balance resets to 14 days from the day the R2T4 calculation is performed.

Within 30 days of the date of determination of withdrawal, the School will provide notification in writing of the type and amount of funds, and that there is an option to accept or decline some or all of these funds, but that any loan funds disbursed will need to be repaid. The student or parent borrower will be given a deadline of not less than 14 days to confirm if they wish to receive any of the funds. This will be documented by the School. If confirmation of the wish to accept the funds is not received by the deadline. The School may choose to honour the request, up to 180 days after the date of determination.

The School may automatically use all or a portion of the post-withdrawal disbursement (including loan funds, if the student accepts them) for tuition, fees, and accommodation charges (as contracted with the School). For all other School charges, the School needs the student's permission to use the post-withdrawal disbursement.