



## **Hertie RETURN TO TITLE IV (R2T4) Regulations**

The Hertie School Return to Title IV Regulation (referred to as R2T4) under the US Federal Student Loan program determinates the loan amount (loan funds) students are eligible for if they withdraw from the school, interrupt their studies for more than 180 days or drop below half time attendance.

The Hertie School of Governance is an attendance taking institution and required by the Berlin Senate as well as outside entities to take mandatory attendance.

The Student Affairs & Financial Aid team calculates the R2T4 and is responsible for transferring the respective loan amount.

The unearned loan amount must be returned to the lender within 45 days of the last date of attendance.

Loans are returned in the following order:

1. Unsubsidised Direct Loans
2. PLUS loan(Graduate )

### ***Leave of Absence and (unofficial) Withdrawal***

A 'Leave of absence' (LOA) refers to the specific period during the study program when a student is not able to attend courses, but will eventually return to complete the program. Students returning from a LOA are not required to re-apply for admission.

A 'withdrawal' refers to a student's desire to completely terminate his/her studies with no intention to rejoin the cohort. Students who decide to return to their studies after withdrawal must re-apply to the program through Hertie School's Admissions team.

To request a LOA, the student must submit a request form to the Examination Office. The Hertie School may reject a LOA request when the student does not meet certain conditions for Title IV purposes (for example, for academic reasons).

To withdraw from the school, students must fill out an ex-matriculation request and communicate their intentions to the Student Affairs & Financial Aid team. An unofficial withdrawal occurs when the Hertie School has not received notice from the student and he/she has stopped attending courses.

Students who withdraw from the study program after the published deadline for withdrawals (within their signed study agreement) will receive a grade of 0% on the transcript. This counts as a failing grade when calculating the Satisfactory Academic Progress standards and may affect the student's future eligibility for financial aid.

The number of days for an approved Leave of Absence cannot exceed 180 days in a 12 month period. If a student does not return within this timeframe, an R2T4 calculation will need to be performed. The withdrawal date would be the last date of attendance

## ***Withdrawal***

The date of withdrawal is the date the student first provides notice to the Student Affairs & Financial Aid team that the student will withdraw. This notice of withdrawal has to be followed by an ex-matriculation request. The date of notification of withdraw will be used to calculate the R2T4.

If the student received more loan funds than were earned, the surplus loan amount must be returned by the Hertie School and/or the student.

If the student did not receive the full loan amount earned, he or she may qualify for a post-withdrawal disbursement. If the post-withdrawal disbursement includes loan funds, the student may choose to decline the loan amount so that additional debt is not incurred.

The Student Affairs & Financial Aid team will take the following actions if a student requests ex-matriculation or ceases attendance during a payment period:

1. Use the R2T4 worksheet (which can be found on the Hertie US loan website) to determine how much of the loan amount may be retained and how much must be returned. The per cent of attendance is calculated by dividing the number of days attended by the total number of days in the payment period. If a student withdraws having completed more than 60% of their payment period or period of enrolment they will be deemed to have earned 100% of their loan entitlement for that payment period.
2. Inform the Accounting office about the calculated loan amounts who will take corresponding action and return funds to the US department if required.
3. Inform the student if he/she has to return any loan funds. The student is responsible for making repayments in accordance with the Master Promissory Note (MPN).

## ***Unofficial Withdrawal***

If the student fails to notify and submit the form, the school will use the last date of attendance to compute the R2T4. This would be an unofficial withdrawal.

## ***Cancellation***

If a student never begins to attend classes or the period of enrolment, the student is not an eligible student for Title IV funds. Therefore, the R2T4 Policy does not apply, instead, the provisions of 34 CFR 668.21 apply and all direct loan funds credited to the student's account must be returned.

The student loan servicer must be notified when funds were disbursed directly to the student.

## ***Non-Satisfactory Academic Progress | Attendance***

In case a student receives all failing grades for the semester, investigation will follow to determine 49% of grades were received as a result of non-satisfactory academic performance, or due to a lack of attendance.

If it is the lack of attendance, the last day of class attendance will be used as the withdrawal date in the R2T4 calculations. 0% attendance makes the student ineligible for loan funds and all of the loan proceeds will be returned to the lender.

## ***R2T4 Hertie School Obligations***

The Hertie School may automatically use all or a share of the students post-withdrawal disbursements for tuition.

For all other fees, the Hertie School needs the student's permission to use the post-withdrawal disbursement.

If a student is eligible for a post-withdrawal disbursement, the remaining amount needs to be offered to the student. The student has the right to decline this loan amount.

The Hertie School of Governance is required to determine the earned and unearned portion of Title IV aid when a student ceases enrollment prior to the planned completion date of the payment period or period of enrollment.

Example:

*NUMBER OF DAYS IN ATTENDANCE / NUMBER OF DAYS IN THE PERIOD OF ENROLMENT = % OF TITLE IV EARNED*

Earned funds

- The percentage of Title IV grant and loan assistance equal to the percentage of the period of enrollment that the student completed, for instance: Student A begins program of study and withdraws after completing 10%. Student A earned 10% of his or her Title IV funds

Unearned funds

- The percentage of Title IV grant and loan assistance that has not been earned by the student that is calculated by determining the complement of the percentage earned, for instance : The amount of Student A's Unearned funds is the complement of 10% or 90%, therefore 90% of Student A's Title IV funds were Unearned