



Return of Title IV US Direct Loan Funds Due to Withdrawal or Course Load Reduction

US Direct Loans are awarded on the basis that students will study full-time for their complete period of study. Students “earn” aid through attendance based on the number of calendar days completed while in full-time studies, divided by the total number of calendar days in the period of study. Students who complete 60% or more of their period of study have “earned” 100% of their US Direct Loans, and will not be required to repay any unearned loan funds. Students who complete less than 60% of their period of study due to withdrawal or reduction of courseload to part-time status (less than half-time) are required to repay the portion of their loan that they have not “earned”.

Responsibility for repaying the portion of “unearned” or overpaid loan to the US Department of Education (DOE) is shared by the student and the University of Toronto.

Dates Used in Calculating Earned and Unearned Loan Funds

- **Withdrawal Date:** Date when the student notified the Faculty/Division/Registrar’s Office of withdrawal from the University of Toronto.
 - For students who do not notify the University of Toronto of their intention to withdraw, the unofficial withdrawal date (i.e., mid-point date in the student’s period of study or the last day of attendance in an academically-related activity) will be used.
- **Courseload Reduction Date:** Date when the student dropped a course/s that results in a change to part-time status (less than half-time).

Withdrawal Procedures

- Refer to Faculty/Division calendars at www.future.utoronto.ca/current-students/registrar

Refund Policy

- Refer to Faculty/Division refund policy at www.fees.utoronto.ca

The University of Toronto is responsible for:

- Calculating “unearned” or overpaid US Direct Loans. This calculation must be completed within 30 days of the date that Enrolment Services determines that the student has officially withdrawn.
 - This date may be different from the withdrawal date if the student did not notify Enrolment Services of the withdrawal.
- Notifying students of any “unearned” or overpaid US Direct Loans, or eligibility for a post-withdrawal disbursement (if all of “earned” funds have not yet been paid to the student by the time of the withdrawal date; see Post-Withdrawal Disbursement section below). This notification must be made within 30 days of the date that Enrolment Services determines that the student has officially withdrawn.
- Repaying the student’s “unearned” or overpaid US Direct Loans to the DOE within 45 days of the official withdrawal date.

Students are responsible for:

- Notifying Enrolment Services immediately, in writing, of their withdrawal or course load reduction. Notification can be made via email to usa.financialaid@utoronto.ca.
- Repaying the full amount of their “unearned” loan(s) to the loan holder. This repayment must be done in accordance with the terms of the loan noted in the signed Master Promissory Note.
- Repaying to the University of Toronto Student Accounts Office within 45 days from the notification by Enrolment Services:
 - The amount of funds returned to the DOE on behalf of the student if this exceeds the credit on the student’s ACORN account.

Calculation of earned and unearned (overpaid) funds will be based on:

- Number of calendar days in the study period.
- Number of calendar days completed in the study period.
- Institutional charges (original tuition and fee charges before withdrawal, reduced course load).
- Total amount of the US Direct Loans awarded, accepted and/or disbursed.

Example

- Student is notified that she is eligible for a net US\$6000 US Direct Loans for full-time study for the 2016-17 academic year from Sept 12 to Apr 28.
- Net US\$3000 US Direct Loans is disbursed for fall term in September.
- Student withdraws from the University effective Nov 11.
- Enrolment Services determines on Nov 15 that the student has withdrawn.
 - No later than 30 days from this date, Enrolment Services must:
 - Calculate earned and unearned funds.
 - Notify the student of her earned and unearned loans.
- Calculations
 - Number of calendar days in the fall term study period = 100 days (Sept 12 to Dec 20)
 - Number of calendar days completed in the fall term study period = 51 days (Sept 12 to Nov 11)
 - Percentage of study period completed = 51% (51 days/100 days)
 - US Direct Loan funds earned = US \$1530 (\$3000 x 51%)
 - US Direct Loans funds not earned = US \$1470 (\$3000 - \$1530)
- Student is notified on Nov 20 of her earned and unearned US Direct Loan funds.
 - No later than 45 days from this date:
 - The University of Toronto must repay her unearned loan funds to the DOE.
 - The student must repay any portion of her unearned loans to the University of Toronto, if the credit on her ACORN account after her withdrawal/course reduction is less than the unearned loans returned by the University to DOE on her behalf.

Post-Withdrawal Disbursement of Loan Funds

Students may be eligible for a post-withdrawal disbursement if all of the “earned” loan funds have not yet been paid to them by the time of their withdrawal date.

Notification will be sent to the student regarding eligibility for a post-withdrawal disbursement within 30 days of the date that Enrolment Services determines that the student has officially withdrawn. Students will have 14 days from the date of notification to respond in writing that they will accept or decline all or a portion of the post-withdrawal disbursement.

If students accept the post-withdrawal disbursement, the loan funds will be disbursed to students’

ACORN accounts within 180 days of the date when Enrolment Services determined that the student has officially withdrawn.

For post-withdrawal disbursements of Parent PLUS Loans, notification will be made through the student, and the response to accept or decline all or a portion of the post-withdrawal disbursement must be made by the parent in writing. Parents should note that any post-withdrawal disbursements that they accept will still be disbursed to the students' ACORN accounts.

Enrolment Services will not issue any post-withdrawal disbursement of loan funds if students and parents fail to respond within the required 14 days.

Returned Unearned (Overpaid) Funds

The unearned funds that students re-pay will be returned to their US Direct Loans account in the following order:

1. Unsubsidized US Direct Loan
2. Subsidized US Direct Loan
3. Parent PLUS US Direct Loan
4. Graduate Professional PLUS US Direct Loan

Questions? Contact usa.financialaid@utoronto.ca.

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