

Maximum time frame for LOA

When calculating the maximum time-frame for a student's approved LOA, the school must ensure that it accounts for all periods of nonattendance (including weekends and scheduled breaks).

Thus, since an approved LOA may not be more than 180 days, a school might have to reduce the length of a student's LOA if the 180th day is scheduled to fall on a day the school would be closed.

Reminder

Full tuition credit

An institution may grant a full tuition credit toward the course the student chooses to reenter as a way to comply with the requirement that the institution not assess the student any additional charges upon return from an approved leave of absence.

Disbursement rules for students on leave of absence (LOA)

You may NOT make a disbursement of the proceeds of a Direct Loan to a student on an LOA (34 CFR 682.604(c)(4)).

You may disburse Pell Grant, Iraq and Afghanistan Service Grant, FSEOG, and Perkins Loan funds to a student on an LOA.

You must pay any funds that are part of a Title IV credit balance (and therefore are funds that have already been disbursed) to a student on an LOA. (See the discussion under Treatment of Title IV credit balances when a student withdraws later in this chapter.)

Approved leave of absence

A leave of absence (LOA), for Return of Title IV funds purposes is a temporary interruption in a student's program of study. LOA refers to the specific time period during a program when a student is not in attendance. An LOA is not required if a student is not in attendance only for an institutionally scheduled break. However, a scheduled break may occur during an LOA.

An LOA must meet certain conditions to be counted as a temporary interruption in a student's education instead of being counted as a withdrawal requiring a school to perform a Return calculation. If an LOA does not meet the conditions in 34 CFR 668.22(d), the student is considered to have ceased attendance and to have withdrawn from the school, and the school is required to perform a Return calculation.


For an LOA to qualify as an approved LOA:

- ◆ the school must have a formal written policy regarding leaves of absence requiring that all requests for leaves of absence be submitted in writing and include the reason for the student's request;
- ◆ the student must follow the school's policy in requesting the LOA;
- ◆ there must be a reasonable expectation that the student will return from the LOA;
- ◆ the school must approve the student's request for an LOA in accordance with the school's policy;
- ◆ the institution may not assess the student any additional institutional charges, the student's need may not increase, and therefore, the student is not eligible for any additional federal student aid;
- ◆ the LOA, together with any additional leaves of absence, must not exceed a total of 180 days in any 12-month period;
- ◆ except in a clock-hour or non-term credit-hour program, a student returning from an LOA must resume training at the same point in the academic program that he or she began the LOA, and
- ◆ if the student is a Title IV loan recipient, the school must explain to the student, prior to granting the LOA, the effects that the student's failure to return from an LOA may have on the student's loan repayment terms, including the expiration of the student's grace period.


A student granted an LOA that meets the criteria in this section is not considered to have withdrawn, and no Return calculation is required. Upon the student's return from the leave, he or she continues to earn the federal student aid previously awarded for the period.

Written formal policy required


Among the policies and procedures a school must maintain is one that discusses the procedures a student must follow in applying for a leave of absence and the criteria the school will apply in determining whether to approve the application. A school's LOA policy must specify that all requests for an LOA be submitted in writing, be signed, and be dated.

As mentioned previously, the regulations provide that a school must determine, before it grants an LOA, that there is a reasonable expectation that the student will return from the leave. For the school to make such a determination and ensure that the student meets the criteria in the school's LOA policy, the school must know the student's reason for requesting the leave.  Therefore, a school's LOA policy must specify that the reason for a student's leave request be included on a student's application for an LOA.

A school's policy must require a student to apply in advance for an LOA unless unforeseen circumstances prevent the student from doing so. For example, if a student were injured in a car accident and needed a few weeks to recover before returning to school, the student would not have been able to request the LOA in advance. A school may grant an LOA to a student who did not provide the request prior to the LOA due to unforeseen circumstances if the school documents the reason for its decision and collects the request from the student at a later date. In this example, the beginning date of the approved LOA would be determined by the school to be the date the student was unable to attend school because of the accident.

A school must publicize its LOA policy.  The school may do this by including that policy in the consumer information the school makes available to students (see Volume 2).

Reasonable expectation of return

 This condition is specified to make clear that a school may not grant a student an LOA merely to delay the return of unearned Title IV funds.


TIP

Do not confuse a Return of Title IV Funds Approved LOA with your school's academic LOA. Many schools have academic policies that allow them to temporarily extend the length of a student's academic term in the event of conditions that prevent the student's on-time completion of an academic period. Typically, these academic LOAs do not meet the requirements of a Return of Title IV Funds Approved LOA.

TIP

A school that grants a student an Approved Leave of Absence must, in NSLDS Enrollment Reporting, report the student with a status of "A" (Approved Leave of Absence).

Completion of coursework upon return in term-based credit-hour programs

Approved leaves of absence are viewed as temporary interruptions in a student's attendance. For term-based programs, a student returning from an LOA must complete the term to be eligible to receive a second or subsequent disbursement. 


Therefore, for students enrolled in credit-hour term programs, for an LOA to be an official LOA, a school must allow a student returning from an LOA to complete the coursework that he or she began prior to the LOA. In addition, the institution may not impose additional charges and may not award the student additional Title IV assistance.

Completion of coursework upon return in clock-hour and credit-hour non-term programs

For non-term-based programs, the regulations provide that the payment period is the period of time it takes a student to complete both half the number of credits and half the number of weeks of instruction in the academic year, program, or remainder of the program. For clock-hour programs, the payment period is the period of time it takes a student to complete half the number of clock hours and half the weeks of instructional time in the academic year or remainder of the program. Therefore, for clock-hour and non-term programs, it doesn't matter whether the student returns to the same course and point when the LOA began or the student starts in a new course within the program (so long as there are no additional charges). The student simply has to complete the number of clock hours or credit hours and the weeks of instruction in the payment period.

A student may return early from a leave of absence

A school may permit a student to return to class before the expiration of the student's LOA to review material previously covered. However, until the student has resumed the academic program at the point he or she began the LOA, the student is considered to still be on the approved LOA.

If a student returns early, the days the student spends in class before the course reaches the point at which the student began his or her LOA must be counted in the 180 days maximum for an approved leave of absence. That is, a student repeating coursework while on an LOA must reach the point at which he or she interrupted training within the 180 days of the start of the student's LOA. 

The requirement that an institution not impose additional charges when an approved LOA ends and the student resumes his or her program of study applies when a student returns to repeat prior coursework. Moreover, even if the student enters at the beginning of the module or course from which he or she took the leave of absence, a student is not eligible for any additional Title IV program assistance for this preparatory phase.

Since a student is still considered to be on an LOA while repeating prior coursework, if the student fails to resume attendance at the point in the academic program where he or she interrupted training at the beginning of the LOA, the student must be treated as a withdrawal. In that case, at an institution that is not required to take attendance, the date of the student's withdrawal that must be used in the Return calculation is the date the student began the LOA.

At an institution that is required to take attendance, the Last Date of Attendance (LDA) is used as the withdrawal date for a student that does not return from an LOA.

Leaves of absence versus the grade of incomplete

At term-based schools, students who are unable to complete the requirements of an individual course are often assigned the grade of incomplete (I). Students are usually expected to complete the required work within a reasonable time to receive credit and a passing grade.

If a student is assigned an incomplete status for one or several courses but continues to attend other courses, the student is not considered to have withdrawn. A student who is awarded the grade of incomplete in all of his or her classes is not considered a student on an approved LOA unless the LOA meets the criteria in this section.

Because of the criteria that must be met for an LOA to be an approved LOA, term-based schools can grant LOAs that meet the Department's criteria for an approved LOA in a very limited number of cases. A term-based, credit-hour institution that wishes to explore the possibility of granting an LOA that meets the criteria specified in 34 CFR 668.22(d) should call its School Participation Team for additional information.

No additional charges for students on an LOA

An LOA is a temporary break in the student's attendance during which, for purposes of determining whether a Return calculation is required, the student is considered to be enrolled. Since students who are continuously enrolled are not assessed additional charges, any additional charges to a student, even minimal reentry charges, indicate that the institution does not truly consider the student to be on an approved LOA.

No additional Title IV assistance while a student is on LOA

Since an institution may not assess any additional charges to a student returning from LOA, the institution may not award any additional Title IV aid until the student has completed the coursework in which the student was enrolled when the leave was granted.

An LOA may not exceed 180 days in any 12-month period

Institutions, at their discretion, may grant a student multiple leaves of absence as long as the total number of days for all leaves does not exceed 180 days within a 12-month period. This 12-month period begins on the first day of the student's initial LOA.

TIP

If a student on an Approved Leave of Absence fails to return within 180 days, the school must, in NSLDS Enrollment Reporting, report the student as withdrawn with the date the student began the LOA as the effective date.

When a student fails to return from a leave of absence

At an institution not required to take attendance, if a student does not return to the school at the expiration of an approved LOA (or a student takes an unapproved LOA), the student's withdrawal date is the date the student began the LOA. At an institution required to take attendance, the withdrawal date for the same student would always be the student's last day of attendance.

Explanation of the consequences of withdrawal to loan recipients granted an LOA

A student who is granted an approved LOA remains in an in-school status for Title IV loan repayment purposes. If a student on an approved LOA fails to return, the school must report to the loan holder the student's change in enrollment status as of the withdrawal date.

Deferment or Forbearance

A student who has exhausted his or her grace period and is unable to begin repayment of a loan may apply for a deferment or forbearance of payment.

One possible consequence of not returning from an LOA is that a student's grace period for a Title IV program loan might be exhausted. Therefore, for an LOA to be an approved LOA, prior to granting a leave of absence, a school must inform a student who is a Title IV loan recipient of the possible consequences a withdrawal may have on the student's loan repayment terms, including the exhaustion of the student's grace period.