

§668.403 Gainful employment program framework.

The Secretary determines whether a GE program provides training that prepares a student for gainful employment in a recognized occupation pursuant to this section.

(a) Debt-to-earnings rates. For each award year, the Secretary, pursuant to §668.404, calculates two D/E rates, one rate based on discretionary income (the discretionary income rate) and the other rate based on annual earnings (the annual earnings rate), for each GE program offered by an institution. Based on the GE program's D/E rates, the Secretary determines that the GE program is a ~~passing program, failing program, zone program,~~ or ineligible program as defined in paragraphs ~~(b) through (e)~~ "(b) and (c)" of this section.

~~*(b) Passing program. A GE program for which the—
(1) Discretionary income rate is equal to or less than 20 percent; or
(2) Annual earnings rate is equal to or less than eight percent.*~~

~~*(c) Failing "(b) Failing" program. A GE program for which the--
(1) Discretionary income rate is greater than 30 percent; and
(2) Annual earnings rate is greater than 12 percent.*~~

~~*(d) Zone program. A GE program that is not a passing program and for which the--
(1) Discretionary income rate is greater than 20 percent but less than or equal to 30 percent; or
(2) Annual earnings rate is greater than eight percent but less than or equal to 12 percent.*~~

~~*(e) "(c)" Ineligible program. A GE program that--
(1) Is a failing program in two out of any three consecutive award years for which D/E rates are calculated; or
(2) Is not a passing program in any of four consecutive award years for which D/E rates are calculated.*~~

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~~*(b) Passing program. A GE program for which the—
(1) Discretionary income rate is equal to or less than 20 percent; or
(2) Annual earnings rate is equal to or less than eight percent.*~~

~~*(e) Failing "(b) Failing" program. A GE program for which the--*~~

~~*(1) Discretionary income rate is greater than 20 percent; and*~~

~~*(2) Annual earnings rate is greater than 12 percent.*~~

~~*"(2) Annual earnings rate is:*~~

~~*(i) greater eight percent if less than 25% of students were Pell eligible or independent;*~~

~~*(ii) greater than 10% if more that 25% but less than 50% were Pell eligible or independent;*~~

~~*(iii) greater than 12% if more than 50% but less than 75% were Pell eligible or independent; or*~~

~~*(iv) greater than 14% if 75% or more were Pell eligible or independent.*~~

~~*Percentage of Pell eligible and independent students is calculated based on students completing a GE program in the most recently completed award year."*~~

~~*(d) Zone program. A GE program that is not a passing program and for which the--*~~

~~*(1) Discretionary income rate is greater than 20 percent but less than or equal to 30 percent; or*~~

~~*(2) Annual earnings rate is greater than eight percent but less than or equal to 12 percent.*~~

~~*(e) "(c)" Ineligible program. A GE program that—*~~

~~*(1) Is a failing program in two out of any three consecutive award years for which D/E rates are calculated; or*~~

~~*(2) Is not a passing program in any of four consecutive award years for which D/E rates are calculated.*~~

~~*"A GE program that is a failing program in three out of any four consecutive award years for which D/E rates are calculated."*~~

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(b) Failing program. A GE program for which the –

(1) Discretionary income rate is greater than 20 percent; and

(2) Annual earnings rate is:

(i) greater than eight percent if less than 25% of students were Pell eligible or independent;

(ii) greater than 10% if more that 25% but less than 50% were Pell eligible or independent;

(iii) greater than 12% if more than 50% but less than 75% were Pell eligible or independent; or

(iv) greater than 14% if 75% or more were Pell eligible or independent.

Percentage of Pell eligible and independent students is calculated based on students completing a GE program in the most recently completed award year.

(c) Ineligible program. A GE program that is a failing program in three out of any four consecutive award years for which D/E rates are calculated.