

September 23,2013
From: Rich Heath
To: Chip Cameron

Good evening Chip,
Here is the proposal I forwarded to you and John on September 10th. Can you tell me how this will be incorporated and considered for inclusion with the final regs to come from the process we adopted in preparation for the next session in October?

Proposal: That GE programs in which fewer than fifty percent of program completers have used Title IV loans automatically be exempted from any further eligibility determinations under GE.

Rationale: The central objective of the gainful employment metrics is to ensure that students do not incur loan obligations they cannot repay after completing their programs. Programs in which fewer than fifty percent of the completers do not borrow will by definition have a median federal loan debt of zero. This policy is consistent with the GE final regulation of June 2011. It was based on the sound policy that federal policies should encourage institutions to keep borrowing to a minimum.

This policy could be implemented by ED cross referencing the IPEDS completion data (perhaps further sorted by institutions to ensure that discrete GE programs are considered) for GE programs with OSFA student aid data collected in NSLDS.

From June 2011 regulation, comment review reflects the following:

<https://www.federalregister.gov/articles/2011/06/13/2011-13905/program-integrity-gainful-employment-debt-measures>

Finally, we are revising the regulations to provide that programs with a median loan debt of zero are meeting the measures. This clarification is a logical extension of the debt measures since programs with a median loan debt of zero are not placing any debt burden on the majority of their students.