

Overview of Draft Gainful Employment Regulation Negotiated Rulemaking Session 3

Metrics	Annual debt-to-earnings Discretionary debt-to-earnings	Program cohort default rate
Students	Completers	Completers & non-completers
Categories & thresholds	Pass: $aDTE \leq 8\%$ OR $dDTE \leq 20\%$ Zone: <ul style="list-style-type: none"> Not passing AND $8\% < aDTE \leq 12\%$ OR $20\% < dDTE \leq 30\%$ Fail: $aDTE > 12\%$ AND $dDTE > 30\%$	Pass: $pCDR < 30\%$ Fail: $pCDR \geq 30\%$
Ineligibility rules (metrics operate independently of each other)	A program becomes T4 ineligible for 3yrs if: <ul style="list-style-type: none"> It fails in any 2 out of 3yrs, OR Does not pass in any 1 out of 4yrs (time for zone programs to improve before ineligibility) 	A program becomes T4 ineligible for 3yrs if: <ul style="list-style-type: none"> The 3 year default rate of 3 consecutive cohorts of students is greater than or equal to 30%
Restrictions	<ul style="list-style-type: none"> Debt warnings to students if program could become ineligible at the end of the year (applies to zone & failing programs) T4 enrollment limited to previous year's level for failing programs (does not apply to zone programs) 	<ul style="list-style-type: none"> Debt warnings to students if program could become ineligible at the end of the year T4 enrollment limited to previous year's level if program could become ineligible at the end of the year

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Student protections	<ul style="list-style-type: none"> • If program could become ineligible at the end of the year, institution must post letter of credit or agree to set aside portion of T4 funds to provide borrower relief to enrolled students if program eventually becomes ineligible. • During transition period (first four years of rule), if program could become ineligible at the end of the year, institution may provide grants to students to reduce debt instead of letter of credit/excess fund requirement. Programs would not lose eligibility during the transition period if institution chooses this option. 	
Existing program certification	<p>For existing programs, institution must sign certification that program is included in institution’s accreditation or, if required, has received programmatic accreditation and completion of program meets requirements to become employed in the occupation for which the program provides training in State within region that program is offered</p>	
New program approval	<p>New programs apply only if the program was deemed ineligible, was a failing or zone program that was voluntarily closed, is in the same “family of CIP” codes as a current or recent failing program. Application requirements:</p> <ul style="list-style-type: none"> • Occupations that program trains for, CIP code, credential level, length of program, cost of tuition, fees, books, supplies, cost of attendance, start date of program • Projected entry level earnings and earnings three years after entering profession as obtained from likely employers • Letters from at least three likely employers signed by an executive officer of the business affirming that program curriculum will prepare student for employment in the relevant occupation • Documentation that institutional accreditation includes program or, if required, that program is accredited • If required, affirmation that program meets licensure, certification, experiential placement, or employer requirements in States within region that program is offered 	
Disclosures	<ul style="list-style-type: none"> • Occupation • Cost of tuition, fees, books, supplies • Program length • Total enrollment • Completion rate (for full and part-time students;) • Withdrawal rate (within normal time of program) 	<ul style="list-style-type: none"> • Placement rate (if required by state or accreditor) • Repayment rate (borrower-based) • Median earnings • Median loan debt • Whether licensure requirements are met (if applicable) • Whether program is accredited (if required)