

PART 600--INSTITUTIONAL ELIGIBILITY UNDER THE HIGHER EDUCATION ACT OF  
1965, AS AMENDED

§600.2 Definitions.

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Recognized occupation: An occupation that is--

(1) Identified by a Standard Occupational Classification (SOC) code established by the Office of Management and Budget (OMB) or an Occupational Information Network O\*Net-SOC code established by the Department of Labor, which is available at [www.onetonline.org](http://www.onetonline.org) or its successor site; or

(2) Determined by the Secretary in consultation with the Secretary of Labor to be a recognized occupation.

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(Authority: 20 U.S.C. 1001, 1002, 1071, et seq., 1078-2, 1088, 1091, 1094, 1099b, 1099c, 1141;  
26 U.S.C. 501(c))

§600.10 Date, extent, duration, and consequence of eligibility.

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(c) Educational programs. (1) An eligible institution that seeks to establish the eligibility of an educational program must--

(i) Pursuant to a requirement regarding additional programs included in the institution's program participation agreement under 34 CFR 668.14, obtain the Secretary's approval;

(ii) For a direct assessment program under 34 CFR 668.10, and for a comprehensive transition and postsecondary program under 34 CFR 668.232, obtain the Secretary's approval;

and

(iii) For an undergraduate program that is at least 300 clock hours but less than 600 clock hours and does not admit as regular students only persons who have completed the equivalent of an associate degree under 34 CFR 668.8(d)(3), obtain the Secretary's approval.

(2) Except as provided under §600.20(c), an eligible institution does not have to obtain the Secretary's approval to establish the eligibility of any program that is not described in paragraph (c)(1) of this section.

(3) \* \* \*

(i) Fails to comply with the requirements in paragraph (c)(1) of this section; or

\* \* \* \* \*

(Authority: 20 U.S.C. 1001, 1002, 1088, 1094, and 1141)

§600.20 Notice and application procedures for establishing, reestablishing, maintaining, or expanding institutional eligibility and certification.

\* \* \* \* \*

(c) \* \* \*

(1) Add an educational program or a location at which the institution offers or will offer 50 percent or more of an educational program if one of the following conditions applies, otherwise it must report to the Secretary under §600.21:

\* \* \* \* \*

(Authority: 20 U.S.C. 1001, 1002, 1088, 1094, and 1099c)

§600.21 Updating application information.

(a) \* \* \*

(11) Changing a program's name, CIP code, as defined in 34 CFR 668.402, or credential level; or

(12) Updating a certification pursuant to §668.414(b).

**668.16 Standards of administrative capability.**

To begin and to continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering that program under each of the standards established in this section. The Secretary considers an institution to have that administrative capability if the institution—

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(p) Develops and follows procedures to evaluate the validity of a student's high school completion if the institution or the Secretary has reason to believe that the high school diploma is not valid or was not obtained from an entity that provides secondary school education.

(q) Offers an undergraduate educational programs that meets benchmarks as measured under both the D/E rates benchmark and the loan repayment rate benchmark under 34 CFR 668.403. If one or more of the institution's undergraduate educational programs meets neither the D/E rates benchmarks nor the loan repayment rate benchmark, the Secretary may determine that the institution's administrative capability is impaired and may limit an institution's ability to expand programs that do not meet benchmarks by more than 10 percent, or to start new programs that share the same four-digit CIP code to the programs that do not meet benchmarks without prior approval of the Department or schedule a program review.

§668.41 Reporting and disclosure of information.

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\* \* \* \*

(a) Definitions. The following definitions apply to this subpart:

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*Undergraduate students*, for purposes of §§ 668.45 and 668.48 only, means students enrolled in a bachelor's degree program, an associate degree program, or a vocational or technical program below the baccalaureate **level**.

(b) Disclosure through Internet or Intranet websites. Subject to paragraphs (c)(2), (e)(2) through (4), or (g)(1)(ii) of this section, as appropriate, an institution may satisfy any requirement to disclose information under paragraph (d), (e), or (g) of this section for—

(1) Enrolled students or current employees by posting the information on an Internet website or an Intranet website that is reasonably accessible to the individuals to whom the information must be disclosed; and

(2) Prospective students or prospective employees by posting the information on an Internet website.

(c) Notice to enrolled students. (1) An institution annually must distribute to all enrolled students a notice of the availability of the information required to be disclosed pursuant to paragraphs (d), (e), **and** (g), **and (h)** of this section, and pursuant to 34 CFR 99.7 (§ 99.7 sets forth the notification requirements of the Family Educational Rights and Privacy Act of 1974). The notice must list and briefly describe the information and tell the student how to obtain the information.

(2) An institution that discloses information to enrolled students as required under paragraphs (d), (e), **or** (g), **or (h)** of this section by posting the information on an Internet website or an Intranet website must include in the notice described in paragraph (c)(1) of this section—

(i) The exact electronic address at which the information is posted; and

(ii) A statement that the institution will provide a paper copy of the information on request.

(d) General disclosures for enrolled or prospective students. An institution must make available to any enrolled student or prospective student through appropriate publications, mailings or electronic media, information concerning—

(1) Financial assistance available to students enrolled in the institution (pursuant to §668.42).

(2) The institution (pursuant to §668.43).

\* \* \* \* \*

(h) Enrolled students, prospective students, and the public -- disclosure of an institution's use of pre-dispute arbitration agreements and/or class action waivers for students receiving Title IV Federal student aid. (1) An institution of higher education must make available to enrolled students, prospective students, and the public easily accessible information regarding any class action waiver or pre-dispute arbitration agreement that is included in any agreement between the institution and students receiving Title IV Federal student aid. The institution may not use an Intranet website for the purpose of providing this notice to prospective students or the public.

(2) The institution must provide an annual notice to all enrolled students, pursuant to paragraph (c)(1) of this section, of the information described in paragraph (h)(1). If the institution chooses to make the disclosure available by posting the disclosure on an Internet website or an Intranet website, such disclosure must include the exact electronic address at which the disclosure is posted, a brief description of the disclosure, and a statement that the institution will provide a paper copy of the disclosure upon request.

(3) For the purposes of this paragraph (h), the following definitions apply:

(i) Class action means a lawsuit or an arbitration proceeding in which one or more parties seek class treatment pursuant to Federal Rule of Civil Procedure 23 or any State process analogous to Federal Rule of Civil Procedure 23.

(ii) Class action waiver means any agreement or part of an agreement, regardless of its form or structure, between a school, or a party acting on behalf of a school, and a student that prevents an individual from filing or participating in a class action.

(iii) Pre-dispute arbitration agreement means any agreement or part of an agreement, regardless of its form or structure, between a school, or a party acting on behalf of a school, and a student requiring arbitration of any future dispute between the parties.

(Authority: 20 U.S.C. 1092)

Subpart Q—**Undergraduate** Educational Programs; **Benchmarks**, Disclosures, and Certifications  
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Subpart Q— **Undergraduate** Educational Programs; **Benchmarks**, Disclosures, and Certifications.

§668.401 Scope and purpose.

This subpart applies to an **undergraduate** educational program offered by an eligible institution and establishes--

(a) Procedures by which the Secretary calculates the program's debt-to-earnings rates **and loan repayment rate**;

(b) **Actions that may be taken based on the program's rates**; and

(c) Program-level disclosure and certification requirements.

(Authority: 20 U.S.C. 1001, 1002, 1088, 1231a)

§668.402 Definitions.

The following definitions apply to this subpart.

Annual earnings rate. The percentage of an **undergraduate** educational program's **completers'** annual loan payments compared to the annual **earnings of that same cohort**, as calculated under §668.404.

Classification of instructional program (CIP) code. A taxonomy of instructional program classifications and descriptions developed by the U.S. Department of Education's National Center for Education Statistics (NCES). The CIP code for a program is six digits.

Cohort period. The two-year cohort period during which those students who complete an undergraduate educational program are identified in order to assess their loan debt and earnings for the purpose of the D/E rates measure. The cohort period covers two consecutive award years that are the five and six award years prior to the award year for which the D/E rates are calculated pursuant to §668.404. For example, if D/E rates are calculated for award year 2016-2017, the two-year cohort period is award years 2010-2011 and 2011-2012.

Credential level. The level of the academic credential awarded by an institution to students who complete an undergraduate educational program, which includes, for the purposes of this subpart, undergraduate certificate or diploma, associate degree, bachelor's degree, and post-baccalaureate certificate.

Debt-to-earnings rates (D/E rates). The discretionary income rate and annual earnings rate as calculated under §668.404.

Discretionary income rate. The percentage of an undergraduate educational program's completers' annual loan payment compared to the discretionary income of that cohort, as calculated under §668.404.

Educational program. An educational program (as defined in §600.2) offered by an institution and identified by a combination of the institution's six-digit Office of Postsecondary Education ID (OPEID) number, the program's six-digit CIP code as assigned by the institution or determined by the Secretary, the program's credential level, and other identifiers as determined by the Secretary.

Length of the program. The amount of time in weeks, months, or years that is specified in the institution's catalog, marketing materials, or other official publications for a student to complete the requirements needed to obtain the degree or credential offered by the program.

Loan Repayment Rate. The loan repayment rate as calculated under §668.406.

Metropolitan Statistical Area (MSA). The Metropolitan Statistical Area as published by the U.S. Office of Management and Budget and available at [www.census.gov/programs-surveys/metro-micro.html](http://www.census.gov/programs-surveys/metro-micro.html) or its successor site. For an undergraduate educational program offered by a foreign school, the MSA is the MSA for Washington, DC.

Poverty Guideline. The Poverty Guideline for a single person in the continental United States as published by the U.S. Department of Health and Human Services and available at <https://aspe.hhs.gov/poverty-guidelines> or its successor site.

Prospective student. An individual who has contacted an eligible institution for the purpose of requesting information about enrolling in an undergraduate educational program or who has been contacted directly by the institution or by a third party on behalf of the institution about enrolling in a program.

Student. An individual who received title IV, HEA program Direct Loan or Pell Grant funds for enrolling in an undergraduate educational program.

(Authority: 20 U.S.C. 1001, 1002, 1088)

§668.403 Undergraduate educational program framework.

(a) Debt-to-earnings rates (D/E rates) and loan repayment rates. For each award year and for each eligible undergraduate educational program offered by an institution, the Secretary calculates--

(1) Two D/E rates, the discretionary income rate and the annual earnings rate, using the procedures in §§668.404 and 668.405 and

(2) A loan repayment rate, using the procedures in §668.406.

(b) Benchmarks for the D/E rates measure. (1) Except as provided in (iii), an undergraduate educational program meets benchmarks under the D/E rates measure if--

- (i) Its discretionary income rate is less than or equal to 20 percent; or
- (ii) Its annual earnings rate is less than or equal to eight percent.

(2) Except as provided in paragraph b (3), an undergraduate educational program does not meet benchmarks under the D/E rates measure if--

(i) Its discretionary income rate is greater than 20 percent or the income for the denominator of the rate (discretionary earnings) is negative or zero; and

(ii) Its annual earnings rate is greater than 8 percent or the denominator of the rate (annual earnings) is zero.

(3) An undergraduate educational program is considered to meet benchmarks under the D/E rates measure if the institution demonstrates to the Secretary that the program meets the standards for economically disadvantaged appeals in 34 CFR 668.213, or that each program meets the standards appeals in 34 CFR 668.216 for programs with thirty-or-fewer borrowers.

(4) For any award year that the Secretary does not calculate or issue D/E rates for an undergraduate educational program pursuant to §668.404(f), the institution discloses the program's D/E rates for the previous award year, if available. If the Secretary does not calculate or issue D/E rates for additional award years, the program would list N/A for their D/E rates.

(c) Benchmark for the loan repayment rate measure. (1) An undergraduate educational program is considered to "meet benchmarks" under the loan repayment rate measure if the loan repayment rate is greater than or equal to \*\*\*.

(2) An undergraduate educational program "does not meet benchmarks" under the loan repayment rate measure if the loan repayment rate is less than \*\*\*.

(3) For any award year that the Secretary does not calculate or issue a loan repayment rate for a program for an undergraduate educational program for a measurement period, pursuant to §668.406, the institution discloses the program's loan repayment rate for the previous measurement period, if available. If the Secretary does not calculate or issue repayment rates for additional measurement periods, the program would list N/A for their repayment rate.

(Authority: 20 U.S.C. 1001, 1002, 1088)

§668.404 Calculating D/E rates.

(a) General. Except as provided in paragraph (f) of this section, for each award year, the Secretary calculates D/E rates for an undergraduate educational program as follows:

(1) Discretionary income rate = annual loan payment / (the higher of the mean or median annual earnings – (1.5 x Poverty Guideline)). For the purposes of this paragraph, the Secretary applies the Poverty Guideline for the calendar year immediately following the calendar year for which annual earnings are obtained under paragraph (c) of this section.

(2) Annual earnings rate = annual loan payment / the higher of the mean or median annual earnings.

(b) Annual loan payment. The Secretary calculates the annual loan payment for an undergraduate educational program by--

(1)(i) Determining the median loan debt of the students who completed the program during the cohort period, based on the lesser of the loan debt incurred by each student as determined under paragraph (d)(1) of this section and the total amount for tuition and fees and books, equipment, and supplies for each student as determined under paragraph (d)(3) of this section;

(ii) Removing, if applicable, the appropriate number of highest loan debts as described in §668.405(e)(2); and

(iii) Calculating the median of the remaining amounts;

(2)(i) Amortizing the median loan debt--

(A) Over a 10-year repayment period for a program that leads to an undergraduate certificate, a post-baccalaureate certificate, or an associate degree, or a graduate certificate; or,

(B) Over a 15-year repayment period for a program that leads to a bachelor's degree; and

(ii) Using the annual statutory interest rates on Federal Direct Unsubsidized Loans that were in effect during the last award year of the cohort period. In determining the rate, the Secretary will use the Federal Direct Unsubsidized Loan interest rate applicable to undergraduate students for undergraduate certificate programs, post-baccalaureate certificate programs, bachelor's degree programs, and associate degree programs.

(c) Annual earnings. (1) The Secretary obtains from the Social Security Administration (SSA), under §668.405, the most currently available mean and median annual earnings of the students who completed the undergraduate educational program during the cohort period and who are not excluded under paragraph (e) of this section; and

(2) The Secretary uses the higher of the mean or median annual earnings to calculate the D/E rates.

(d) Loan debt and assessed charges. (1) The Secretary will determine the loan debt for a student using the amount of title IV loans that the student borrowed (total amount disbursed less any cancellations or adjustments) for enrollment in the program (Federal PLUS Loans made to parents of dependent students, Direct PLUS Loans made to parents of dependent students, and Direct Unsubsidized Loans that were converted from TEACH Grants are not included).

(2) The Secretary may elect to include in the calculation institutional loan debt, private loan debt, tuition and fees and books and supplies by publishing notice of such election, and the manner in which institutions must report such information, in the *Federal Register*.

(3) The Secretary attributes all of the loan debt incurred by the student for enrollment in any undergraduate educational program at the institution to the highest credentialed undergraduate program subsequently completed by the student at the institution as of the end of the most recently completed award year prior to the calculation of the draft D/E rates under this section.

(4) The Secretary excludes any loan debt incurred by the student for enrollment in educational programs at other institutions. However, the Secretary may include loan debt incurred by the student for enrollment in undergraduate educational programs at any other institutions if the institution and the other institutions are under common ownership or control, as determined by the Secretary in accordance with 34 CFR 600.31.

(e) Exclusions. The Secretary excludes a student from both the numerator and the denominator of the D/E rates calculation if the Secretary determines that--

(1) One or more of the student's title IV loans are under consideration by the Secretary, or have been approved, for a discharge on the basis of the student's total and permanent disability, under 34 CFR 674.61, 682.402, or 685.212;

(2) The student was enrolled for at least 60 days in any other eligible program at the institution or at another institution during the calendar year for which the Secretary obtains earnings information under paragraph (c) of this section;

(3) The student completed a higher credentialed undergraduate program at the institution subsequent to completing the program as of the end of the most recently completed award year prior to the calculation of the draft D/E rates under this section; **or**

**(4)** The student died.

(f) D/E rates not issued. The Secretary does not issue draft or final D/E rates for an **undergraduate** educational program under §668.405 if--

(1) After applying the exclusions in paragraph (e) of this section, fewer than 10 students completed the program during the cohort period; or

(2) SSA does not provide the mean and median earnings for the program as provided under paragraph (c) of this section.

(Authority: 20 U.S.C. 1001, 1002, 1088, 1094)

§668.405 Issuing and challenging D/E rates.

(a) Overview. For each award year, the Secretary determines the D/E rates for an **undergraduate** educational program at an institution by--

(1) Creating a list of the students who completed the program during the cohort period and providing the list to the institution, as provided in paragraph (b) of this section;

(2) Allowing the institution to correct the information about the students on the list, as provided in paragraph (c) of this section;

(3) Obtaining from SSA the mean and median annual earnings of the students on the list, as provided in paragraph (d) of this section;

(4) Calculating draft D/E rates and providing them to the institution, as provided in paragraph (e) of this section;

(5) Allowing the institution to challenge the median loan debt used to calculate the draft D/E rates, as provided in paragraph (f) of this section; **and**

(6) Calculating final D/E rates and providing them to the institution, as provided in paragraph (g) of this section.

(b) Creating the list of students. (1) The Secretary selects the students to be included on the list by--

(i) Identifying the students who completed the **undergraduate educational** program during the cohort period from the enrollment data reported by the institution; and

(ii) Indicating which students would be removed from the list under §668.404(e) and the specific reason for the exclusion.

(2) The Secretary provides the list to the institution and states which cohort period was used to select the students.

(c) Institutional corrections to the list. (1) The Secretary presumes that the list of students and the identity information for those students are correct unless, as set forth in procedures established by the Secretary, the institution provides evidence to the contrary satisfactory to the Secretary. The institution bears the burden of proof that the list is incorrect.

(2) No later than 45 days after the date the Secretary provides the list to the institution, the institution may--

(i) Provide evidence showing that a student should be included on or removed from the list pursuant to §668.404(e); or

(ii) Correct or update a student's identity information and the student's program attendance information.

(3) After the 45-day period expires, the institution may no longer seek to correct the list of students or revise the identity or program information of those students included on the list.

(4) The Secretary considers the evidence provided by the institution and either accepts the correction or notifies the institution of the reasons for not accepting the correction. If the Secretary accepts the correction, the Secretary uses the corrected information to create the final list. The Secretary provides the institution with the final list.

(d) Obtaining earnings data. The Secretary submits the final list to SSA. For the purposes of this section, SSA returns to the Secretary--

(1) The mean and median annual earnings of the students on the list whom SSA has matched to SSA earnings data, in aggregate and not in individual form; and

(2) The number, but not the identities, of students on the list that SSA could not match.

(e) Calculating draft D/E rates. (1) If the SSA earnings data includes reports from records of earnings on at least 10 students, the Secretary uses the higher of the mean or median annual earnings provided by SSA to calculate draft D/E rates for an undergraduate educational program, as provided in §668.404.

(2) If SSA reports that it was unable to match one or more of the students on the final list, the Secretary does not include in the calculation of the median loan debt the same number of students with the highest loan debts as the number of students whose earnings SSA did not match. For example, if SSA is unable to match three students out of 100 students, the Secretary orders by amount the debts of the 100 listed students and excludes from the D/E rates calculation the three largest loan debts.

(3)(i) The Secretary notifies the institution of the draft D/E rates for the program and provides the mean and median annual earnings obtained from SSA and the individual student loan information used to calculate the rates, including the loan debt that was used in the calculation for each student.

(ii) The draft D/E rates and the data described in paragraphs (b) through (e) of this section are not considered public information.

(f) Institutional challenges to draft D/E rates. (1) The Secretary presumes that the loan debt information used to calculate the median loan debt for the **undergraduate educational** program under §668.404 is correct unless the institution provides evidence satisfactory to the Secretary, as provided in paragraph (f)(2) of this section, that the information is incorrect. The institution bears the burden of proof to show that the loan debt information is incorrect and to show how it should be corrected.

(2) No later than 45 days after the Secretary notifies an institution of the draft D/E rates for a program, the institution may challenge the accuracy of the loan debt information that the Secretary used to calculate the median loan debt for the program under §668.404 by submitting evidence, in a format and through a process determined by the Secretary, that demonstrates that the median loan debt calculated by the Secretary is incorrect.

(3) In a challenge under this section, the Secretary does not consider--

(i) Any objection to the mean or median annual earnings that SSA provided to the Secretary based on the program information provided to SSA;

(ii) More than one challenge to the student-specific data on which draft D/E rates are based for a program for an award year; or

(iii) Any challenge that is not timely submitted.

(4) The Secretary considers the evidence provided by an institution challenging the median loan debt and notifies the institution of whether the challenge is accepted or the reasons why the challenge is not accepted.

(5) If the information from an accepted challenge changes the median loan debt of the program, the Secretary recalculates the program's draft D/E rates.

(6) An institution that does not timely challenge the draft D/E rates for a program waives any objection to those rates.

(g) Final D/E rates. (1) After expiration of the 45-day period and subject to resolution of any challenge under paragraph (f) of this section, **an undergraduate educational** program's draft D/E rates constitute its final D/E rates.

(2) The Secretary informs the institution of the final D/E rates for each of its programs by issuing the notice of determination described in §668.409(a).

(3) After the Secretary provides the notice of determination to the institution, the Secretary may publish the final D/E rates for the program.

(h) Conditions for corrections and challenges. An institution must ensure that any material that it submits to make any correction or challenge under this section is complete, timely, accurate, and in a format acceptable to the Secretary and consistent with any instructions provided to the institution with the notice of its draft D/E rates and the notice of determination. (Authority: 20 U.S.C. 1001, 1002, 1088, 1094)

§668.406 Calculating and issuing loan repayment rates.

(a) (1) General. Under the procedure in this section, the Secretary determines the loan repayment rate for each undergraduate educational program and notifies the institution of the rate associated with each of its programs.

(2) Repayment rate cohort. Repayment rates are based on the set of Federal loan borrowers who enter repayment in two consecutive fiscal years. This cohort combines borrowers who enter repayment during a given fiscal year with the set of borrowers who entered repayment

in a previous fiscal year. For example, the fiscal year 2011 and 2012 repayment rate cohort combines the set of borrowers who entered repayment from October 1, 2011 to September 30, 2012 with the set of borrowers who entered repayment from October 1, 2010 to September 30, 2011. The time of repayment rate measurement is the end of the fifth and sixth respective fiscal year following the fiscal year of borrowers entering repayment. For each combined two-year cohort, there are two measurement periods for each corresponding fiscal year. For example, for the 2011-12 repayment rate cohort, borrowers who entered repayment in fiscal year 2012 are measured at the end of fiscal year 2017 (September 30, 2017) and borrowers who entered repayment in fiscal year 2011 are measured at the end of fiscal year 2016 (September 30, 2016).

(b) Calculating loan repayment rates. For an award year, the Secretary calculates a loan repayment rate for borrowers not excluded under paragraph (b)(5) of this section who enrolled in an undergraduate educational program as follows:

$$\frac{\text{Number of borrowers paid in full plus number of borrowers in active repayment}}{\text{Number of borrowers entering repayment}}$$

(1) Number of borrowers entering repayment. The total number of borrowers who entered repayment during the two-year cohort period on FFEL or Direct Loans received for enrollment in the program.

(2) Number of borrowers paid in full. Of the number of borrowers entering repayment, the number who have fully repaid all FFEL or Direct Loans received for enrollment in the program at the time of measurement.

(3) Number of borrowers in active repayment. Of the number of borrowers entering repayment, the number who made loan payments sufficient to reduce by at least one dollar the outstanding balance of the aggregate FFEL or Direct Loans received for enrollment in the

program, by comparing the aggregate outstanding balance of applicable loans at the time of entering repayment with the aggregate outstanding balance of applicable loans at the time of measurement.

(4) Loan defaults. A borrower who is in default on an applicable FFEL or Direct Loan at the time of measurement is not included in the numerator of the loan repayment rate formula even if the borrower's loan balance meets the definition of being in active repayment.

(5) Exclusions. For the award year the Secretary calculates the loan repayment rate for a program, the Secretary excludes a borrower from the repayment rate calculation if the Secretary determines that—

(i) One or more of the borrower's FFEL or Direct loans were in a military-related deferment status at any time during the time of measurement;

(ii) One or more of the borrower's FFEL or Direct loans are either under consideration by the Secretary, or have been approved, for a discharge on the basis of the borrower's total and permanent disability, under 34 CFR 682.402 or 685.212;

(iii) The borrower was enrolled in any other eligible program for at least 60 days at the institution or at another institution during the time of measurement; or

(iv) The borrower died.

(c) Notification. The Secretary informs the institution of the loan repayment rate for each of its undergraduate educational programs by issuing a notice of determination.

(d) Challenges to loan repayment rates. (1) No later than 45 days after the Secretary notifies an institution of an undergraduate educational program's draft loan repayment rate the institution may challenge the accuracy of the information that the Secretary used to calculate the

draft repayment rate by submitting, in a form prescribed by the Secretary, evidence demonstrating that the information was incorrect.

(2) The Secretary considers any evidence provided by the institution challenging the accuracy of the information the Secretary used to calculate the repayment rate and notifies the institution whether the challenge is accepted or the reasons the challenge is not accepted. If the Secretary accepts the challenge, the Secretary uses the corrected data to calculate the repayment rate.

(3) An institution may challenge the Secretary's calculation of a repayment rate only once for an award year. An institution that does not timely challenge the repayment rate waives any objection to the rate as stated in the notice of determination.

(e) Final calculation of loan repayment rates. (1) After expiration of the 45-day period, and subject to resolution of any challenge under paragraph (d)(1) of this section, a program's draft repayment rate constitutes the final rate for that program.

(2) The Secretary informs the institution of the final repayment rate for each of its undergraduate educational programs by issuing a notice of determination.

(3) Unless paragraph (g) of this section applies, after the Secretary provides the notice of determination, the Secretary may publish the final loan repayment rate.

(f) Conditions for challenges. An institution must ensure that any material that it submits to make any corrections or challenge under this section is—

(1) Complete, timely, accurate, and in a format acceptable to the Secretary as described in this subpart; and

(2) Consistent with any instructions provided to the institution with the notice of its draft loan repayment rate.

(g) Privacy considerations. The Secretary does not publish an undergraduate educational program's loan repayment rate and an institution may not disclose such rate if the loan repayment rate is based on fewer than 10 students.

(Authority: 20 U.S.C. 1001, 1002, 1088, 1094)

§668.409 Final determination of the D/E rates and loan repayment rate.

(a) Notice of determination. For each award year for which the Secretary calculates D/E rates and a loan repayment rate for an undergraduate educational program, the Secretary issues a notice of determination informing the institution of the following:

(1) The final D/E rates for the program as determined under §§668.404 and 668.405, and the final loan repayment rate as determined under §668.406.

(2) The final determination by the Secretary of whether the program meets benchmarks or does not meet benchmarks under the D/E rates measure and under the loan repayment rate measure, as described in §668.403.

(3) Whether the institution is required to provide a notification under §668.410(a).

(b) Effective date of Secretary's final determination. The Secretary's determination as to the D/E rates and loan repayment rate is effective on the date that is specified in the notice of determination. The determination constitutes the final decision of the Secretary with respect to the D/E rates and the loan repayment rate and the Secretary provides for no further appeal of that determination.

(Authority: 20 U.S.C. 1001, 1002, 1088, 1094)

§668.410 Notification for programs that do not meet benchmarks.

(a) General. For any year in which an undergraduate educational program is determined by the Secretary to not meet benchmarks under the D/E rates and loan repayment measures, the institution must provide a notification to students and prospective students.

(b) Content of notification. Unless otherwise specified by the Secretary in a notice published in the *Federal Register*--

(1) The notification must state that: “The performance of this program is below standards established by the U.S. Department of Education regarding the debt-to-income ratios and loan repayment performance of prior graduates. The Department based these standards on the amounts students borrow for enrollment in this program and the earnings that were reported to the Internal Revenue Service. These graduates are not making sufficient payments to actively pay down the balance of their student loans. Students should take this into account when selecting a program for enrollment or in determining how much they should borrow to complete the program based on likely earnings upon completion.”;

(2) An institution, if appropriate, may include in the notification: “Please note, however, that the institution believes that the earnings may be affected by a significant number of students who completed our program and did not report all of their income, such as tip income, or who were self-employed and had business expenses that reduced the earnings being reported, or who selected to work part-time or take time out of the workforce, including to care for dependents or other family members.”; and

(3) An institution, if appropriate, may also include in the notification: “The institution believes that the data used here may not reflect the earnings potential in your geographic location because the institution enrolls students nationally and wages can vary significantly from one part of the country to another.”

(c) Alternative languages. Programs that are not taught in English or that use non-English promotional materials must provide notifications in the language of the program instruction or the promotional materials.

(d) Delivery to students. (1) An institution must provide the notification required under this section in writing to each student enrolled in the program no later than 30 days after the date of the Secretary's notice of determination under §668.409 by--

(i) Hand-delivering the notification as a separate document to the student individually or as part of a group presentation; or

(ii) Sending the notification to the primary email address used by the institution for communicating with the student about the program.

(2) If the institution sends the notification by email, the institution must--

(i) Ensure that the notification is the only content in the email;

(ii) Send the notification using a different address or method of delivery if the institution receives a response that the email could not be delivered; and

(iii) Maintain records of its efforts to provide the notification required by this section.

(e) Delivery to prospective students — (1) General. An institution must provide any notification required under this section to each prospective student or to each third party acting on behalf of the prospective student at the first contact about the program between the institution and the student or the third party acting on behalf of the student by--

(i) Hand-delivering the notification as a separate document to the prospective student or third party individually or as part of a group presentation;

(ii) Sending the notification to the primary email address used by the institution for communicating with the prospective student or third party about the program; or

(iii) Providing the prospective student or third party a copy of the disclosure template that includes the notification required by this section.

(2) Email delivery and acknowledgement. If the institution provides the notification to the prospective student or the third party by email, including by providing the prospective student or third party an electronic copy of the disclosure template, the institution must--

(i) Ensure that the notification is the only content in the email;

(ii) Send the notification using a different address or method of delivery if the institution receives a response that the email could not be delivered; and

(iii) Maintain records of its efforts to provide the notification.

(f) Disclosure template. Within 30 days of receiving notice from the Secretary that the institution must provide a notification under this section, the institution must update the **undergraduate** educational program's disclosure template described in §668.412 to include the notification in paragraph (b) of this section or such other notification specified by the Secretary in a notice published in the *Federal Register*.

(Authority: 20 U.S.C. 1001, 1002, 1088, 1094, 1099c)

§668.411 [Reserved]

§668.412 Disclosure requirements.

(a) Disclosure template. An institution must use the disclosure template provided by the Secretary to disclose information about each of its **undergraduate educational** programs to enrolled and prospective students. The Secretary identifies the information that must be included in the template in a notice published in the *Federal Register*. That information may include, but is not limited to:

(1) The primary occupations (by name and SOC code) that the program prepares students to enter, along with links to occupational profiles on O\*NET (www.onetonline.org) or its successor site.

(2) The program's completion rates for full-time and less-than-full-time students and the program's withdrawal rates.

(3) The length of the program in calendar time (i.e., weeks, months, years).

(4) The number of clock or credit hours or equivalent, as applicable, in the program.

(5) The total number of individuals enrolled in the program during the most recently completed award year.

(6) As calculated by the Secretary under §668.406 the loan repayment rate for any one or all of the institution's programs.:

(7) The total cost of tuition and fees, and the total cost of books, supplies, and equipment, that a student would incur for completing the program within the length of the program.

(8) The placement rate for the program, if the institution is required by its accrediting agency or State to calculate a placement rate either for the program or the institution, or both, using the required methodology of that accrediting agency or State.

(9) Of the individuals enrolled in the program during the most recently completed award year, the percentage who received a title IV loan or a private loan for enrollment in the program or whose parents took a Parent PLUS loan.

(10) The median loan debt for any one or all of the following groups:

(i) Those students who completed the program during the most recently completed award year.

(ii) Those students who withdrew from the program during the most recently completed award year.

(iii) All of the students described in paragraphs (a)(10)(i) and (ii) of this section.

(11) The mean or median earnings of students to be calculated using a method specified by the Secretary in a notice published in the *Federal Register*

(12) (i) As calculated by the Secretary under §668.404, the most recent annual earnings rate.

(ii) If appropriate, a disclaimer that states: “Please note, however, that the institution believes that the earnings may be affected by a significant number of students who completed our program and did not report all of their income, such as tip income, or who were self-employed and had business expenses that reduced the earnings being reported, or who selected to work part-time or take time out of the workforce, including to care for dependents or other family members.”; and

(iii) If appropriate, a disclaimer that states: “The institution believes that the data used here may not reflect the earnings potential in your geographic location because the institution enrolls students nationally and earnings can vary significantly from one part of the country to another.”

(13)(i) Whether the program does or does not satisfy--

(A) The applicable educational prerequisites for professional licensure or certification in each State within the institution's MSA; and

(B) The applicable educational prerequisites for professional licensure or certification in any other State for which the institution has made a determination regarding such requirements.

(ii) For any States not described in paragraph (a)(13)(i) of this section, a statement that the institution has not made a determination with respect to the licensure or certification requirements of those States.

(14) Whether the program is programmatically accredited and the name of the accrediting agency.

(15) A link to the U.S. Department of Education's College Navigator website or its successor site, or other similar Federal resource.

(16) For programs preparing students for fields requiring licensure, a URL linking to any web page containing the State's mandatory qualifications for licensure.

(17) A link to the institution's page on the U.S. Department of Education's *College Scorecard* or its successor site, or other similar Federal resource.

(b) Disclosure updates. (1) In accordance with procedures and timelines established by the Secretary, the institution must update at least annually the information contained in the disclosure template with the most recent data available for each of its **undergraduate** educational programs.

(2) The institution must update the disclosure template to include any notification as required under §668.410(f).

(c) Program web pages. (1) On any web page containing academic, cost, financial aid, or admissions information about an **undergraduate** educational **program and on the program page (and not under a separate web page dedicated to institutional research or other purposes)** maintained by or on behalf of an institution, the institution must provide the disclosure template for that program or a prominent, readily accessible, clear, conspicuous, and direct link to the disclosure template for that program.

(2) The Secretary may require the institution to modify a web page if it provides a link to the disclosure template and the link is not prominent, readily accessible, clear, conspicuous, and direct.

(d) Promotional materials. (1) All promotional materials made available by or on behalf of an institution to prospective students that identify an **undergraduate** educational program by name or otherwise promote the program must include--

(i) The disclosure template in a prominent manner; or

(ii) Where space or airtime constraints would preclude the inclusion of the disclosure template, the web address (URL) of, or the direct link to, the disclosure template, provided that the URL or link is prominent, readily accessible, clear, conspicuous, and direct and the institution identifies the URL or link as “Important Information about the educational debt, earnings, and completion rates of students who attended this program” or as otherwise specified by the Secretary in a notice published in the *Federal Register*.

(2) Promotional materials include, but are not limited to, an institution's catalogs, invitations, flyers, billboards, and advertising on or through radio, television, print media, the internet, and social media.

(3) The institution must ensure that all promotional materials, including printed materials, about a program are accurate and current at the time they are published, approved by a State agency, or broadcast.

(e) [Reserved]

(f) Disclosure templates by program length or location. (1) An institution that offers a program in more than one program length must publish a separate disclosure template for each

length of the program. The institution must ensure that each disclosure template clearly identifies the applicable length of the program.

(2) An institution that offers a program in more than one location may publish a separate disclosure template for each location if doing so would result in clearer disclosures under paragraph (a) of this section. An institution that chooses to publish separate disclosure templates for each location must ensure that each disclosure template clearly identifies the applicable location.

(3) If an institution publishes a separate disclosure template for each length or for each location of the program, the institution must disaggregate, by length of the program or location, those disclosures set forth in paragraphs (a)(4) and (5), (a)(7) through (9), and (a)(13) and as otherwise provided by the Secretary in a notice published in the *Federal Register*.

(g) Privacy considerations. An institution may not include on the disclosure template any of the disclosures described in paragraphs (a)(2), (a)(5), and (a)(6) or paragraphs (a)(8) through (12) of this section if they are based on fewer than 10 students or if the disclosure would otherwise reveal identifiable information in violation of the Family Educational Rights and Privacy Act.

(Authority: 20 U.S.C. 1001, 1002, 1088)

§668.413 [Reserved]

§668.414 Certification requirements for undergraduate educational programs.

(a) Program participation agreement certification. If an institution offers a title IV-eligible undergraduate educational program that prepares students for employment in an occupation for which the State in which the institution is located or the Federal Government has requirements for certification or licensure in that State, as a condition of the undergraduate

educational program's continued participation in the title IV, HEA programs, an institution must—

(1) Certify in its program participation agreement with the Secretary under §668.14 that it meets the requirements of paragraph (b) of this section; and

(2) Update the certification within 10 days if there are any changes in the approvals for a program, or other changes for a program that make an existing certification no longer accurate.

(b) Program eligibility certifications. For each **undergraduate** educational program described in paragraph (a) of this section, an institution submits to the Secretary a certification signed by the institution's chief executive officer, at the time and in the form specified by the Secretary, that--

(1) The program is approved by a recognized accrediting agency or is otherwise included in the institution's accreditation by its recognized accrediting agency, or, if the institution is a public postsecondary vocational institution, the program is approved by a recognized State agency for the approval of public postsecondary vocational education in lieu of accreditation;

(2) The program is programmatically accredited, **or has submitted an application for pre-accreditation or accreditation**, if such accreditation is required by a Federal governmental entity or by a governmental entity in the State in which the institution is located or in which the institution is otherwise required to obtain State approval under 34 CFR 600.9; and

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(Authority: 20 U.S.C. 1001, 1002, 1088, 1094, 1099c)