

The Secretary proposes to amend the Student Assistance General Provisions by adding Subpart Q to Part 668, to establish measures for determining whether certain postsecondary educational programs lead to gainful employment in recognized occupations, and the conditions under which these educational programs remain eligible for student financial assistance programs authorized under Title IV of the Higher Education Act of 1965, as amended (HEA).

In general, the proposed requirements establish various metrics such as debt to earnings rates and program cohort default rates to determine whether a gainful employment (GE) program may continue to participate in the title IV, HEA programs.

Institutions have the opportunity to correct the data, challenge the data, and appeal the data, as well as, submit alternatives to some of the data under these proposed regulations. Institutions with GE programs must report information about all students in GE programs. As a result of the metrics, institutions may be required to provide enrolled students and prospective students with disclosures and/or warnings regarding the metrics of completers and about students who withdrew from the GE program.

Section 668.405(c) – Issuing and challenging D/E rates, institutional corrections to the list.

Under the proposed regulations, the Secretary would create a list of students who completed a GE program during the applicable cohort period from data reported by the institution. The institution would then have the opportunity, within 45 days of receiving the student list from the Secretary, to propose corrections to the list.

Section 688.405(c) - New Burden:

| # of Respondents | # of Responses | Hours/Response | Burden Hours |
|------------------|----------------|----------------|--------------|
| 916,601 | 916,601 | 0.17 | 155,822 |

Section 668.405(f) – Issuing and challenging D/E/ rates, institutional challenges to draft D/E rates.

Under the proposed regulations at §668.405(d), after finalizing the list of students, the Secretary would obtain from the Social Security Administration (SSA) the mean and median earnings, in aggregate form, for those students on the amended list whom the SSA has matched to its earnings data for the most recently completed calendar year for which SSA has validated earnings information. The Secretary would calculate draft D/E rates using the higher of the mean or median earnings reported by SSA under proposed §668.405(e), notify the institution of the GE program’s draft D/E rates, and provide the institution with the individual loan data on which the rates were calculated.

Section 688.405(f) - New Burden:

| # of Respondents | # of Responses | Hours/Response | Burden Hours |
|------------------|----------------|----------------|--------------|
| 187,513 | 187,513 | 0.25 | 46,878 |

Section 668.410(a)(1) - Student warnings to enrolled students.

Under proposed §668.410(a), if we notify an institution that a GE program could become ineligible based on a final GE measure for the next award or fiscal year, within 30 days the institution would have to provide a written warning directly to each student enrolled in the program. In the warning, an institution would be required to describe the options available to the student to continue his or her education in the event that the program loses its eligibility for title IV, HEA program funds.

Section 688.410(a)(1) - New Burden:

| # of Respondents | # of Responses | Hours/Response | Burden Hours |
|------------------|----------------|----------------|--------------|
| 1,171,956 | 1,171,956 | 0.0636005106 | 74,537 |

Section 668.410(a)(2) - Student warnings to prospective students.

Under proposed §668.410(a)(2), institutions must provide a written warning about a possible loss of eligibility for title IV, HEA program funds directly to prospective students prior to their signing an enrollment agreement, registering, or making any financial commitment to the institution.

Section 688.410(a)(2) - New Burden:

| # of Respondents | # of Responses | Hours/Response | Burden Hours |
|------------------|----------------|----------------|--------------|
| 7,031,736 | 7,031,736 | 0.10 | 703,174 |

Section 668.410(a)(2)(ii)(B) – Subsequent warning of a prospective student.

Under proposed §668.410(a)(2)(ii)(B), if more than 30 days have passed from the date the initial warning is provided, the prospective student must be provided an additional warning and may not enroll until three days later. We estimate that half of the number of prospective students would not enroll within 30 days of the initial warning and therefore would require a second warning.

Section 688.410(a)(2)(ii)(B) - New Burden:

| # of Respondents | # of Responses | Hours/Response | Burden Hours |
|------------------|----------------|----------------|--------------|
| 3,515,868 | 3,515,868 | 0.08 | 281,269 |

Section 668.411(a) – Reporting requirements for GE programs – reconfiguring reporting systems.

Under the proposed regulations in §668.411, institutions would report, for each student enrolled in a GE program during an award year who received title IV, HEA program funds for enrolling in that program: (1) information needed to identify the student and the institution the student attended; (2) the name, CIP code, credential level, and length of the GE program; (3) whether the GE program is a medical or dental program whose students are required to complete an internship or residency; (4) the date the student began initial attendance in the GE program; (5) the student’s attendance dates and attendance status in the GE program during the award year; and (6) the student’s enrollment status as of the first day of the student’s enrollment in the GE program.

Further, if the student completed or withdrew from the GE program during the award year, the institution would report: (1) the date the student completed or withdrew; (2) the total amount the student received from private education loans for attendance in the GE program that the institution is, or should reasonably be, aware of; (3) the total amount of institutional debt the student owes any party after completing or withdrawing from the GE program; and (4) the amount for tuition and fees and books, supplies, and equipment included in the student’s cost of attendance for each award year in which the student was enrolled in the GE program, or a higher amount if assessed by the institution to the student.

Section 688.411(a) - New Burden:

| # of Respondents | # of Responses | Hours/Response | Burden Hours |
|------------------|----------------|----------------|--------------|
| 2,526 | 2,526 | 6 | 15,156 |

Section 668.411(b) – Reporting information on each student enrolled in a GE program during an award year.

Proposed §668.411(b) requires institutions to report information for the 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013, and the 2013-2014 award years no later than July 31, 2015.

Section 688.411(b) - New Burden:

| # of Respondents | # of Responses | Hours/Response | Burden Hours |
|------------------|----------------|----------------|--------------|
| 15,196,848 | 15,196,848 | 0.03 | 455,905 |

Section 668.412(a) – Disclosures requirements for GE programs, up-dating templates and Web sites:

The proposed §668.412(a) would expand the number of items that we may require an institution to disclose and increase the Department’s flexibility to tailor the disclosure in a way that would be most useful to students and minimize burden to institutions. Institutions must update their GE program disclosure information annually. They must make it available in their promotional materials and make it available on any Web page containing academic, cost, financial aid, or admissions information about a GE program.

Section 688.412(a) - New Burden:

| # of Respondents | # of Responses | Hours/Response | Burden Hours |
|------------------|----------------|----------------|--------------|
| 12,250 | 12,250 | 5 | 61,250 |

Section 668.412(e) - Disclosures requirements for GE programs, direct distribution to prospective students.

Under proposed §668.412(e), an institution must provide, as a separate document, a copy of the disclosure information to a prospective student. Before a prospective student signs an enrollment agreement, completes registration at, or makes a financial commitment to the institution, the institution must obtain written confirmation from the prospective student that he or she received the copy of the disclosure information.

Section 688.412(e) - New Burden:

| # of Respondents | # of Responses | Hours/Response | Burden Hours |
|------------------|----------------|----------------|--------------|
| 13,363,380 | 13,363,380 | 0.1299999710 | 1,737,239 |

Section 668.413(b) - Calculating, issuing, and challenging completion, withdrawal, and repayment rates and median earnings for completers, institutional corrections to the list.

As discussed in connection with proposed §668.412, an institution would be required to disclose, among other information, completion and withdrawal rates, repayment rates, and median loan debt and median earnings for a GE program. Using the procedures proposed in §668.413 and based partially on the information that an institution would report under proposed §668.411, the Secretary would calculate and make available to the institution for disclosure: completion rates, withdrawal rates, repayment rates, median loan debt, and median earnings for a GE program. An institution would have an opportunity to correct the list of students who completed a GE program and the list of students who withdrew from a GE program prior to the Secretary sending the lists to SSA for earnings information.

Section 688.413(b) - New Burden:

| # of Respondents | # of Responses | Hours/Response | Burden Hours |
|------------------|----------------|----------------|--------------|
| 12,250 | 24,050 | 2 | 49,000 |

Section 668.413(d)(1) – Challenges to completion rates , withdrawal rates, repayment rates and median loan debt, and median earnings.

Under proposed §668.413(d)(1), an institution may challenge the Secretary’s calculation of the draft completion rates, withdrawal rates, repayment rates, and median loan debt.

Section 688.413(d) - New Burden:

| # of Respondents | # of Responses | Hours/Response | Burden Hours |
|------------------|----------------|----------------|--------------|
| 12,250 | 12,250 | 20 | 245,000 |

Section 668.414 – Certification of GE programs.

Under proposed §668.414(a) each institution participating in the title IV, HEA programs would be required to provide a “transitional certification” to supplement its current program participation agreement (PPA). The transitional certification would be submitted no later than December 31, 2015. The transitional certification would be signed by the institution’s most senior executive officer and apply to all of the institution’s GE programs eligible for title IV, HEA program funds. Under proposed §668.414(b) an institution would be required to certify each time it executes a new PPA that any GE programs it offers meet the PPA certification requirements.

Section 688.414 - New Burden:

| # of Respondents | # of Responses | Hours/Response | Burden Hours |
|------------------|----------------|----------------|--------------|
| 2,526 | 2,526 | 0.5 | 1,263 |

TOTALS

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|--------------|------------|
| Responses | 41,437,954 |
| Respondents | 41,425,704 |
| Burden Hours | 3,826,493 |