



Gainful Employment Final Rules Summary
July 12, 2011

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This document summarizes select highlights of regulatory changes from the U.S. Department of Education’s Final Rules on gainful employment, published in the Federal Register on June 13, 2011. Terms in blue type are defined in the Gainful Employment — Glossary of Terms.

The new gainful employment rules are effective no earlier than July 1, 2012, but may result in extensive changes to school processes and information gathering requirements. Some provisions may be effective later. NELA® encourages schools to carefully examine these provisions to identify the changes that will affect their operations, and to begin the process of developing new school policies and procedures to comply with those changes.

Early implementation is not permitted for any of these provisions.

Topic and Citation	Final Rule	Effective Date	Additional Information
Gainful Employment			
Gainful Employment — Minimum Standards §668.7(a)(1)	<p>Minimum standards for a program that prepares students for gainful employment in a recognized occupation are either of the following:</p> <ul style="list-style-type: none"> • Annual loan repayment rate at least 35 percent. • Annual loan payment less than or equal to 30 percent of discretionary income or 12 percent of annual earnings. <p>A program meets the minimum standards if the data necessary for ED to determine program eligibility is not yet available.</p>	July 1, 2012	<p>A program must meet or exceed at least one of these standards for a single fiscal year to continue its eligible status.</p> <p>ED will obtain this information from the data schools are required to report beginning Oct. 1, 2011.</p>
Definitions §668.7(a)(2)	<p>Program — Educational program offered by a for-profit school or institution of higher education that leads to a certificate or other non-degree credential, identified by the school’s OPEID, and the program’s credential level and CIP code. ED determines whether the school accurately assigns CIP codes using data from NCES.</p> <p>Credential levels — Undergraduate or post-baccalaureate certificate, or associate, bachelor’s, master’s, doctoral and first-professional degree.</p>	July 1, 2012	ED estimates that in FY 2013, nearly 9 million students will be enrolled in more than 55,000 gainful employment programs .

	<p>Debt measures — Annual loan repayment rates and debt-to-earnings ratios, collectively.</p> <p>Fiscal year — The 12-month period from Oct. 1 of one calendar year to Sept. 30 of the following calendar year, as designated by the calendar year in which it ends. ED calculates debt measures based on the FY.</p> <p>Two-year period (2YP) is two consecutive FYs:</p> <ul style="list-style-type: none"> • 2YP — The third and fourth FYs prior to the most recently completed FY for which ED has calculated debt measures. • 2YP-A — The first and second FYs prior to the most recently completed FY for which ED has calculated the loan repayment rate. • 2YP-R — The sixth and seventh FYs prior to the most recently completed FY for which ED has calculated debt measures. Applicable only to students who are required to complete a medical or dental internship or residency. <p>Required medical or dental internship or residency period of supervised training that meets all of the following criteria:</p> <ul style="list-style-type: none"> • Requires the student to hold a doctor of medicine, osteopathy or dental science degree. • Leads to a degree or certificate from an institution of higher education, hospital or health care facility that provides training beyond the graduate level. • Must be completed by the student before that student may be licensed by the state and board-certified for professional practice and service. <p>Four-year period (4YP) is four consecutive FYs:</p> <ul style="list-style-type: none"> • 4YP — The third, fourth, fifth and sixth FYs prior to the 		<p>2YP-R is applicable only to medical/dental students.</p> <p>4YP-R is applicable only to</p>
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	<p>most recently completed FY for which ED has calculated debt measures.</p> <ul style="list-style-type: none"> • 4YP-R — The sixth, seventh, eighth and ninth FYs prior to the most recently completed FY for which ED has calculated debt measures. 2YP-R is applicable only to students who are required to complete a medical or dental internship or residency, as defined above. <p>Discretionary income — The difference between the mean or median annual earnings and 150 percent of the most recently published Poverty Guidelines for a single individual in the continental United States.</p>		<p>medical/dental students.</p> <p>Poverty Guidelines are published annually at http://aspe.hhs.gov/poverty.</p>
Annual Loan Repayment Rate			
<p>Loan Repayment Rate §668.7(b)</p>	<p>The loan repayment rate is the original outstanding principal balance of loans paid in full by the borrower, plus the outstanding principal balance of payments made loans, divided by the original outstanding principal balance for the most recently completed FY.</p> $\frac{\text{OOPB of LPF} + \text{OOPB of PML}}{\text{OOPB}}$	<p>July 1, 2012</p>	<p>LPF and PML loans are considered to be in satisfactory repayment status.</p>
<p>Original Outstanding Principal Balance (OOPB) §668.7(b)(1)</p>	<p>OOPB is the outstanding balance on a Direct Loan or FFELP loan (excluding a parent PLUS loan and a TEACH/unsubsidized loan), including capitalized interest, owed by a student in the program as of the date the loan first entered repayment during the two- or four-year periods: 2YP, 2YP-A, 2YP-R, 4YP or 4YP-R.</p> <p>The OOPB of a consolidation loan is the amount of that loan attributable to the borrower's attendance in the program.</p> <p>For FYs 2012, 2013 and 2014, ED will calculate two loan repayment rates for a program — 2YP and 2YP-A — and use the higher of those rates to determine whether the program meets the 35 percent loan repayment rate.</p>	<p>July 1, 2012</p>	

<p>Loans Paid in Full (LPF) §668.7(b)(2)</p>	<p>Loans paid in full are loans paid in full <i>by the borrower</i> that never were in default. For purposes of a consolidation loan, neither the consolidation loan nor the underlying loans may have been in default. Loans that are paid in full via consolidation or some other refinancing tool are not considered LPF until the consolidation or refinanced loan is paid in full.</p>	<p>July 1, 2012</p>	<p>LPF includes only loans that never were in default that were paid in full <i>by the borrower</i>. Loans paid in full by another party do not qualify as LPF; loans that were in default at any time are not LPF either, even if subsequently paid in full by the borrower.</p>
<p>Payments Made Loans (PML) §668.7(b)(3)</p>	<p>Payments made loans are loans that never have been in default where <i>the borrower</i>:</p> <ul style="list-style-type: none"> • Made payments during the most recent FY that reduced the outstanding balance (including unpaid accrued interest not capitalized) to less than the outstanding balance at the beginning of that FY; or • Who is enrolled in a master's, doctoral, post-baccalaureate certificate or first-professional degree program, has an outstanding balance (including unpaid accrued interest not capitalized) on a consolidation loan at the end of the most recent FY that is equal to or less than the balance at the beginning of that FY; or • Is in the process of qualifying for Public Service Loan Forgiveness, made qualifying payments during the most recent FY, and provided ED with appropriate employment certification; or • Is making payments under the income-based, income-contingent or other repayment plan that are equal to or less than the amount of accruing interest. The dollar amount of these loans in the numerator is limited to no more than 3 percent of the OOPB that is listed in the denominator. ED will include this 3 percent amount in the numerator until it obtains actual data, and may adjust this percentage to a higher amount in the future. <p>For a consolidation loan, neither the consolidation loan nor</p>	<p>July 1, 2012</p>	<p>PML includes only loans that never were in default on which <i>the borrower</i> made qualifying payments (except for the PSLF provision). Payments made by another party do not reduce loan balances for the purpose of this calculation.</p> <p>ED plans to collect repayment plan and payment amount information on FFELP loans it does not hold. Until it obtains this information, it will limit these loans to 3 percent of the OOPB.</p>

	the underlying loans may have been in default.		
Exclusions §668.7(b)(4)	When calculating the loan repayment rate , ED excludes from both the numerator and the denominator loans that at any time during that FY were: <ul style="list-style-type: none"> • In an in-school or military-related deferment status. • Discharged due to the borrower's death. • Discharged due to the borrower's total and permanent disability and loans assigned or transferred to the Department for TPD discharge consideration. 	July 1, 2012	
Debt-to-Earnings Ratios			
General §668.7(c)(1)	ED annually will calculate debt-to-earnings ratios using the following formulas: <ul style="list-style-type: none"> • Discretionary income rate = Annual loan payment divided by mean or median annual earnings - (150 percent of Poverty Guideline for a single person in the continental United States). • Earnings rate = Annual loan payment divided by mean or median annual earnings. 	July 1, 2012	Poverty Guidelines are published annually at http://aspe.hhs.gov/poverty .
Annual Loan Payment §668.7(c)(2)	ED determines the annual loan payment , using the median loan debt of the program and the current annual interest rate for unsubsidized Stafford loans, based on the following schedules: <ul style="list-style-type: none"> • 10-year repayment schedule for a program that leads to an associate degree or an undergraduate or post-baccalaureate certificate. • 15-year repayment schedule for a program that leads to a bachelor's or master's degree. • 20-year repayment schedule for a program that leads to a doctoral or first-professional degree. <p>To calculate the median loan debt used in this calculation, ED uses the lesser of:</p> <ul style="list-style-type: none"> • The amount of loan debt incurred by a program completer (if the student completed the program during the two- or four-year period, as applicable — 2YP, 2YP-R, 4YP or 4YP-R). 	July 1, 2012	A program with a \$0 median loan debt will not be affected by these regulations, but the school still annually must report to ED information concerning that program in accordance with §668.6. If the school reports the tuition and fees, that amount will be used to calculate the debt-to-earnings ratios and may benefit the school if its students borrow more than the tuition and fees amount. ED anticipates that many schools will report the tuition and fees amounts.

	<ul style="list-style-type: none"> The total amount of tuition and fees the school charged the student for enrollment in all programs at the school (if the school provided tuition and fee information). 		
Annual Earnings §668.7(c)(3)	ED obtains the most current mean and median annual earnings of students who completed the program during the 2YP , 2YP-R , 4YP or 4YP-R from the U.S. Social Security Administration (or other federal agency) and calculates the debt-to-earnings ratios using the higher of that mean or median annual earnings amount.	July 1, 2012	ED will use the higher of the mean or median annual earnings to account for high unemployment or underemployment.
Loan Debt §668.7(c)(4)(i)	The Department calculates a student's loan debt including the following: <ul style="list-style-type: none"> FFELP and Direct Loans (except parent PLUS or TEACH Grant loans) owed for the program. Private education loans. Debt obligations from institutional financing plans. 	July 1, 2012	The debt obligation from an institutional financing plan is the amount the student owes the school upon completion of the program .
Loan Debt §668.7(c)(4)(ii)	ED includes the total loan debt incurred by the student to the highest credentialed program completed by the student at the school.	July 1, 2012	
Loan Debt §668.7(c)(4)(iii)	Loan debt does <i>not</i> include debt that the student incurred for attendance at other schools, unless both the current and former schools are under common ownership or control, or otherwise are related.	July 1, 2012	The Department is concerned that schools under common ownership or control may shift students among those schools to skew the loan debt figures.
Exclusions §668.7(c)(5)	ED excludes from its debt-to-earnings ratios calculation for the FY any student who: <ul style="list-style-type: none"> Was enrolled in another program during the calendar year at that school or at another school for which annual earnings information was obtained. Had loans in an in-school or military-related deferment status during any part of the FY. Died. Had loans that were discharged due to the borrower's total and permanent disability and loans assigned <i>or</i> transferred to the Department for TPD discharge consideration. 	July 1, 2012	

Small Numbers			
Small Numbers §668.7(d)(1)	If a program's 2YP or 2YP-R includes a small number of borrowers — 30 or fewer — whose loans entered repayment, ED calculates the debt measures using the 4YP or 4YP-R , as applicable.	July 1, 2012	The program must have at least 30 program completers for the debt-to-earnings measure and at least 30 borrowers entering repayment in the period to calculate the repayment rate.
Small Numbers §668.7(d)(2)	Instead of the minimum standards noted above, a program with a small number of borrowers or completers satisfies the debt measures if any of the following applies: <ul style="list-style-type: none"> • After excluding borrowers with loans in an in-school deferment or military-related deferment status, and those with loans discharged due to death or TPD, the four-year period (4YP or 4YP-R) represents 30 or fewer borrowers whose loans entered repayment or 30 or fewer borrowers who completed the program. • SSA did not provide the mean and median earnings for the program. • The calculated median loan debt is zero. 	July 1, 2012	
Draft Debt Measures and Data Corrections			
Draft Debt Measures and Data Corrections §668.7(e)	Starting with FY 2012 , ED annually will issue draft debt measures for each of the school's programs . The school then will be able to correct the data used in the draft results before ED issues final debt measures .	July 1, 2012	
Pre-Draft Corrections Process — Debt-to-Earnings Ratios §668.7(e)(1)	Before ED issues the draft debt-to-earnings ratios for a program , it will provide the school with a list of its students who will be included in two- and four-year periods used to calculate the ratios. If the school wishes to correct the data in the pre-draft list, it has no more than 30 days from when ED provides the list to: <ul style="list-style-type: none"> • Provide evidence showing that a student should be included on or excluded from the list. • Correct or update listed student identity information (for example, name, Social Security number or date of birth). 	July 1, 2012	SSA defines " earnings " for a tax year as the sum of pay for services as an employee plus net earnings from self employment. These wages include those covered by Social Security, cash pay for agricultural and domestic work, cash tips that equal or exceed \$20 per month from work for an employer, all pay for work not

	After the Department receives the school's corrections, it will correct and submit the final list of students to the SSA . ED calculates the draft debt-to-earnings ratios based on the mean and median earnings provided by SSA for the students on that final list. A school may not challenge the accuracy of the earnings provided by SSA that are used to calculate the draft debt-to-earnings ratios .		covered by Social Security if done in the United States, and all net earnings from self-employment even if not covered by Social Security.
Post-Draft Corrections Process — Debt Measures §668.7(e)(2)	<p>Within 45 days of the date ED issues the program's draft debt-to-earnings ratios and draft annual loan repayment rate, a school can challenge the accuracy of:</p> <ul style="list-style-type: none"> • Loan data used to calculate the draft annual loan repayment rate, or the median loan debt used for the numerator of the draft debt-to-earnings ratios. The school must submit evidence showing that the loan data or median loan debt used is inaccurate. • The list of borrowers included in the two- or four-year period used to calculate the draft annual loan repayment rate. The school must provide evidence that a borrower should be included or excluded from the list, or correct or update borrower identification information (for example, name, SSN or date of birth). 	July 1, 2012	
Recalculated Results — Debt Measures §668.7(e)(3)(i)	ED will recalculate the debt measures for the program using accurate data provided by the school.	July 1, 2012	
Recalculated Results — Debt-to-Earnings Ratios §668.7(e)(3)(ii)	<p>For a failing program, if SSA is unable to include the mean and median earnings for one or more students, ED will:</p> <ul style="list-style-type: none"> • Adjust the median loan debt by removing the highest loan debt associated with the number of students SSA is unable to include in the calculation. • Recalculate the debt-to-earnings ratios based on the adjusted median loan debt. 	July 1, 2012	
Final Debt Measures			
Notification	ED will notify a school of any draft results that are not	July 1, 2012	

§668.7(f)	challenged, are recalculated or are unsuccessfully challenged. Those results become the final debt measures for the program .		
Alternative Earnings			
General §668.7(g)(1)	A school may demonstrate that a failing program would meet a debt-to-earnings standard by using the median loan debt for that program and alternative earnings from any of the following: <ul style="list-style-type: none"> • A state-sponsored data system. • A school survey conducted in accordance with NCES standards. • The U.S. Bureau of Labor Statistics — or BLS — data for FY 2012-2014. 	July 1, 2012	A failing program is one that has failed all three standards (annual loan repayment rate , discretionary income threshold, and actual earnings threshold) for any single FY .
State Data §668.7(g)(2)	For FY 2012 and beyond, a school may use state earnings data to recalculate debt-to-earnings ratios for a failing program only if the school: <ul style="list-style-type: none"> • Obtains data from state-sponsored data systems for more than 50 percent of the students (the total must be more than 30 students) in the applicable two- or four-year period or a comparable two- or four-year period. • Uses the actual, state-derived mean or median earnings of the students in the applicable two- or four-year period. • Demonstrates that it accurately used the actual state-derived data to recalculate the ratios. 	July 1, 2012	
Survey Data §668.7(g)(3)	For FY 2012 and beyond, a school may use survey data to recalculate debt-to-earnings ratios for a failing program only if the school does all of the following: <ul style="list-style-type: none"> • Uses reported earnings obtained from a school survey conducted of the students (the total must be more than 30 students) in the applicable two- or four-year period or a comparable two- or four-year period. The school may use the mean or median annual earnings derived from the survey data. • Submits a copy of the survey and certifies that it was conducted according to statistical standards and procedures established by NCES (http://nces.ed.gov). 	July 1, 2012	

	<ul style="list-style-type: none"> • Submits an examination-level attestation by an independent public accountant or independent governmental auditor that the survey was conducted according to specified NCES standards and procedures. The attestation must be conducted in accordance with general field work and reporting standards contained in the U.S. Government Accountability Office's Government Auditing Standards and with procedures developed by and available from ED's Office of Inspector General. 		
<p>BLS Data §668.7(g)(4)</p>	<p>For FYs 2012-2014, a school may use BLS earnings data to recalculate those ratios for a failing program only if the institution:</p> <ul style="list-style-type: none"> • Identifies and provides documentation of the occupation by SOC code or combination of SOC codes, in which more than 50 percent (the total must be more than 30 students) of the students in the two- or four-year period were placed or found employment. • Uses placement records it maintains to satisfy accrediting agency or state requirements if those records indicate the occupation in which the student was placed; otherwise, the school must submit employment records or other documentation showing the SOC code or codes in which the students typically found employment. • Uses the most current BLS earnings data for the identified SOC code to calculate the debt-to-earnings standard; if more than one SOC code is identified under §668.7(g)(4)(i), the school must calculate the weighted average earnings of those SOC codes based on BLS employment data or school placement data; in either case, the school must use BLS earnings at no higher than the 25th percentile. • Submits, upon request, all the placement, employment and other records maintained by the school for the program that the school examined to determine whether those records identified the SOC codes for the students who were placed or found employment. 	<p>July 1, 2012</p>	

<p>Alternative Earnings Process §668.7(g)(5)</p>	<p>In accordance with procedures established by ED, the school must:</p> <ul style="list-style-type: none"> • Notify the Department of its intent to use alternative earnings no later than 14 days after the date the school is notified of its final debt measures. • Submit all supporting documentation related to recalculating the debt-to-earnings standard using alternative earnings no later than 60 days after the date the school is notified of its final debt measures. <p>Pending ED's review of the school's submission, the school is not subject to requirements related to the program's failure to satisfy the debt measures, provided the submission was complete, timely and accurate.</p> <ul style="list-style-type: none"> • If ED denies the school's submission, ED notifies the school of the reasons for the denial, and the debt measures become the final measures for the FY. • If ED approves the institution's submission, the recalculated debt-to-earnings ratios become final for that FY. 	<p>July 1, 2012</p>	
<p>Dissemination §668.7(g)(6)</p>	<p>After ED calculates the final debt measures — including the recalculated debt-to-earnings ratios — and provides those debt measures to a school:</p> <ul style="list-style-type: none"> • Under §668.6(b)(1)(v), the school must disclose, for each of its programs, the final annual loan repayment rate under §668.7(b) and final debt-to-earnings ratio under §668.7(c)(1)(ii). • ED may disseminate the final debt measures and information about or related to them to the public at any time, manner and form — including publishing information that will allow the public to understand how well programs perform under the debt measures and other appropriate objective metrics. 	<p>July 1, 2012</p>	
<p>Failing Programs</p>			
<p>Failing Program — Standards</p>	<p>Beginning with the debt measures calculated for FY 2012, a failing program is one that does not meet the following</p>	<p>July 1, 2012</p>	<p>The Department estimates that for FY 2013, approximately 600</p>

§668.7(h)	<p>minimum standards for a single FY:</p> <ul style="list-style-type: none"> • Annual loan repayment rate is less than 35 percent. • Annual loan payment exceeds 30 percent of the applicable discretionary income amount or 12 percent of the applicable annual earnings amount. 		<p>programs will fail the debt measures for the first time and 323 programs will fail for a second time.</p>
Ineligible Program			
<p>Ineligible Program — Standards §668.7(i)</p>	<p>Beginning with debt measures calculated for FY 2012, a program is ineligible if the program is determined to be a failing program for three of the four most recent FYs.</p> <p>If the data needed to determine whether the program satisfied the minimum standards was available to the Department in each of those three years, the program is deemed to have met the minimum standards.</p> <p>If a program becomes ineligible, ED notifies the school. The school then is prohibited from disbursing additional Title IV aid to students enrolled in that program, <i>except as permitted under the unpaid commitment provisions of §668.26(d)</i>.</p>	July 1, 2012	<p>Once ED notifies a school is notified by ED of a program's loss of eligibility, the school must not disburse additional Title IV funds for any payment period that follows the receipt of the notice.</p> <p>This occurs when a school (or program) loses Title IV eligibility during a payment period. Schools should refer to this section of the regulations for additional guidance if any of its programs become ineligible under these provisions.</p>
Debt Warnings			
<p>General §668.7(j)</p>	<p>If the school is notified of a failing program, the school must, in a timely manner, warn both currently enrolled and prospective students of the consequences of that failure.</p>	July 1, 2012	
<p>First-Year Failure §668.7(j)(1)</p>	<p>When a program fails a single FY, the school must provide to each current and prospective student, in plain language in an easy-to-understand format, a warning that:</p> <ul style="list-style-type: none"> • Explains the 35 percent annual loan repayment rate and 12 percent/30 percent annual loan payment standards and shows the amount by which the program did not meet those standards. • Describes any actions the school plans to take to improve the program's performance under those standards. 	July 1, 2012	

	<p>The school must deliver the warning directly to the student verbally or in writing in accordance with the school's procedures. Delivering the debt warning directly to the student includes:</p> <ul style="list-style-type: none"> • Communicating with the student face-to-face, by telephone, or along with other affected students in a group setting. • Sending the warning to the student's email address. <p>If the school chooses to verbally deliver warnings, it must maintain documentation of how that information was provided, including materials the school used to deliver that warning and any documentation substantiating the student's presence at the time of the warning.</p> <p>A school must continue to provide the debt warning until the Department notifies it that the failing program now satisfies either the 35 percent annual loan repayment rate standard or the 12 percent/30 percent annual loan payment standard.</p>		
<p>Second-Year Failure §668.7(j)(2)</p>	<p>When a program fails two consecutive FYs, or two of the three most recent FYs, the school must provide, in an easy-to-understand written format, the second-year debt warning. That warning must include:</p> <ul style="list-style-type: none"> • All the information contained in the first-year debt warning. • A plain language explanation of the actions the school will take in response to the second failure. If the school plans to discontinue the program, it must provide the time line for doing so, and the options available to the student. • A plain language explanation of the risks associated with enrolling or continuing in the program, including the potential consequences for, and options available to, the student if the program becomes ineligible for Title IV funds. • A plain language explanation of the resources available, including a mention of www.collegenavigator.gov, that 	<p>July 1, 2012</p>	

	<p>the student may use to research other educational options and compare program costs.</p> <ul style="list-style-type: none"> • A clear and conspicuous statement that students who enroll in or continue in the program should expect to have difficulty repaying their student loans. <p>The school must continue to provide this warning to enrolled and prospective students until the program has met either the 35 percent annual loan repayment rate standard or the 12 percent/30 percent annual loan payment standard for two of the last three FYs.</p>		
<p>Timely Warnings §668.7(j)(3)</p>	<p>An institution must provide the warnings described above, as applicable, to:</p> <ul style="list-style-type: none"> • An enrolled student, as soon as administratively feasible but no later than 30 days after the date ED notifies the school that the program failed. • A prospective student at the time the student first contacts the institution requesting information about the program. If the prospective student intends to use Title IV funds to attend the program: <ul style="list-style-type: none"> ○ The school may not enroll the student until three days after the debt warnings are first provided to the student. ○ If more than 30 days pass from the date the debt warnings are first provided to the student and the date the student seeks to enroll in the program, then the institution must provide the debt warnings again and may not enroll the student until three days after the most recent debt warning to the student. 	July 1, 2012	
<p>Website and Promotional Materials §668.7(j)(4)</p>	<p>For the second-year debt warning, a school must prominently display the debt warning on the program home page of its website and include the debt warning in all promotional materials it makes available to prospective students. The school may provide these debt warnings in conjunction with the gainful employment disclosures required under §668.6(b)(2).</p>	July 1, 2012	

Voluntarily Discontinued Failing Program §668.7(j)(5)	A school that voluntarily discontinues a failing program must notify enrolled students at the same time that it provides the written notice to the Department that it relinquishes the program's Title IV program eligibility.	July 1, 2012	
Alternative Language §668.7(j)(6)	To the extent practicable, the school must provide alternatives to English-language warnings for those students for whom English is not their first language.	July 1, 2012	
Transition Year			
Ineligible Programs — Transition Period §668.7(k)	The Department will cap the number of programs it deems ineligible for FYs 2012, 2013, and 2014, by sorting those programs by school type and annual loan repayment rate (lowest to highest) for each school type. For each school type, starting with the lowest annual loan repayment rate , it will identify those programs that account for the number of students who completed programs during FY 2014 that does not exceed 5 percent of the total students who completed programs in that category.	July 1, 2012	
Restrictions — Ineligible and Voluntarily Discontinued Failing Programs			
General §668.7(l)(1)	A program that becomes ineligible or one that the school voluntarily discontinues because it is identified as failing remains ineligible until the school re-establishes eligibility under §600.20(d). The date on which the school voluntarily discontinues a program is the date the school provides ED with written notice of that fact.	July 1, 2012	
Periods of Ineligibility — Voluntarily Discontinued Programs §668.7(l)(2)(i)	A school may not re-establish the eligibility of a program whose eligibility was voluntarily discontinued until either of the following: <ul style="list-style-type: none"> • The end of the second FY following the FY in which the school discontinued the program's eligibility after it was identified as failing, but no later than 90 days after the date ED notified the school that it was required to provide the second-year debt warnings. • The end of the third FY following the FY in which the school discontinued the program's eligibility if the school discontinued the eligibility of the program more than 90 days after it was notified by ED that it was required to 	July 1, 2012	

	provide the second-year debt warnings .		
Periods of Ineligibility — Ineligible Programs §668.7(l)(2)(ii)	The time line for re-establishing a program 's eligibility also applies if a school wishes to establish eligibility for a program that is “substantially similar” to an ineligible program . A program is substantially similar to an ineligible program if it has the same credential level and the same first four digits of the CIP code .	July 1, 2012	