

# SAMPLE: 2011 Gainful Employment Informational Debt Measures

June, 2012

067899: NORTH SOUTH UNIVERSITY  
2300 MARYLAND AVENUE NE  
WASHINGTON DC 20002

Accounting  
CIP CODE: 839823 Credential Level: 04

Loan Repayment Rate . . . . . :N/A  
Discretionary Debt-to-Earnings Ratio:N/A  
Annual Debt-to-Earnings . . . . . :N/A

SUBJECT: FISCAL YEAR 2011 Gainful Employment Informational Debt Measures

Dear President:

This letter provides you with the Fiscal Year (FY) 2011 Gainful Employment (GE) Informational Debt Measures for one of your Gainful Employment Programs. You will receive a separate letter for each of your institution's Gainful Employment Programs. These Informational Debt Measures will not be included in the program eligibility determinations described below that apply to Debt Measures published for FY 2012 and beyond, although these Informational Debt Measures will be made available to the public.

Pursuant to provisions of the Higher Education Act, to be eligible to participate in the federal student assistance programs, most non-degree educational programs at public and non-profit institutions and virtually all educational programs at for-profit institutions must lead to "gainful employment in a recognized occupation". The implementing regulations at 34 CFR 668.7 provide that an eligible Gainful Employment Program must meet or exceed the established threshold on at least one of three gainful employment debt measures. Those debt measures and their thresholds are: a Repayment Rate of at least 35 percent, a Debt-to-Earnings Ratio of less than or equal to 30 percent when calculated on discretionary earnings, and a Debt-to-Earnings Ratio of less than or equal to 12 percent when calculated on annual earnings. The formulas for the calculation of these debt measures are also provided in the regulations at 34 CFR 668.7. Under the regulations, an educational program that does not meet at least one of the gainful employment debt measure thresholds is considered to be a "failing program" and the institution must take certain required actions to inform its students and prospective students of that failure. If an educational program is a failing program for three out of four years, the program loses its federal student aid eligibility.

As noted, because these FY 2011 Informational Debt Measures are for informational purposes only, none of the program eligibility determinations discussed above will apply. Therefore, these Informational Debt Measures are not be subject to adjustment through a challenge process that will be available for the official FY 2012 Debt Measures, which will be released in 2013, and for Debt Measures released in subsequent years.

We did not calculate Informational Debt Measures for programs where, after exclusions, 30 or fewer students in the 2007 and 2008 federal fiscal years, entered repayment on their federal student loans for the Repayment Rate, or completed the program for the

Debt-to-Earnings Ratios. For those programs, 'N/A' will be displayed for the relevant measure.

Also, in your SAIG mailbox, you will receive the Gainful Employment Detail Record (GEDR), which provides back-up detail for the calculation of the FY 2011 Informational Debt Measures. Refer to the GE Manual at <http://ifap.ed.gov/GainfulEmploymentInfo/> for instructions on reviewing your GEDR.

We will continue to post information and updates related to Gainful Employment on the Gainful Employment Information Page. You can access this page by clicking on the words Information Page in the Gainful Employment box on the right hand side of the IFAP home page, or by going directly to <http://ifap.ed.gov/GainfulEmploymentInfo/>.

If you have inquiries regarding your debt measures, you can submit your questions via email to our GE Operations Team at [GE.Operations@ed.gov](mailto:GE.Operations@ed.gov).

Sincerely,

Katrina Turner  
Director, Operations Performance Division  
Business Operations