

Chapter EAB 5

ENROLLMENT AGREEMENTS

EAB 5.01 Contract requirements
EAB 5.02 Cancellation

EAB 5.03 Claims and defenses

EAB 5.01 Contract requirements. All contracts and agreements used by any school approved by the board shall include the following:

- (1) The name and address of the school;
- (2) Clear and conspicuous disclosure that the agreement is a legally binding instrument upon acceptance of the student by the school unless cancelled pursuant to section EAB 5.02; ✓
- (3) Disclosure of the 72-hour cancellation privilege as required by section EAB 5.02; ✓
- (4) The total cost of the course including any charges made by the school for tuition, room and board, books, materials, supplies, etc.;
- (5) The name and description of the course, including the number of hours of classroom instruction and/or home study lessons. The requirement of this subsection may be met by incorporating by reference course descriptions as set out in school catalogs or bulletins;
- (6) The nature and extent of the schools placement service if any; and
- (7) The school's refund policy meeting the minimum requirements of the board set forth in chapter EAB 7. ✓

History: Cr. Register, December, 1972, No. 204, eff. 1-1-73.

EAB 5.02 Cancellation. (1) The student shall have the right to cancel an initial enrollment agreement until midnight of the third day excluding Saturdays, Sundays and legal holidays, after receipt of notice of acceptance.

(2) Two copies of a separately typed or printed notice of the cancellation privilege shall be given to the student at the time of application. The notice must:

(a) Be printed in capital and lowercase letters of not less than 12-point boldface type;

(b) Appear under the conspicuous caption: "CUSTOMER'S RIGHT TO CANCEL";

(c) Read as follows: "You may cancel this agreement or purchase by either mailing a written notice to the seller postmarked not later than the third business day after the date you signed this agreement or purchased the goods or services, or by delivering such written notice to the seller, by 5 p.m. of the third business day after you signed this agreement or purchased the goods or services. If you wish, you may use this page as that notice by writing 'I hereby cancel' and adding your name and address. A duplicate of this page is provided by the seller for your records. The notice must be mailed or delivered to: *(insert name and mailing address of school).*"

"NOTE: Purchase of educational goods and services offered by a school is deemed to take place when acceptance of the student is communicated to the student by the school. Therefore, this three day can-

cellation privilege does not begin to run until the day after you receive notice of acceptance from the school. This notice will be delivered to you by certified mail and is deemed received by you upon delivery by the United States Postal Service."

(3) Except in those cases where the student is granted acceptance, in writing, at the time of application, the school shall send to each student notice thereof upon the acceptance of the student by the school. Said notice of acceptance shall be sent by certified mail. Notice of acceptance is deemed received by the student upon attempted delivery by the United States postal service. The student may cancel such contract during the 3-day period by delivering or mailing written notice thereof, signed by him, to the school at the address set forth in the contract. If the notice of cancellation privilege as required by section EAB 5.02 (2) is not delivered to the student at the time of application, the time allowed for cancellation is extended until midnight of the third day after the day on which the school furnishes the student with the required information. Notice of cancellation if given by mail, is given when it is deposited in a mail box properly addressed and postage prepaid. Notice of cancellation need not take any particular form and is sufficient if it indicates by any means a written expression of the intention of the student not to be bound by the enrollment agreement.

History: Cr. Register, December, 1972, No. 204, eff. 1-1-73.

EAB 5.03 Claims and defenses. (1) Every assignee of an enrollment agreement contract under this chapter takes it subject to all claims and defenses of the student or his successors in interest arising under the contract.

(2) No school shall enter into any contract subject to this chapter wherein the student waives the right to assert against the school or any assignee any claim or defense he may have against the school arising under the contract. Any provision in a contract subject to this chapter wherein the student agrees to such waiver is void.

(3) No school shall use any promissory note or instrument, other than a check, subject to this chapter unless it bears the following statement in contrasting bold-face type: "This is an enrollment agreement instrument and is non-negotiable. Every holder takes it subject to all other claims and defenses of the maker or obligor."

History: Cr. Register, December, 1972, No. 204, eff. 1-1-73.