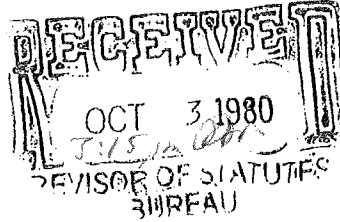


EAB 5,7



CERTIFICATE

STATE OF WISCONSIN )  
 ) SS  
EDUCATIONAL APPROVAL BOARD )

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

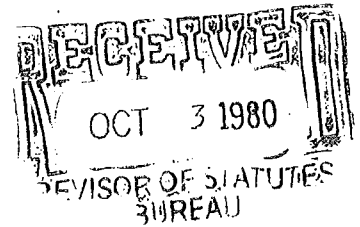
I, David R. Stucki, Executive Secretary of the Educational Approval Board and custodian of the official records of the board, do hereby certify that the annexed rules and amendments to rules, relating to enrollment documents used by proprietary vocational schools, a three-business-day cancellation period for students enrolling in such schools and minimum standards for the refund policies of such schools, were duly approved and adopted by the board on September 30, 1980.

I further certify that said copy has been compared by me with the original on file in this board and that the same is a true copy thereof, and of the whole of the original.

IN TESTIMONY WHEREOF, I have hereunto set my hand at Hill Farms State Office Building in the city of Madison, this 1st day of October, 1980.

David R. Stucki  
Executive Secretary  
Educational Approval Board

ORDER OF THE EDUCATIONAL APPROVAL BOARD  
AMENDING, ADOPTING AND REPEALING RULES



Relating to rules concerning enrollment documents used by proprietary vocational schools, a three-business-day cancellation period for students enrolling in such schools and minimum standards for the refund policies of such schools.

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Analysis by the Educational Approval Board

These rules and amendments revise Wis. Adm. Code chapters EAB 5 and EAB 7. Those chapters interpret s. 38.51(7)(d), (e) and (f).

Sections EAB 7.03 (intro.) and (1) through (6), which contain the refund standards promulgated by the board, are repealed.

Amendments to chapters EAB 5 and EAB 7 accomplish the following:

- A. Revise terminology in order to conform to statutes, to make language in the rules more accurate, and to make references within the rules consistent;
- B. Substitute neutral terminology in places where male pronouns have previously been used;
- C. Add references to the statutory sections interpreted by the rules;
- D. Clarify what information concerning the total cost of the term or course of instruction, the course of instruction itself, and the placement or employment counseling services offered by the school must be included in enrollment documents;

- E. Bring the text of the required notice of cancellation privilege into compliance with the provisions of the Wisconsin Consumer Act and the Federal Trade Commission Trade Regulation Rule regarding Door-to-Door Sales (16 C.F.R. part 429);
- F. Renumber sections for better organization of the rules;
- G. Clarify when a notice of cancellation is considered to be given;
- H. Prohibit requiring a notice of cancellation to be sent by registered or certified mail;
- I. Extend to 30 calendar days the period in which a refund due after withdrawal or dismissal must be made;
- J. Clarify when a full refund is due to an unqualified student;
- K. Require disclosures in enrollment documents concerning the period during which refunds to students must be made and the point at which a student is considered to have given constructive notice of withdrawal;
- L. Clarify how the notice of cancellation privilege is to be given to a student;
- M. Provide that a refund due as the result of cancellation shall be made within 10 business days; and
- N. Make clear that compliance with federal and state statutes, regulations and rules regarding the form of notice of preservation of consumers' claims and defenses will satisfy the requirements of the rules.

New sections of the rules accomplish the following:

- A. Define the terms used in chapters EAB 5 and EAB 7;
- B. Replace the present refund standards with refund standards for specific categories of courses of instruction;
- C. Prohibit certain school practices concerning notices of withdrawal;
- D. Provide for constructive notice of withdrawal by students; and
- E. Make clear that schools may make refunds to financial aid sponsors.

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1 Pursuant to authority vested in the Educational Approval Board by section  
2 38.51(3), (7)(d), (7)(e) and (7)(f), Wis. Stats., the Educational Approval  
3 Board hereby repeals, amends and adopts rules interpreting section 38.51(7)(d),  
4 (e) and (f), Wis. Stats., as follows:

5 Chapter EAB 5 (title) of the Wisconsin administrative code is amended to read:

6 ENROLLMENT AGREEMENTS DOCUMENTS

7 Section EAB 5.01 of the Wisconsin administrative code is renumbered section  
8 EAB 5.02 and is amended to read:

9 EAB 5.02 ~~Contract-requirements,~~ Enrollment agreements. (s. 38.51(7)(f),  
10 Stats.)) All ~~contracts~~ and enrollment agreements used by any a school approved  
11 ~~by-the-board~~ shall ~~include~~ contain the following:

12 (1) The name and address of the school;

1 (2) Clear and conspicuous disclosure that the enrollment agreement  
2 is a legally binding instrument contract upon acceptance of the student  
3 by the school unless ~~cancelled-pursuant-to-section-EAB-5.02~~ the student  
4 cancels the enrollment agreement during the 3-business-day cancellation  
5 period;

6 (3) Disclosure of the ~~72-hour~~ 3-business-day cancellation privilege  
7 ~~as-required-by-section-EAB-5.02;~~

8 (4) The total cost of the course of instruction, including any charges  
9 ~~made-by-the-school-for-tuition,-room-and-board,-books,-materials,-supplies,-~~  
10 ~~etc.~~ or, if the school elects to apply the refund provisions of s. EAB 7.07,  
11 the total cost of the term and any application and registration fees which  
12 are required to be paid;

13 (5) The name of the course of instruction, and a description of the  
14 course of instruction or a reference to the specific page in the school cata-  
15 log or bulletin on which a description may be found, including the number  
16 of hours of classroom instruction in a resident course of instruction, and/or  
17 the number of home-study lessons in a correspondence course of instruction  
18 and the number of correspondence lessons and the number of hours of classroom  
19 instruction in a combination course of instruction,--The-requirement-of-this  
20 subsection-may-be-met-by-incorporating-by-reference-course-descriptions-as-set  
21 out-in-school-catalogs-or-bulletins;

22 (6) Whether the school offers any placement or employment counseling  
23 service, and The the nature and extent of the schools-placement service if any;

24 (7) The school's refund policy ~~meeting-the-minimum-requirements-of-the~~  
25 ~~board-set-forth-in-chapter-EAB-7;~~

1       (8) Disclosure that refunds owing as the result of withdrawal or dis-  
2 missal after the 3-business-day cancellation period shall be made within 30  
3 calendar days after the school dismisses the student or receives notice of  
4 withdrawal; and

5       (9) Disclosure of each of the following that are appropriate to the  
6 course of instruction for which the enrollment agreement is used:

7       (a) For a course of instruction with a fixed class schedule, or for the  
8 resident portion of a combination course of instruction, that a student who  
9 does not attend classes for a period of 10 consecutive class days and who  
10 does not give the school, prior to or during that period, an explanation  
11 regarding the absences is considered to have withdrawn from school;

12       (b) For a course of instruction without a fixed class schedule, or for  
13 a course of instruction offered on a lesson-by-lesson basis, that a student  
14 who does not attend classes or utilize instructional facilities for a period  
15 of 60 consecutive calendar days and who does not give the school, prior to  
16 or during that period, an explanation about the absences is considered to  
17 have withdrawn from school;

18       (c) For a correspondence course of instruction, or for the correspon-  
19 dence portion of a combination course of instruction, that a student who does  
20 not submit a lesson for a period of one year and who does not give the school,  
21 prior to or during that period, an explanation regarding the inactivity is  
22 considered to have withdrawn from school.

23 Section EAB 5.01 of the Wisconsin administrative code is adopted to read:

24       EAB 5.01 Definitions.   In this chapter:

1           (1) "Class day" means any day on which instruction is provided by the  
2 school and the student is scheduled to attend. Holidays, scheduled vacation  
3 periods, other days on which instruction is not provided by the school, and  
4 periods for which a student is granted a leave of absence are not class days.

5           (2) "Combination course of instruction" means a course of instruction  
6 which consists of both correspondence lessons and resident classes.

7           (3) "Correspondence course of instruction" means a course of instruc-  
8 tion which consists solely of correspondence lessons.

9           (4) "Course of instruction offered on a lesson-by-lesson basis" means  
10 a resident course of instruction in which the student is not required to  
11 complete a fixed number of lessons or classes, but is instead required only  
12 to complete those lessons necessary to attain the skills and knowledge  
13 necessary for the objective of the course of instruction.

14           (5) "Course of instruction with a fixed class schedule" means a resi-  
15 dent course of instruction in which the total length of the course of in-  
16 struction is fixed by the school and which does not meet the criteria for a  
17 course of instruction without a fixed class schedule.

18           (6) "Course of instruction without a fixed class schedule" means a  
19 resident course of instruction which does not have precise dates for the  
20 start of classes or for graduation, or in which students are not provided  
21 with a prearranged schedule for the course of instruction, and in which the  
22 total cost of the course of instruction may be determined at the time of  
23 the student's enrollment because the total length of the course of in-  
24 struction is fixed by the school.

1           (7) "Enrollment agreement" means a document by which a student con-  
2 tracts to enroll in a course of instruction offered by a school.

3           (8) "Enrollment application" means a non-contractual document by  
4 which a student applies for admission to a course of instruction offered  
5 by a school.

6           (9) "Sequence of courses of instruction" means a series of courses of  
7 instruction through which a student may progress to attain a single occupa-  
8 tional or vocational objective. A seminar of less than 20 hours for the  
9 purpose of preparing a person to take a licensing examination is not con-  
10 sidered to be part of a sequence of courses of instruction.

11          (10) "Term" means a regularly established division of the school year  
12 which is from 10 to 19 weeks long.

13          (11) "Total cost of the course of instruction" means the sum of all  
14 charges made by the school for tuition, books, materials, supplies and any  
15 other charges made by the school which are required to be paid by the student  
16 as the result of enrollment in a specific course of instruction. Room and  
17 board charges shall be included in the total cost of the course of instruc-  
18 tion only if the school requires the student to utilize room or board facil-  
19 ities provided by the school.

20          (12) "Total cost of the term" means the sum of all charges made by the  
21 school for tuition, books, materials, supplies and any other charges made by  
22 the school which are required to be paid by the student as the result of en-  
23 rollment for a specific term, but it does not include a one-time application  
24 fee not exceeding \$30 or a term registration fee not exceeding \$20. Room and  
25 board charges shall be included in the total cost of the term only if the  
26 school requires the student to utilize room or board facilities provided by  
27 the school.



1 Section EAB 5.02 of the Wisconsin administrative code is renumbered section  
2 EAB 5.04 and is amended to read:

3 EAB 5.04 Cancellation privilege. (s. 38.51(7)(e), Stats.) (1) The A  
4 student shall have the right to cancel an initial enrollment application or  
5 enrollment agreement for a course or course of instruction not exempted by  
6 sub. (10), until midnight of the third business day excluding Saturdays,  
7 Sundays, and legal holidays, as defined by s. 421.301(6), Stats., after  
8 receipt of notice of acceptance.

9 (2) Two copies of a separately typed or printed notice of the cancella-  
10 tion privilege shall be given to the student ~~at the time of application.~~ The  
11 notice must:

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

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

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

24 .....  
25 (enter date of transaction)

1 You may cancel this transaction, without any penalty or obligation, within  
2 three business days from the above date. (Saturdays, Sundays and holidays  
3 are not business days.)

4 If you cancel, any property traded in, any payments made by you under  
5 the contract or sale, and any negotiable instruments executed by you will  
6 be returned within 10 business days following receipt by the seller of  
7 your cancellation notice, and any security interest arising out of the  
8 transaction will be cancelled.

9 If you cancel, you must make available to the seller at your residence,  
10 in substantially as good condition as when received, any goods delivered  
11 to you under this contract or sale; or you may, if you wish, comply with  
12 the instructions of the seller regarding the return shipment of the goods  
13 at the seller's expense and risk.

14 If you do make the goods available to the seller and the seller does not  
15 pick them up within 20 days of the date of your notice of cancellation,  
16 you may retain or dispose of the goods without any further obligation.

17 To cancel this transaction, mail or deliver a signed and dated copy of  
18 this cancellation notice or any other written notice, or send a telegram  
19 to . . . . . ,  
20 (name of seller)

21 at . . . . . ,  
22 (address of seller's place of business)

23 not later than midnight of . . . . .  
24 (date)

1 -----"NOTE: Purchase of educational goods and services offered by a school  
2 is deemed to take place when written and final acceptance ~~of-the-student~~ is  
3 communicated to the student by the school. If the representative who enrolls  
4 you is authorized to grant written acceptance at the time you enroll, and does  
5 so, the cancellation period ends at the time specified above. Therefore, If  
6 you have not been accepted in writing at the time you enroll, this the three-  
7 day cancellation privilege period does not begin-to-run end until midnight of  
8 the third business day after the day you receive written notice-of acceptance  
9 by certified mail from the school. This notice-will-be-delivered-to-you-by  
10 certified-mail-and-is-deemed-received-by-you-upon-delivery-by-the-United  
11 States-Postal-Service."

12 I hereby cancel this transaction.

13 .....  
14 (date)

.....  
(Buyer's Signature)

15 .....  
16

.....  
(Buyer's Name - Print)

17 .....  
18

.....  
(Street Address)

19 .....  
20

.....  
(City, State, Zip Code)

21 (3) Except in those cases where the student is granted written acceptance,  
22 in-writing, at the time of application, the school shall send to each student  
23 written notice thereof upon the acceptance of the student by the school. Said

1 The notice of acceptance shall be sent by certified mail. Notice of ac-  
2 ceptance is deemed received by the student upon attempted delivery by the  
3 United States postal service at the address stated by the student in the  
4 enrollment application or enrollment agreement.

5 (4) The student may cancel ~~such contract~~ an enrollment application or  
6 enrollment agreement during the ~~3-day~~ 3-business-day period by delivering or  
7 mailing a signed written notice thereof, ~~signed by him,~~ to the school at the  
8 address set forth in the ~~contract~~ notice of cancellation privilege.

9 (5) The notice of cancellation privilege required by sub. (2) shall be  
10 attached to, and easily detachable from, the enrollment application or enroll-  
11 ment agreement if the application or agreement is completed by the student in  
12 the presence of a school representative. If a school representative is not  
13 present at the time the student completes the application or agreement, the  
14 notice of cancellation privilege shall be attached to, and easily detachable  
15 from, the written notice of acceptance sent by the school.

16 (6) If the notice of cancellation privilege required by ~~section-EAB~~  
17 ~~5.02(2)~~ sub. (2) is not delivered to the student at the time of ~~application~~  
18 ~~specified~~ in sub. (5), the time allowed for cancellation is extended until  
19 midnight of the third business day after the day on which the school furnishes  
20 the student with the required ~~information~~ notice of cancellation privilege.

21 (7) Notice of cancellation, if given by mail, is deemed to be given when  
22 it is ~~deposited in a mail box properly addressed and postage prepaid~~ postmarked  
23 not later than the third business day after the day on which the student re-  
24 ceives written notice of acceptance. A school may not require that a student  
25 mailing notice of cancellation send such notice by certified or registered mail.

1       (8) Notice of cancellation need not take any particular form, and is  
2 sufficient if it indicates by any means a written expression of the intention  
3 of the student ~~not to~~ cancel ~~be-bound-by~~ the enrollment application or enroll-  
4 ment agreement.

5       (9) The school shall, within 10 business days after receiving notice of  
6 cancellation from the student, make any refund owing as a result of the cancel-  
7 lation and arrange for a termination of the student's obligation to pay any sum.

8       (10) This section shall not be construed to apply to any course of instruc-  
9 tion for which the total cost of the course of instruction is less than \$150  
10 and which is offered in less than 6 class days, provided that the course of  
11 instruction is not one of a sequence of courses of instruction.

12 Section EAB 5.03 of the Wisconsin administrative code is renumbered section  
13 EAB 5.05 and is amended to read:

14 EAB 5.05 Claims and defenses. (s. 38.51(7)(d), Stats.) (1) Every assignee  
15 of an enrollment agreement ~~contract-under-this-chapter~~ takes it subject to all  
16 claims and defenses of the student or his successors in interest under the  
17 ~~contract~~ enrollment agreement.

18 (2) No school shall may enter into any ~~contract-subject-to-this-chapter~~  
19 enrollment agreement wherein in which the student waives the right to assert  
20 against the school or any assignee any claim or defense he the student may  
21 have against the school arising under the ~~contract~~ enrollment agreement. Any  
22 provision in a ~~contract~~ enrollment agreement ~~subject-to-this-chapter-wherein~~  
23 by which the student agrees to such a waiver is void.

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

6           (b) Compliance with requirements of federal and state statutes, regu-  
7 lations and rules governing the form of notice of preservation of consumers'  
8 claims and defenses shall be deemed to satisfy the requirements of par. (a).

9 Section EAB 5.03 of the Wisconsin administrative code is adopted to read:

10           EAB 5.03 Enrollment applications. (s. 38.51(7)(f), Stats.) (1) A school  
11 may use an enrollment application in lieu of an enrollment agreement.

12           (2) If a school uses an enrollment application, the school catalog or  
13 bulletin shall contain, in addition to the information required by s. EAB  
14 2.05(1)(c), the following:

15           (a) The address of the school;

16           (b) Whether the school offers any placement or employment counseling  
17 service, and the nature and extent of the service;

18           (c) The school's refund policy;

19           (d) Disclosure that refunds owing as the result of withdrawal or dis-  
20 missal after the 3-business-day cancellation period shall be made within 30  
21 calendar days after the school dismisses the student or receives notice of  
22 withdrawal; and

23           (e) Disclosure of each of the following that are appropriate to the  
24 course of instruction for which the catalog or bulletin is used:

1           1. For a course of instruction with a fixed class schedule, or for  
2 the resident portion of a combination course of instruction, that a student  
3 who does not attend classes for a period of 10 consecutive class days and  
4 who does not give the school, prior to or during that period, an explanation  
5 regarding the absences is considered to have withdrawn from school;

6           2. For a course of instruction without a fixed class schedule, or for  
7 a course of instruction offered on a lesson-by-lesson basis, that a student  
8 who does not attend classes or utilize instructional facilities for a period  
9 of 60 consecutive calendar days and who does not give the school, prior to or  
10 during that period, an explanation about the absences is considered to have  
11 withdrawn from school;

12           3. For a correspondence course of instruction, or for the correspon-  
13 dence portion of a combination course of instruction, that a student who  
14 does not submit a lesson for a period of one year and who does not give the  
15 school, prior to or during that period, an explanation regarding the inac-  
16 tivity is considered to have withdrawn from school.

17 Chapter EAB 7 (title) of the Wisconsin administrative code is amended to read:

18                                   CANCELLATION-AND-SETTLEMENT

19   REFUND STANDARDS

20   (s. 38.51(7)(e), Stats.)

21 Section EAB 7.01 of the Wisconsin administrative code is amended to read:

22           EAB 7.01 Philosophy and principles. (1) It shall be the policy of the  
23 board to approve only those schools which publish and adhere to ~~cancellation~~  
24 ~~and-settlement~~ refund provisions which are designed to improve the educational  
25 quality of the school and are based upon sound educational, as well as  
26 economic, principles.

1           (2) ~~The cancellation-and-settlement-provisions~~ refund standards required  
2 by ~~the-educational-appeal-board-in~~ this rule are based upon these principles:

3           (a) The purchase of educational opportunity to learn through any  
4 course of study instruction is different from any other kind of purchase be-  
5 cause of the number of intangibles and unknowns involved in education. As a  
6 result, it is common that students make numerous "false starts" in their  
7 educational programs. These starts are to some degree minimized through  
8 good counseling. It is important, however, to preserve for the student  
9 the right to a change his of mind (~~reeognize~~ recognition of a false start)  
10 without too serious a penalty, since this action itself may be important  
11 in the student's growth, maturation, and learning.

12           **(b) It is the responsibility of the school, through pre-enrollment coun-**  
13 **seling, to make reasonably certain before enrollment is completed that the**  
14 **student has the ability to profit from the course of instruction under con-**  
15 **sideration. In making a determination regarding the student's ability to**  
16 **profit from a course of instruction, a school may apply criteria such as**  
17 **educational background, success as a high-school or post-high-school**  
18 **student, practical experience in a related activity, physical ability to en-**  
19 **gage in the type of employment for which the course of instruction is repre-**  
20 **sent to prepare students, and results of a valid qualifying test.**

21           **(c)** Since it is the responsibility of the school to select its students  
22 carefully, charges to the student upon cancellation or withdrawal before the  
23 course of instruction begins should be a smaller portion of the total cost  
24 of the course of instruction than upon ~~cancellation-or~~ withdrawal after partial  
25 completion.



1           **(b)** (d) After the course of instruction is begun, the student's  
2 responsibility for his progress increases with the passage of time and  
3 the completion of work. If it is fair to expect the school to select  
4 students carefully, it is fair (assuming competent instruction) to expect  
5 the individual student to bear increasing responsibility for his progress.  
6 Furthermore, the school's investment in the student's learning increases as  
7 the student progresses, and a fair and ethical ~~cancellation-and-settlement~~  
8 ~~policy~~ refund standards should encourage the school to invest generously in  
9 the instruction of continuing students with adequate safeguard of that in-  
10 vestment. Consequently, the ~~cancellation-and-settlement-provisions~~ refund  
11 standards of this rule permit an ever larger portion of the total cost of of  
12 the course of instruction to be charged ~~to-the-student~~ as he the student  
13 progresses through his the course of instruction.

14 Section EAB 7.03 (intro.) and (1) through (6) of the Wisconsin administra-  
15 tive code are repealed.

16 Section EAB 7.03(7) of the Wisconsin administrative code is renumbered  
17 section EAB 7.12(2) and is amended to read:

18           (2) The school ~~must~~ shall honor any valid notice of ~~cancellation~~  
19 withdrawal given after the 3-business-day cancellation period and, within  
20 ~~10-business~~ 30 calendar days after dismissal of the student or receipt of  
21 such notice of withdrawal, shall refund to the student any amounts due him  
22 and arrange for a termination of the student's obligation to pay any sum in  
23 excess of that permitted under the ~~cancellation-and-settlement-policy~~ refund  
24 standards.

1 Section EAB 7.02 of the Wisconsin administrative code is renumbered section  
2 EAB 7.03 and is amended to read:

3 EAB 7.03 Full refund. A school's ~~cancellation-and-settlement~~ refund  
4 policy ~~must~~ shall provide for a full refund of all money paid by the stu-  
5 dent if:

6 (1) The student cancels the ~~contract~~ enrollment agreement or enrollment  
7 application within ~~72-hours~~ 3 business days ~~as provided for in section~~ under s.  
8 ~~EAB 5.02~~ 5.04;

9 (2) The student accepted was unqualified, and the school did not secure  
10 a disclaimer under s. EAB 6.04;

11 ~~(It is the school's responsibility, through pre-enrollment counseling,~~  
12 ~~to make reasonably certain before enrollment is completed that the student~~  
13 ~~has the ability to profit from the course under consideration. If this policy~~  
14 ~~is violated, the student shall be entitled to an immediate refund of all monies~~  
15 ~~paid to the school or its agent.~~

16 ~~In determining the student's ability to profit from the course, criteria~~  
17 ~~such as the following may be applied:~~

18 ~~Educational background, success as a high school or post-high school stu-~~  
19 ~~dent, practical experience in a related activity, physical ability to engage~~  
20 ~~in the type of employment for which the course is represented to prepare stu-~~  
21 ~~dents and/or results of a valid qualifying test.)~~

22 (3) The student's enrollment was procured as the result of any misrep-  
23 sentations in a school's advertising, promotional material, the written ma-  
24 terials used by the school or in oral ~~seliciter's~~ representations made by or  
25 on behalf of the school.

1 Section EAB 7.02 of the Wisconsin administrative code is adopted to read:

2 EAB 7.02 Definitions. The definitions in s. EAB 5.01 shall also apply  
3 to this chapter.

4 Section EAB 7.04 of the Wisconsin administrative code is renumbered section  
5 EAB 7.13 and is amended to read:

6 EAB 7.13 Refund not conditional on ~~conduct~~ compliance with school reg-  
7 ulations. A school ~~cannot~~ may not make its refund policy conditional upon  
8 compliance with the school's ~~regulations-or~~ rules of conduct or other regu-  
9 lations.

10 Section EAB 7.04 of the Wisconsin administrative code is adopted to read:

11 EAB 7.04 No refund in courses of instruction which have fixed class  
12 schedules, are shorter than 6 class days and cost less than \$150. If for  
13 any reason a student withdraws or is dismissed by the school from a course  
14 of instruction which has a fixed class schedule, is shorter than 6 class  
15 days, is less than \$150 in total cost and is not one of a sequence of  
16 courses of instruction, the student is not entitled to any refund, except  
17 that the student is entitled to a full refund in the following instances:

18 (1) The student accepted was unqualified, and the school did not secure  
19 a disclaimer under s. EAB 6.04;

20 (2) The student's enrollment was procured as the result of any mis-  
21 representations in the written materials used by the school or in oral repre-  
22 sentations made by or on behalf of the school.

1 Section EAB 7.05 of the Wisconsin administrative code is adopted to read:

2 EAB 7.05 Partial refund in courses of instruction which have fixed class  
3 schedules and which are shorter than 11 class days. In courses of instruction  
4 which have fixed class schedules and are shorter than 11 class days, except  
5 for those courses of instruction described in s. EAB 7.04, the school's refund  
6 policy may not permit any charge to a student which exceeds the following  
7 amounts:

8 (1) If for any reason a student withdraws or is dismissed by the school  
9 prior to attending any classes, the charge may not exceed 15% of the total cost  
10 of the course of instruction if the total cost is \$650 or less, and may not  
11 exceed \$100 if the total cost is greater than \$650.

12 (2) If for any reason a student withdraws or is dismissed by the school  
13 after attending any class, but prior to completing 25% of the course of instruc-  
14 tion, the charge may not exceed the pro rata portion of the total cost of the  
15 course of instruction, plus the lesser of \$100 or 15% of the total cost. The  
16 pro rata portion shall be calculated in the following manner:

17 (a) The school shall determine the number of class days elapsed from  
18 the start of the student's attendance until the student's last date of atten-  
19 dance;

20 (b) The number of class days elapsed shall be divided by the number of  
21 class days required to complete the course of instruction; and

22 (c) The resulting number shall be multiplied by the total cost of the  
23 course of instruction.

1 (3) If for any reason a student withdraws or is dismissed by the school  
2 after completing 25% of the course of instruction, but prior to completing  
3 75% of the course of instruction, the charge may not exceed the pro rata por-  
4 tion of the total cost of the course of instruction, plus the lesser of \$400  
5 or 15% of the total cost. The pro rata portion shall be calculated as set  
6 forth in sub. (2).

7 (4) If for any reason a student withdraws or is dismissed by the school  
8 after completing 75% of the course of instruction, the charge may not exceed  
9 the total cost of the course of instruction.

10 Section EAB 7.06 of the Wisconsin administrative code is adopted to read:

11 EAB 7.06 Partial refund in courses of instruction which have fixed  
12 class schedules and which are longer than 10 class days. In courses of in-  
13 struction which have fixed class schedules and which are longer than 10  
14 class days, the school's refund policy may not permit any charge to a  
15 student which exceeds the following amounts:

16 (1) If for any reason a student withdraws or is dismissed by the school  
17 prior to attending any classes, the charge may not exceed 15% of the total cost  
18 of the course of instruction if the total cost is \$1000 or less, and may not  
19 exceed \$150 if the total cost is greater than \$1000.

20 (2) If for any reason a student withdraws or is dismissed by the school  
21 during or at the end of the first week of attendance, the charge may not exceed  
22 the pro rata portion of the total cost of the course of instruction, plus the  
23 lesser of \$150 or 15% of the total cost. The pro rata portion shall be calcu-  
24 lated in the following manner:

1           (a) The school shall determine the number of class days elapsed  
2 from the start of the student's attendance until the student's last  
3 date of attendance;

4           (b) The number of class days elapsed shall be divided by the  
5 number of class days required to complete the course of instruction; and

6           (c) The resulting number shall be multiplied by the total cost of  
7 the course of instruction.

8           (3) If for any reason a student withdraws or is dismissed by the  
9 school after beginning the second week of attendance, but prior to completing  
10 75% of the course of instruction, the charge may not exceed the pro rata  
11 portion of the total cost of the course of instruction, plus the lesser of  
12 \$500 or 15% of the total cost. The pro rata portion shall be calculated as  
13 set forth in sub. (2).

14           (4) If for any reason a student withdraws or is dismissed by the school  
15 after completing 75% of the course of instruction, the charge may not exceed  
16 the total cost of the course of instruction.

17 Section EAB 7.07 of the Wisconsin administrative code is adopted to read:

18           EAB 7.07 Partial refund in resident courses of instruction which are  
19 divided into 2 or more terms. A school may elect to apply the following  
20 refund policy to all students who for any reason withdraw or are dismissed  
21 by the school from a resident course of instruction which is divided into  
22 2 or more terms:

23           (1) The 3-business-day cancellation privilege shall apply to the first  
24 enrollment of the student in any of the courses of instruction of the school  
25 which are divided into 2 or more terms. A student enrolling in subsequent

1 terms of the same course of instruction, or transferring from one course of  
2 instruction to another, shall not be entitled to another 3-business-day  
3 cancellation privilege.

4 (2) After expiration of the 3-business-day cancellation privilege, the  
5 school may retain a one-time application fee not exceeding \$30.

6 (3) After expiration of the 3-business-day cancellation period, and  
7 prior to the end of the first week of classes in any term, the school may  
8 retain a registration fee not exceeding \$20, plus an amount not exceeding  
9 10% of the total cost of the term.

10 (4) After the end of the first week of classes in the current term, a  
11 student who for any reason withdraws or is dismissed by the school from  
12 the course of instruction prior to the end of the week shown in column A  
13 below shall be charged no more than a registration fee, not to exceed \$20,  
14 for the current term, plus the percentage of the total cost of the term  
15 which is shown in column B below.

|    | <u>A</u>     | <u>B</u> |
|----|--------------|----------|
| 16 |              |          |
| 17 | week 2       | 20%      |
| 18 | week 3       | 40%      |
| 19 | week 4       | 60%      |
| 20 | week 5       | 80%      |
| 21 | after week 5 | 100%     |

22 (5) No amount may be retained by the school for any terms beyond the  
23 current term, except that a registration fee not exceeding \$20 may be retained  
24 for a subsequent term if for any reason a student who has registered for the  
25 next term withdraws or is dismissed by the school from the course of instruc-  
26 tion during the last 4 weeks of the term.

1 Section EAB 7.08 of the Wisconsin administrative code is adopted to  
2 read:

3 EAB 7.08 Partial refund in courses of instruction without fixed class  
4 schedules. In courses of instruction without fixed class schedules, the  
5 school's refund policy may not permit any charge to a student which exceeds  
6 the following amounts:

7 (1) If for any reason a student withdraws or is dismissed by the school  
8 prior to attending any classes or utilizing any instructional facilities, the  
9 charge may not exceed 15% of the total cost of the course of instruction if  
10 the total cost is \$1000 or less, and may not exceed \$150 if the total cost  
11 is greater than \$1000.

12 (2) If for any reason a student withdraws or is dismissed by the  
13 school after attending any classes or utilizing any instructional facilities,  
14 but prior to having attended classes or utilized any instructional facilities  
15 on 6 separate days, the charge may not exceed the pro rata portion of the  
16 total cost of the course of instruction, plus the lesser of \$150 or 15% of  
17 the total cost. The pro rata portion shall be calculated in the following  
18 manner:

19 (a) The school shall determine the number of lessons completed,  
20 classes attended or hours attended by the student;

21 (b) The number of lessons completed, classes attended or hours at-  
22 tended by the student shall be divided by the number of lessons, classes  
23 or hours required to complete the course of instruction; and

24 (c) The resulting number shall be multiplied by the total cost of the  
25 course of instruction.



1 (3) If for any reason a student withdraws or is dismissed by the  
2 school after having attended classes or utilized instructional facilities  
3 on 6 separate days, but prior to completing 75% of the course of instruction,  
4 the charge may not exceed the pro rata portion of the total cost of the  
5 course of instruction, plus the lesser of \$500 or 15% of the total cost.  
6 The pro rata portion shall be calculated as set forth in sub. (2).

7 (4) If for any reason a student withdraws or is dismissed by the school  
8 after completing 75% of the course of instruction, the charge may not exceed  
9 the total cost of the course of instruction.

10 (5) A school may elect to use lessons, classes or hours in computing  
11 the pro rata portion of the total cost of the course of instruction. The  
12 election shall be made apparent in the school's statement of refund policy.

13 Section EAB 7.09 of the Wisconsin administrative code is adopted to read:

14 EAB 7.09 Partial refund in courses of instruction offered on a lesson-by-  
15 lesson basis. In courses of instruction offered on a lesson-by-lesson basis,  
16 the school's refund policy may not permit any charge to a student which  
17 exceeds the exact charge for the number of lessons completed by the stu-  
18 dent, plus the retail cost of any books, supplies and equipment furnished to  
19 and retained by the student.

20 Section EAB 7.10 of the Wisconsin administrative code is adopted to read:

21 EAB 7.10 Partial refund in correspondence courses of instruction.  
22 In correspondence courses of instruction, the school's refund policy may  
23 not permit any charge to a student which exceeds the following amounts:

1 (1) If for any reason a student withdraws or is dismissed by the  
2 school prior to submitting the first lesson, the charge may not exceed  
3 15% of the total cost of the course of instruction if the total cost is  
4 \$500 or less, and may not exceed \$75 if the total cost is greater than  
5 \$500.

6 (2) If for any reason a student withdraws or is dismissed by the  
7 school after submitting the first lesson, but prior to submitting 10% of  
8 the total number of lessons in the course of instruction, the charge may  
9 not exceed the pro rata portion of the total cost of the course of instruc-  
10 tion, plus the lesser of \$150 or 15% of the total cost. The pro rata  
11 portion shall be calculated in the following manner:

12 (a) The school shall determine the number of lessons submitted by  
13 the student;

14 (b) The number of lessons submitted by the student shall be divided  
15 by the number of lessons required to complete the course of instruction;  
16 and

17 (c) The resulting number shall be multiplied by the total cost of the  
18 course of instruction.

19 (3) If for any reason a student withdraws or is dismissed by the  
20 school after submitting 10% of the total number of lessons in the course of  
21 instruction, but prior to submitting 75% of the total number of lessons in  
22 the course of instruction, the charge may not exceed the pro rata portion  
23 of the total cost of the course of instruction, plus the lesser of \$400 or  
24 15% of the total cost. The pro rata portion shall be calculated as set  
25 forth in sub. (2).

1 (4) If for any reason a student withdraws or is dismissed by the  
2 school after submitting 75% of the total number of lessons in the course  
3 of instruction, the charge may not exceed the total cost of the course  
4 of instruction.

5 Section EAB 7.11 of the Wisconsin administrative code is adopted to read:

6 EAB 7.11 Partial refund in combination courses of instruction. In  
7 combination courses of instruction, the school's refund policy shall be  
8 stated and applied separately to the correspondence and resident portions  
9 of the course of instruction and may not permit any charge to a student  
10 which exceeds the following amounts:

11 (1) If for any reason a student withdraws or is dismissed by the  
12 school prior to submitting the first lesson of the correspondence por-  
13 tion of the course of instruction, the charge for that portion may not  
14 exceed 15% of the cost of the correspondence portion of the course of  
15 instruction if the cost of that portion is \$500 or less, and may not ex-  
16 ceed \$75 if the cost of that portion is greater than \$500.

17 (2) If for any reason a student withdraws or is dismissed by the  
18 school after submitting the first lesson of the correspondence portion  
19 of the course of instruction, but prior to completing 10% of the total  
20 number of lessons in the correspondence portion, the charge for that  
21 portion may not exceed the pro rata portion of the cost of the corres-  
22 pondence portion of the course of instruction, plus the lesser of \$150 or  
23 15% of the cost of the correspondence portion. The pro rata portion  
24 shall be calculated in the following manner:

25 (a) The school shall determine the number of lessons submitted by  
26 the student;

1 (b) The number of lessons submitted by the student shall be divided  
2 by the number of lessons required to complete the correspondence portion  
3 of the course of instruction; and

4 (c) The resulting number shall be multiplied by the cost of the  
5 correspondence portion of the course of instruction.

6 (3) If for any reason a student withdraws or is dismissed by the  
7 school after submitting 10% of the total number of lessons in the cor-  
8 respondence portion of the course of instruction, but prior to submitting  
9 75% of the total number of lessons in the correspondence portion, the charge  
10 for that portion may not exceed the pro rata portion of the cost of the  
11 correspondence portion of the course of instruction, plus the lesser of  
12 \$400 or 15% of the cost of the correspondence portion. The pro rata por-  
13 tion shall be calculated as set forth in sub. (2).

14 (4) If for any reason a student withdraws or is dismissed by the  
15 school after completing 75% of the total number of lessons in the corres-  
16 pondence portion of the course of instruction, the charge for that por-  
17 tion may not exceed the cost of the correspondence portion of the course  
18 of instruction.

19 (5) If for any reason a student withdraws or is dismissed by the  
20 school prior to attending any resident classes, the charge for the resi-  
21 dent portion of the course of instruction may not exceed 15% of the cost  
22 of the resident portion of the course of instruction if the cost of the  
23 resident portion is \$1000 or less, and may not exceed \$150 if the cost  
24 of the resident portion of the course of instruction is greater than  
25 \$1000.

26 (6) If for any reason a student withdraws or is dismissed by the  
27 school after attending any classes, but prior to completing 10% of the

1 resident portion of the course of instruction, the charge for that por-  
2 tion may not exceed the pro rata portion of the resident portion of the  
3 course of instruction, plus the lesser of \$150 or 15% of the cost of the  
4 resident portion. The pro rata portion shall be calculated in the  
5 following manner:

6 (a) The school shall determine the number of class days elapsed  
7 from the start of the student's attendance until the student's last  
8 date of attendance;

9 (b) The number of class days elapsed shall be divided by the number  
10 of class days required to complete the resident portion of the course of  
11 instruction; and

12 (c) The resulting number shall be multiplied by the cost of the resident  
13 portion of the course of instruction.

14 (7) If for any reason a student withdraws or is dismissed by the school  
15 after completing 10% of the resident portion of the course of instruction,  
16 but prior to completing 75% of the resident portion, the charge for the  
17 resident portion may not exceed the pro rata portion of the cost of the  
18 resident portion of the course of instruction, plus the lesser of \$400 or  
19 15% of the cost of the resident portion. The pro rata portion shall be  
20 calculated as set forth in sub. (6).

21 (8) If for any reason a student withdraws or is dismissed by the  
22 school after completing 75% of the resident portion of the course of  
23 instruction, the charge for that portion may not exceed the cost of the  
24 resident portion of the course of instruction.

25 Section EAB 7.12(1) of the Wisconsin administrative code is adopted to  
26 read:

1 EAB 7.12 Notice of withdrawal. (1) A school may not require that  
2 notice of withdrawal be in writing, on or in any particular form, or de-  
3 livered in a specific manner.

4 Section EAB 7.12(3) of the Wisconsin administrative code is adopted to  
5 read:

6 (3) A student shall be deemed to have provided constructive notice  
7 of an intention to withdraw:

8 (a) From a course of instruction with a fixed class schedule, or  
9 from the resident portion of a combination course of instruction, by  
10 failing to attend classes for a period of 10 consecutive class days with-  
11 out providing, prior to or during that period, an explanation to the school  
12 regarding the absences;

13 (b) From a course of instruction without a fixed class schedule, or  
14 from a course of instruction offered on a lesson-by-lesson basis, by failing  
15 to attend classes or utilize instructional facilities for a period of 60  
16 consecutive days without providing, prior to or during that period, an ex-  
17 planation to the school regarding the absences; and

18 (c) From a correspondence course of instruction, or from the corres-  
19 pondence portion of a combination course of instruction, by failing to  
20 submit a lesson for a period of one year without providing, prior to or  
21 during that period, an explanation to the school regarding the inactivity.

22 Section EAB 7.12(4) of the Wisconsin administrative code is adopted to  
23 read:

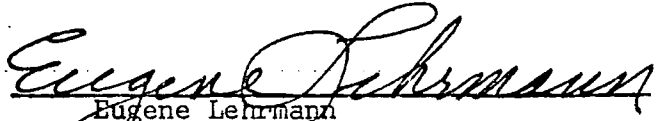
24 (4) A student who has withdrawn from a course of instruction may be  
25 reinstated by making known to the school in writing that he or she wishes  
26 to continue in the course of instruction.

1 Section EAB 7.14 of the Wisconsin administrative code is adopted to read:

2 EAB 7.14 Distribution of refunds to financial aid sponsors. All or  
3 a portion of any refunds due may be paid to sponsors furnishing grants,  
4 loans, scholarships or other financial aids to students, in conformity with  
5 federal and state laws, regulations and rules and requirements of financial  
6 aid sponsors. After any disbursements to financial aid sponsors have been  
7 made, the student shall receive the balance, if any, of the amount due under  
8 the school's refund policy.

9 The rules, amendments and repeals contained in this order shall take  
10 effect on January 1, 1981.

Dated this 30th day of Sept., 1980

  
Eugene Lehrmann  
Chairperson  
Educational Approval Board