

19A NCAC 03J .0604 CONTRACT PROVISIONS

(a) The school must give the prospective student a completed copy of the enrollment contract at the time the prospective student signs the contract or upon the school's receipt of an enrollment contract completed entirely by mail. The enrollment contract must be written in the same language as the oral sales presentation, if any, made by the school and must contain the name and address of the school.

(b) The school must place on the enrollment contract the explanation of the prospective student's cooling-off rights required by Rule .0605 of this Section. If the school does not place the notice on the front page of the enrollment contract, the school must place on the front page the following notice: "An explanation of your cancellation and refund rights is on page (page number) of this contract." This notice must be printed in boldface type.

(c) After the school has accepted the enrollment contract of the prospective student, the school must furnish the prospective student with the disclosure of the school's graduation rate and placement rate.

(d) If a school makes a job or earnings claim for a course other than a new course, the school shall disclose the following placement information on the disclosure form entitled, "How Our Students Are Doing." The School shall disclose these figures for individuals who became students during the school's most recent base period:

- (1) the number of students;
- (2) the number and percentage of those students who graduated;
- (3) the number and percentage of those students who remained actively enrolled at the end of that time;
- (4) the number and percentage of graduates who, within four months of leaving the course, obtained employment as commercial motor vehicle drivers; and
- (5) the number and percentage of these graduates who refused to provide salary information.

A school may, at its option, include the following statement on the disclosure form: "In evaluating our record, remember not all of our students took this course to get a job as a commercial motor vehicle driver. Also, we were unable to reach some of our graduates to see if they got jobs. So, our placement percentage might be understated."

(e) The disclosure specified by Paragraph (d) of this Rule must be based on the school's actual knowledge of its students' experiences. Actual knowledge shall be verified, at a minimum, by a list that includes the following information for each student who is counted as obtaining employment in a job for which the course prepared him or her:

- (1) the student's name and address (or telephone number);
- (2) the employer's name;
- (3) the name or title of the job obtained;
- (4) information that indicates that the job was obtained within four months of leaving the course; and
- (5) the student's annual gross salary expressed in increments of two thousand dollars (\$2,000) or an indication of the student's refusal to provide such salary information.

(f) No school shall make any specific job or earnings claim for a new course.

(g) The information required or permitted to be disclosed under Paragraph (d) of this Rule shall be contained in a disclosure form entitled, "How Our Students are doing." The disclosure form shall contain no other information or representations. This form must be mailed to all prospective students who have signed enrollment contracts if a school makes a general job or earnings claim or a specific job or earnings claim.

(h) If a school makes a general job or earnings claim or a specific job or earnings claim that is not substantiated by the disclosure form required by Paragraph (d) of this Rule, the school must not know or have reason to know of facts which would make the claim inapplicable to the school, its enrollees, or a particular geographical area served by the school. A reasonable basis shall consist of a statistically valid and reliable survey which substantiates the claim.

(i) Nothing in Paragraph (d) in this Rule shall be construed as prohibiting schools from making jobs or earnings claims which are substantiated by projections from the "Occupational Outlook Handbook" published by the Bureau of Labor Statistics or by similar projections published by other Federal or State agencies. However, when such claims are contained in non-media advertising, the schools must clearly and conspicuously disclose in immediate conjunction with the claim, any limitations, restrictions, or caveats accompanying or made applicable to those projections in their original source.

(j) A school shall maintain records adequate to disclose the facts upon which each claim covered by this Rule is based. Such records shall be maintained for three years from the date the claim is made and, after compliance with any applicable Federal law concerning the privacy or confidentiality of student records, shall be made available for inspection and copying by DMV officials upon reasonable notice and during regular business hours.

(k) Home study courses shall be accredited by an accrediting agency approved by the United States Department of Education.

History Note: Authority G.S. 20-320; 20-321; 20-322; 20-323; 20-324; 20-325; 20-326; 20-327; 20-328;
Eff. May 1, 1987;
Amended Eff. August 1, 2002; January 1, 1994;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. September 22, 2018.