

**19A NCAC 03J .0605 CANCELLATION AND REFUND PROCEDURES AND COOLING-OFF RIGHTS**

- (a) After the cooling-off period has ended, a student may cancel his or her enrollment in the course by notifying the school. Cancellation by the student is effective on the date the student mails or delivers written notification to the school or on the date that the student gives the school constructive notice of his or her intention to withdraw from the course.
- (b) If a prospective student cancels the enrollment contract during the period described in the notices required, the school must refund all payments made by the prospective student and cancel and return any evidence of indebtedness within 21 days after receiving any notice of cancellation. If a school fails to comply with the proper enrollment and cooling-off procedure, it shall not retain any money or evidence of indebtedness from a prospective student.
- (c) If a student gives the school written notice of his or her intention to remain enrolled in a course, the time period for measuring constructive notice will begin anew from the date of the written notice. Any prior cancellation by virtue of the student's constructive notice will not be effective if the student provides this written notice of his or her intention to remain enrolled.
- (d) If a student cancels his or her enrollment contract after the cooling-off period, the school shall not receive, demand, or retain more than the one hundred and fifty dollar (\$150.00) registration fee and a pro rata portion of the total contract price. This total pro rata portion shall be calculated by dividing the total number of course hours by the total contract price to obtain an hourly rate. This hourly rate shall be multiplied by the actual number of hours the student attended the school. Refunds must be made within 21 days.
- (e) For courses consisting of a combination of home study lessons and resident training, not more than one hundred dollars (\$100.00) in addition to the registration fee referred to in Paragraph (d) of this Rule shall be retained by the school for those students who fail to enter resident training, unless the school submits affirmative evidence acceptable to the Commissioner of Motor Vehicles disclosing the home study lessons are of such quality and content as to reasonably assure that the students will achieve the stated objective without the resident training portion of the course.
- (f) The school must include in the enrollment contract the following notice: "CANCELING THIS CONTRACT." "A student may cancel this agreement at any time before the commencement of classes and prior to the end of the five-day cooling off period and receive a full refund of the tuition that has been paid by the student. The NOTICE OF CANCELLATION to be given by the student shall be in writing and may be delivered by Registered Mail or in person to an owner, partner, corporate officer, agent, or other representative of the school. The cooling-off period begins when the student is given or mailed a signed copy of the completed contract. Contracts canceled after the cooling-off period entitle the school to retain not more than one hundred fifty dollars (\$150.00) registration fee and a pro rata portion of the total contract price based on the number of hours the student attended school. Refunds must be made within 21 days following delivery of the NOTICE OF CANCELLATION." The title of the notice "CANCELING THIS CONTRACT" must be in all capitals with boldface type.
- (g) If either the school or the instructor fails to comply with the provisions of any contract or agreement between the school and the student, the school shall refund, on a pro rata basis, all monies collected from the student as consideration for the performance of the contract or the agreement.

*History Note: Authority G.S. 20-320 through 20-328;  
Eff. May 1, 1987;  
Amended Eff. January 1, 1994;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. September 22, 2018.*