

**PRIVATE TRADE SCHOOLS, BUSINESS SCHOOLS, CORRESPONDENCE SCHOOLS, AND
INSTITUTES (EXCERPT)**
Act 40 of 1963

395.123 Solicitor; permit required; rules; solicitation for specifically listed school; knowledge of student financial aid programs; knowledge and information required; representation of more than 1 school; application for permit; surety bond; withdrawal; notice; annual fee; disposition, use, and adjustment of fee; expiration of permit.

Sec. 3. (1) A solicitor shall not personally solicit a prospective student to enroll in any school unless he or she applies for and obtains a permit from the superintendent, issued under rules promulgated by the superintendent in accordance with the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

(2) A solicitor shall not solicit a prospective student to enroll in a school other than a school specifically listed in the application and the permit.

(3) A solicitor shall possess knowledge regarding available state and federal student financial aid programs and shall inform prospective students of their obligations under student financial aid programs including, but not limited to, loan repayment obligations under federally guaranteed student loan programs.

(4) A solicitor who represents more than 1 school shall obtain a permit for each school he or she represents.

(5) Each application for a solicitor's permit shall be accompanied by a surety bond in the amount of \$5,000.00. The bond may be continuing and shall be conditioned to provide indemnification to a student suffering loss as a result of fraud or misrepresentation used in procuring the student's enrollment. The bond shall be supplied by the school as an individual or a blanket bond covering each of its representatives in the penal sum of \$5,000.00. The liability to be incurred under an individual or blanket surety bond shall not exceed \$5,000.00 in the case of any 1 solicitor. The surety may relieve itself of liability thereafter and withdraw from the bond upon giving 30 days' notice in writing to the superintendent.

(6) An annual fee shall be charged for each solicitor's permit. The fee shall be \$125.00 for a solicitor representing a school domiciled in this state or \$225.00 for a solicitor representing a school domiciled outside of this state. The fee shall be deposited in the state treasury and credited to the department of education to be used solely for administrative expenses of this act and Act No. 148 of the Public Acts of 1943, being sections 395.101 to 395.103 of the Michigan Compiled Laws. The fee amounts established in this subsection may be adjusted by the state board of education. An adjustment of a fee established under this section shall be the same as the percentage of adjustment made for costs associated with the licensing provisions of a proprietary school under Act No. 148 of the Public Acts of 1943, as determined annually by the legislature.

(7) Each solicitor's permit shall expire 1 year from the date of issuance.

History: 1963, Act 40, Eff. Sept. 6, 1963;—Am. 1983, Act 59, Imd. Eff. May 20, 1983;—Am. 1988, Act 244, Imd. Eff. July 11, 1988.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.