

NORTH CAROLINA REAL ESTATE COMMISSION



MANDATORY CONTINUING EDUCATION RULES

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The rules in this booklet govern the mandatory continuing education program for North Carolina real estate licensees and are organized as follows:

21 NCAC SUBCHAPTER 58A REAL ESTATE BROKERS

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(Addresses general continuing education requirements for brokers.)

21 NCAC SUBCHAPTER 58E REAL ESTATE CONTINUING EDUCATION

Subchapter 58E includes comprehensive rules regarding the update and elective components of the mandatory continuing education program plus requirements affecting course sponsors and instructors. Rules in Subchapter 58E are divided into the following sections:

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**SUBCHAPTER 58A
REAL ESTATE BROKERS**

SECTION .1700 – MANDATORY CONTINUING EDUCATION

21 NCAC 58A .1701 PURPOSE AND APPLICABILITY

This Section describes the continuing education requirement for real estate brokers authorized by G.S. 93A-4.1, establishes the continuing education requirement to change a license from inactive status to active status, establishes attendance requirements for continuing education courses, establishes the criteria and procedures relating to obtaining an extension of time to complete the continuing education requirement, establishes the criteria for obtaining continuing education credit for an unapproved course or related educational activity, and addresses other similar matters.

*History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff. April 1, 2006; October 1, 2000.*

21 NCAC 58A .1702 CONTINUING EDUCATION REQUIREMENT

(a) Except as provided in Rules.1708 and .1711 of this Section, in order to renew a broker license on active status, the person requesting renewal of a license shall, upon the second renewal of such license following initial licensure, and upon each subsequent annual renewal, have completed, within one year preceding license expiration, eight classroom hours of real estate continuing education in courses approved by the Commission as provided in Subchapter 58E. Four of the required eight classroom hours must be obtained each license period by completing a mandatory update course developed annually by the Commission and known as the "General Update Course," the subject matter of which is described in Rule 58E .0102, except that a broker-in-charge or broker who is broker-in-charge eligible shall complete the "Broker-In-Charge Update Course" in lieu of the "General Update Course" as set forth in Rule .0110 of this Subchapter. The remaining four hours shall be obtained by completing one or more Commission-approved elective courses described in Rule .0305 of Subchapter 58E. The broker shall provide upon request of the Commission, evidence of continuing education course completion.

(b) No continuing education shall be required to renew a broker license on inactive status. In order to change a license from inactive status to active status, the broker must satisfy the continuing education requirement described in Rule .1703 of this Section.

(c) No continuing education shall be required for a broker who is a member of the U.S. Congress or the North Carolina General Assembly in order to renew his or her license on active status.

(d) The terms "active status" and "inactive status" are defined in Rule .0504 of this Subchapter. For continuing education purposes, the term "initial licensure" shall include the first time that a license of a particular type is issued to a person, the reinstatement of a canceled, revoked or surrendered license, and any license expired for more than six months.

*History Note: Authority G.S. 93A-3(c); 93A-4.1; 93A-4.1(c)(7); 93A-4.1(c)(8);
Eff. July 1, 1994;
Amended Eff. July 1, 2014; April 1, 2006; July 1, 2005; April 1, 2004; October 1, 2000;
August 1, 1998; July 1, 1996.*

21 NCAC 58A .1703 CONTINUING EDUCATION FOR LICENSE ACTIVATION

(a) A broker requesting to change an inactive license to active status on or after the licensee's second license renewal following his or her initial licensure shall demonstrate completion of continuing education as described in Paragraph (b) or (c) of this Rule, whichever is appropriate.

(b) If the inactive licensee's license has properly been on active status at any time since the preceding July 1, the licensee is considered to be current with regard to continuing education and no additional continuing education is required to activate the license.

(c) If the inactive licensee's license has not properly been on active status since the preceding July 1 and the licensee has a deficiency in his or her continuing education record for the previous license period, the licensee must make up the deficiency and fully satisfy the continuing education requirement for the current license period in order to activate the license. Any deficiency may be made up by completing, during the current license period or previous license period, approved continuing education elective courses; however, such courses shall not be credited toward the continuing education requirement for the current license

period. When crediting elective courses for purposes of making up a continuing education deficiency, the maximum number of credit hours that will be awarded for any course is four hours. When evaluating the continuing education record of a licensee with a deficiency for the previous license period to determine the licensee's eligibility for active status, the licensee shall be deemed eligible for active status if the licensee has fully satisfied the continuing education requirement for the current license period and has taken any two additional continuing education courses since the beginning of the previous license period, even if the licensee had a continuing education deficiency prior to the beginning of the previous license period.

History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff April 1, 2006; July 1, 2000; July 1, 1995.

21 NCAC 58A .1704 NO CREDIT FOR PRELICENSING OR POSTLICENSING COURSES

No credit toward the continuing education requirement shall be awarded for completing a real estate prelicensing or postlicensing course.

History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff. April 1, 2006.

21 NCAC 58A .1705 ATTENDANCE AND PARTICIPATION REQUIREMENTS

In order to receive any credit for satisfactorily completing an approved continuing education course, a licensee must attend at least 90 percent of the scheduled classroom hours for the course, regardless of the length of the course, and must comply with student participation standards described in Rule .0511 of Subchapter 58E. No credit shall be awarded for attending less than 90 percent of the scheduled classroom hours. The 10 percent absence allowance is permitted for any reason at any time during the course except that it may not be used to skip the last 10 percent of the course unless the absence is for circumstances beyond the licensee's control that could not have been reasonably foreseen by the licensee and is approved by the instructor. With regard to the Commission's 12-hour Broker-In-Charge Course that is taught over two days, a licensee must attend at least 90 percent of the scheduled classroom hours on each day of the course and the 10 percent absence allowance cited above shall apply to each day of the course.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994;
Amended Eff. July 1, 2010.

21 NCAC 58A .1706 REPETITION OF COURSES

A continuing education course may be taken only once for continuing education credit within a single license period.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58A .1707 ELECTIVE COURSE CARRY-OVER CREDIT

A maximum of four hours of continuing education credit for an approved elective course taken during the current license period may be carried over to satisfy the continuing education elective requirement for the next following license period if the licensee receives no continuing education elective credit for the course toward the elective requirement for the current license period or the previous license period. However, if a continuing education elective course is used to wholly or partially satisfy the elective requirement for the current or previous license period, then any excess hours completed in such course which are not needed to satisfy the four-hour elective requirement for that license period may not be carried forward and applied toward the elective requirement for the next following license period.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994;
Amended Eff. July 1, 1995.

21 NCAC 58A .1708 EQUIVALENT CREDIT

(a) A licensee may request that the Commission award continuing education credit for a course taken by the licensee that is not approved by the Commission, or for some other real estate education activity, by making such request on a form prescribed by the Commission and submitting a nonrefundable evaluation fee of thirty dollars (\$30.00) for each request for evaluation of a course or real estate education activity. In order for requests for equivalent credit to be considered and credits to be entered into a licensee's continuing education record prior to the June 30 license expiration date, such requests and all supporting documents must be received by the Commission on or before June 10 preceding expiration of the licensee's current license, with the exception that requests from instructors desiring equivalent credit for teaching Commission-approved continuing education courses must be received by June 30. Any equivalent continuing education credit awarded under this Rule shall be applied first to make up any continuing education deficiency for the previous license period and then to satisfy the continuing education requirement for the current license period; however, credit for an unapproved course or educational activity, other than teaching an approved elective course, that was completed during a previous license period shall not be applied to a subsequent license period.

(b) The Commission may award continuing education elective credit for completion of an unapproved course which the Commission finds equivalent to the elective course component of the continuing education requirement set forth in Section .0300 of Subchapter 58E. Completion of an unapproved course may serve only to satisfy the elective requirement and shall not be substituted for completion of the mandatory update course.

(c) Real estate education activities, other than teaching a Commission-approved course, which may be eligible for credit include: developing a Commission-approved elective continuing education course; authorship of a published real estate textbook; and authorship of a scholarly article, on a topic acceptable for continuing education purposes, which has been published in a professional journal such as a law journal or professional college or university journal or periodical. The Commission shall award continuing education elective credit for activities which the Commission finds equivalent to the elective course component of the continuing education requirement set forth in Section .0300 of Subchapter 58E. No activity other than teaching a Commission-developed mandatory update course shall be considered equivalent to completing the mandatory update course.

(d) The Commission shall award credit for teaching the Commission-developed mandatory update course and for teaching an approved elective course. Credit for teaching an approved elective course shall be awarded only for teaching a course for the first time. Credit for teaching a Commission-developed mandatory update course shall be awarded for each licensing period in which the instructor teaches the course. The amount of credit awarded to the instructor of an approved continuing education course shall be the same as the amount of credit earned by a licensee who completes the course. Licensees who are instructors of continuing education courses approved by the Commission shall not be subject to the thirty dollars (\$30.00) evaluation fee when applying for continuing education credit for teaching an approved course. No credit toward the continuing education requirement shall be awarded for teaching a real estate prelicensing or postlicensing course.

(e) A licensee completing a real estate appraisal prelicensing, precertification or continuing education course approved by the North Carolina Appraisal Board may obtain real estate continuing education elective credit for such course by submitting to the Commission a written request for equivalent continuing education elective credit accompanied by a nonrefundable processing fee of twenty dollars (\$20.00) and a copy of the certificate of course completion issued by the course sponsor for submission to the North Carolina Appraisal Board.

*History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff. April 1, 2006; July 1, 2001; July 1, 2000; March 1, 1996; July 1, 1995.*

**21 NCAC 58A .1709 EXTENSIONS OF TIME TO COMPLETE CONTINUING
EDUCATION**

(a) A broker on active status may request and be granted an extension of time to satisfy the continuing education requirement for a particular license period if the broker provides evidence to the Commission that he or she was unable to obtain the necessary education due to an incapacitating illness, military deployment, or other circumstance that existed for a substantial portion of the license period and that constituted a severe hardship evidenced by supporting documentation, such as a written physician's statement, deployment orders, or other corroborative evidence, such that compliance with the continuing education requirement would have been impossible or burdensome.

- (b) The Commission shall not grant an extension of time to satisfy the continuing education requirement for reasons of business or personal conflicts.
- (c) The Commission shall not grant such an extension of time when the broker's inability to obtain the required education in a timely manner was unreasonable delay on the part of the broker in obtaining such education.
- (d) If an extension of time is granted, the broker shall be permitted to renew his or her license on active status but the license shall be automatically changed to inactive status at the end of the extension period unless the broker satisfies the continuing education requirement prior to that time.
- (e) If an extension of time is not granted, the broker may either satisfy the continuing education requirement prior to expiration of the license period or renew his or her license on inactive status.
- (f) In no event shall an extension of time be granted that extends the continuing education deadline beyond June 10 of the license year following the license year in which the request is made.
- (g) The broker's request for an extension of time shall be submitted on a form prescribed by the Commission and must be received by the Commission on or before June 10 of the license year for which the extension is sought. The form for requesting an extension of time to satisfy the continuing education requirement shall include the broker's name, mailing address, license number, telephone number, email address, and a description of the incapacitating illness or other circumstance upon which the request for extension of time is based. The form can be obtained on the Commission's website at www.ncrec.gov, or upon request to the Commission.

History Note: Authority G.S. 93A-3(c); 93A-4.1;
 Eff. July 1, 1994;
 Amended Eff. August 1, 2014; October 1, 2000.

21 NCAC 58A .1710 DENIAL OR WITHDRAWAL OF CONTINUING EDUCATION CREDIT

(a) The Commission may deny continuing education credit claimed by a licensee or reported by a course sponsor for a licensee, and may withdraw continuing education credit previously awarded by the Commission to a licensee upon finding that:

- (1) The licensee or course sponsor provided incorrect or incomplete information to the Commission concerning continuing education completed by the licensee;
- (2) The licensee failed to comply with either the attendance requirement established by Rule .1705 of this Section or the student participation standards set forth in Rule .0511 of Subchapter 58E; or
- (3) The licensee was mistakenly awarded continuing education credit due to an administrative error.

(b) When continuing education credit is denied or withdrawn by the Commission under Paragraph (a) of this Rule, the licensee remains responsible for satisfying the continuing education requirement. However, when an administrative error or an incorrect report by a course sponsor results in the denial or withdrawal of continuing education credit for a licensee, the Commission may, upon request of the licensee, grant the licensee an extension of time to satisfy the continuing education requirement.

(c) A licensee who obtains or attempts to obtain continuing education credit through misrepresentation of fact, dishonesty or other improper conduct shall be subject to disciplinary action pursuant to G.S. 93A-6.

History Note: Authority G.S. 93A-3(c); 93A-4A;
 Eff. July 1, 1994;
 Amended Eff. July 1, 1995.

21 NCAC 58A .1711 CONTINUING EDUCATION REQUIRED OF NONRESIDENT BROKERS

(a) To be considered a nonresident for continuing education purposes, a real estate broker licensed in North Carolina shall not have a North Carolina business address, mailing address, or residence address at the time he or she applies for license renewal if he or she seeks to renew his or her license on active status. A nonresident North Carolina broker who wishes to renew his or her license on active status may fully satisfy the continuing education requirement by any one of the following means:

- (1) A nonresident broker may, at the time of license renewal, hold a real estate license on active status in another state and certify on a form prescribed by the Commission that the broker holds such license. If at any time after renewal there is a change in the status of the out-of-state license, the nonresident broker shall notify the Commission within 10 days and request that his or her North Carolina license be placed on

inactive status, or provide evidence to the Commission that he or she has satisfied either Subparagraph (a)(2) or (a)(3) of this Rule or the requirements of Rule .1702 of this Section.

(2) A nonresident broker may, within one year preceding license expiration, complete the Commission-prescribed Update course plus one Commission-approved continuing education elective course, or complete two Commission-approved continuing education elective courses.

(3) A nonresident broker may, within one year preceding license expiration, complete eight classroom hours in courses approved for continuing education credit by the real estate licensing agency in the broker's state of residence or in the state where the course was taken. To obtain credit for a continuing education course completed in another state and not approved by the Commission, the broker must submit a written request for continuing education credit accompanied by a nonrefundable processing fee of twenty dollars (\$20.00) per request and evidence satisfactory to the Commission that the course was completed and that the course was approved for continuing education credit by the real estate licensing agency in the broker's state of residence or in the state where the course was taken.

(4) A nonresident broker may obtain eight hours equivalent credit for a course or courses not approved by the Commission or for related educational activities as provided in Rule .1708 of this Section. The maximum amount of continuing education credit the Commission will award a nonresident broker for an unapproved course or educational activity is eight hours.

(b) When requesting to change an inactive license to active status, or when applying for reinstatement of a license expired for not more than six months, a nonresident broker may fully satisfy the continuing education requirements described in Rules .0505 and .1703 of this Subchapter by complying with any of the options described in Paragraph (a) of this Rule, except that the requirements in Subparagraphs (a)(2) and (a)(3) of this Rule restricting the taking of courses to one year preceding license expiration shall not be applicable.

(c) No carry-over credit to a subsequent license period shall be awarded for a course taken in another state that has not been approved by the North Carolina Real Estate Commission as an elective course.

(d) A nonresident broker who has renewed his or her license on active status pursuant to Paragraph (a) of this Rule shall notify the Commission within 10 days if he or she subsequently affiliates with an office with a North Carolina business or mailing address, or becomes a resident of this State, and within 30 days provide evidence to the Commission that he or she has satisfied the requirements of either Subparagraphs (a)(2) or (a)(3) of this Rule or the requirements of Rule .1702 of this Section.

History Note Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff. July 1, 2015; January 1, 2008; April 1, 2006; October 1, 2000; March 1, 1996;
July 1, 1995.

SUBCHAPTER 58E - REAL ESTATE CONTINUING EDUCATION

SECTION .0100 - UPDATE COURSE

21 NCAC 58E .0101 PURPOSE AND APPLICABILITY

This Section describes the update course component of the continuing education requirement for real estate licensees and prescribes the criteria and procedures for a prospective sponsor to obtain approval to conduct a Commission-developed update course.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0102 UPDATE COURSE COMPONENT

(a) To renew a license on active status, a real estate broker shall complete, within one year preceding license expiration and in addition to satisfying the continuing education elective requirement described in Rule.0302 of this Subchapter, a Commission-developed "General Update Course" described in Paragraph (b) of this Rule consisting of four classroom hours of instruction. A broker-in-charge or broker who is broker-in-charge eligible who desires to retain his or her broker-in-charge status or eligibility shall complete in lieu of the "General Update Course" a Commission-developed "Broker-In-Charge Update Course" consisting of four classroom hours of instruction, described in Paragraph (b) of this Rule and prescribed in Rule 58A .0110.

(b) The Commission shall develop annually a General Update Course and a Broker-In-Charge Update Course that shall be conducted by sponsors approved by the Commission under this Subchapter. The subject matter of these courses shall be determined by the Commission, and shall include instruction on the duties and responsibilities required of brokers by the License Law and Commission rules as well as current trends, standards, or changes affecting the real estate brokerage practice. The Broker-in-Charge Update Course shall also include instruction on the duties and responsibilities required of brokers-in-charge by the License Law and Commission rules. The Commission shall produce instructor and student materials for use by course sponsors, and shall prepare completely new courses for each one-year period beginning July 1 and ending the next June 30. Sponsors shall acquire the Commission-developed course materials and utilize the materials to conduct the update courses. The courses shall be conducted as prescribed by the rules in this Subchapter and the course materials developed by the Commission. All course materials developed by the Commission for use in an update course and that are subject to the protection of federal copyright laws are the property of the Commission. Violation of the Commission's copyright with regard to these materials shall be grounds for disciplinary action. Sponsors shall provide brokers participating in their classes a copy of the student materials developed by the Commission. With advance approval from the Commission, course sponsors and instructors may make modifications to the update course when the update course is being promoted to and conducted for a group of brokers that specialize in a particular area of real estate brokerage, provided that the modifications relate to the same general subject matter addressed in the prescribed update course and the course as modified achieves the same educational objectives as the unmodified course.

(c) Approved sponsors shall conduct update courses using an instructor who has been approved by the Commission as an update course instructor under Section .0200 of this Subchapter. The sponsor may conduct the update course at any location as frequently as is desired during the approval period; however, no courses may be conducted between June 11 and June 30 of any approval period.

History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff. July 1, 2014; April 1, 2006; July 1, 2000.

21 NCAC 58E .0103 APPLICATION FOR ORIGINAL APPROVAL

An entity seeking original approval to sponsor a Commission-developed update course must make application on a form prescribed by the Commission. The applicant must submit a nonrefundable fee of one hundred dollars (\$100.00) which may be in the form of a check payable to the North Carolina Real Estate Commission; provided, however, that no fee is required if the entity making application is a community college, junior college, college or university located in this State and accredited by the Southern Association of Colleges and Schools, or is an agency of federal, state or local government. An applying entity that is not a resident of North Carolina shall also file with the application a consent to service of process and pleadings.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994;
Amended Eff. July 1, 1995.

21 NCAC 58E .0104 CRITERIA FOR APPROVAL OF UPDATE COURSE SPONSOR

Approval to sponsor a Commission-developed update course shall be granted to an applicant upon showing to the satisfaction of the Commission that:

- (1) The applicant has submitted all information required by the Commission and paid the application fee, if applicable;
- (2) The applicant has at least one proposed instructor who has been approved by the Commission as an update course instructor under Section .0200 of this Subchapter;
- (3) The applicant satisfies any of the requirements of Section .0400 of this Subchapter relating to qualifications or eligibility of course sponsors; and
- (4) The applicant and the continuing education coordinator required by Rule .0405 of this Subchapter must be truthful, honest and of high integrity. In this regard, the Commission may consider the reputation and character of any owner, officer or director of any corporation, association or organization applying for sponsor approval.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0105 STUDENT FEE FOR UPDATE COURSES

Sponsors of an update course may establish the amount of the fee to be charged to students taking this course; provided, however, that the established fee must be an all-inclusive fee and no separate or additional fee may be charged to students for providing course materials required by the Commission, providing course completion certificates, reporting course completion to the Commission, or for recouping similar routine administrative expenses.

*History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.*

SECTION .0200 - UPDATE COURSE INSTRUCTORS

21 NCAC 58E .0201 PURPOSE AND APPLICABILITY

This Section prescribes the criteria and procedures for a prospective instructor of a Commission-developed update course to obtain and maintain approval to teach such course.

*History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.*

21 NCAC 58E .0202 NATURE AND SCOPE OF APPROVAL

Update course instructors shall be approved by the Commission in a separate process from approval for update course sponsors. Approved update course instructors may teach the General Update Course or Broker-In-Charge Update Course for any approved update course sponsor for as long as his or her approval is on active status. An approved update course instructor may not independently conduct an update course unless the instructor has also obtained approval as an update course sponsor. An instructor shall obtain written approval from the Commission prior to teaching an update course and prior to representing to any sponsor or other party that he or she is approved or may be approved as an update course instructor.

*History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff. July 1, 2014; July 1, 2000.*

21 NCAC 58E .0203 APPLICATION AND CRITERIA FOR ORIGINAL APPROVAL

(a) A person seeking initial approval as an update course instructor shall submit an application for original approval on a form provided by the Commission. The application form shall be available on the Commission's website at www.ncrec.gov or upon request to the Commission and shall require the applicant to set forth:

- (1) the applicant's legal name, occupation, address, and telephone number;
- (2) the applicant's professional and occupational licensing history and status;
- (3) the applicant's criminal history and history of professional license disciplinary actions;
- (4) the applicant's educational background, including special real estate education;
- (5) the applicant's experience in the real estate business;
- (6) the applicant's real estate teaching experience; and
- (7) the applicant's signature.

An applicant who is not a resident of North Carolina shall also file with the application a consent to service of process and pleadings. No application fee is required. All required information regarding the applicant's qualifications shall be submitted.

(b) The applicant shall be truthful, honest, and of high integrity.

(c) The applicant shall be qualified under one of the following standards:

- (1) possession of a current North Carolina real estate broker license that is not on provisional status, a current continuing education record, and three years full-time experience on active status in general real estate brokerage, including substantial experience in real estate sales and at least one year of general brokerage experience in North Carolina, within the previous seven years. For purposes of this Rule, "substantial experience" is experience that is material, valuable, and worthwhile and not nominal, occasional, or intermittent; or
- (2) possession of qualifications found by the Commission to be equivalent to the standard stated in Subparagraph (c)(1) of this Rule.

(d) The applicant shall possess good teaching skills as demonstrated on a video recording portraying the instructor teaching a live audience. The applicant shall submit the video recording for Commission review on a digital video disc (DVD), USB drive, or similar medium. The video recording shall be 45-60 minutes in length and depict a continuous block of instruction on a single real estate or directly related topic. The video recording shall be unedited, show a portion of the audience, and have visual and sound quality sufficient to enable reviewers to see and hear the instructor. The video recording shall have been recorded within 12 months of the date of submission and include a label identifying the instructor and date of the video instruction. The video recording shall demonstrate that the instructor possesses the teaching skills described in Rule .0509 of this Subchapter.

(e) The applicant shall take the Commission's Update Instructor Seminar for the real estate license year in which the applicant's approval would be effective prior to approval being issued. If this seminar is not taken within six months after filing the application for approval, the application shall be deemed cancelled. The Update Instructor Seminar shall be a seven hour course offered by the Commission multiple times each year to demonstrate the General Update Course and Broker-in-Charge Update Course materials described in Rule .0102(b) of this Subchapter to approved instructors to prepare them to teach those courses. Registration and available dates for the Update Instructor Seminar are available online at the Commission's website, www.ncrec.gov.

(f) An applicant shall be exempt from qualifying under Paragraphs (c) and (d) of this Rule if he or she is a Commission-approved real estate preclicensing instructor who has satisfied all requirements for an unconditional approval or possesses a current North Carolina real estate broker license, a current continuing education record, and a current designation as a Distinguished Real Estate Instructor (DREI) granted by the Real Estate Educators Association.

*History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff. July 1, 2015; July 1, 2014; January 1, 2008; April 1, 2004; July 1, 2003;
September 1, 2002; July 1, 1996; July 1, 1995.*

21 NCAC 58E .0204 ACTIVE AND INACTIVE STATUS; RENEWAL OF APPROVAL

(a) An instructor's initial approval shall be issued on active status and shall remain on active status during the approval period so long as the instructor takes the Commission's annual Update Instructor Seminar, described in Rule .0203(e) of this Section, before September 1 of each year. An instructor may teach the General Update Course or Broker-In-Charge Update Course while his or her license is on active status. When an instructor fails to complete the Update Instructor Seminar by September 1, the instructor's approval shall be placed on inactive status and shall remain on inactive status until the seminar is taken or until the expiration of the instructor's approval, whichever occurs first. An instructor shall not teach any version of the update course while his or her approval is on inactive status.

(b) If an instructor whose approval is on active status is unable to take the Update Instructor Seminar on any of the scheduled seminar dates as shown on the Commission's website at www.ncrec.gov before September 1 of any year due to a personal hardship such as a personal or family illness or a business conflict, the instructor may request and obtain from the Commission an extension of time to take the seminar on a seminar date following the September 1 deadline. The instructor shall not complete the course later than December 1 of that year. If an extension of time is granted, the instructor's approval shall remain on active status during the extension period.

(c) Commission approval of update course instructors expires on the third December 31 following issuance of approval. Approved instructors shall file applications for renewal of approval on a form provided by the Commission on or before the December 1 immediately preceding expiration of approval. The renewal application form shall be available on the Commission's website at www.ncrec.gov or upon request to the Commission and shall require the applicant to set forth:

- (1) the applicant's legal name, occupation, address, and telephone number;
- (2) the applicant's Update Course Instructor Number;
- (3) the applicant's professional and occupational licensing history and status;
- (4) the applicant's criminal history and history of professional license disciplinary actions;
- (5) information regarding the applicant's experience as a real estate instructor;
- (6) information regarding real estate education and instructor training received by the applicant;
- (7) the applicant's real estate related employment; and
- (8) the applicant's signature.

In order to renew their approval, applicants shall satisfy the criteria for original approval, with the exception of the requirement in Rule .0203(d) of this Section, and their approval shall be on active status as described in Paragraph (a) of this Rule. Applicants for renewal of approval whose approval is on inactive status shall also take the Commission's annual Update Instructor Seminar for the real estate license year in which the applicant's renewal of approval would be effective.

(d) In order to reinstate an expired instructor approval, the former instructor shall file an application for original approval on a form provided by the Commission and described in Rule .0203(a) of this Section, satisfy the criteria for original approval set forth in Rule .0203(b) and (c) of this Section, and demonstrate that he or she has attended at least three separate real estate instructor educational programs of at least six hours each during the previous three years. If the applicant's prior instructor approval was on inactive status at the time the approval expired, the applicant shall additionally take the Commission's annual Update Instructor Seminar for the real estate license year in which the applicant's reinstated approval would be effective. If the applicant's prior instructor approval has been expired for more than one year, the applicant shall also satisfy the criteria for original approval set forth in Rule .0203(d) of this Section.

History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff. July 1, 2015; July 1, 2014; January 1, 2012; July 1, 2000; July 1, 1996;
July 1, 1995.

21 NCAC 58E .0205 DENIAL OR WITHDRAWAL OF APPROVAL

(a) The Commission may deny or withdraw approval of any update course instructor upon finding that:

- (1) The instructor has made any false statements or presented any false, incomplete, or incorrect information in connection with an application for approval or renewal of approval;
- (2) The instructor has failed to meet the criteria for approval described in Rule .0203 of this Section at the time of application or at any time during an approval period or has refused or failed to comply with any other provisions of this Subchapter;
- (3) The instructor has failed to demonstrate, during the teaching of update courses, those effective teaching skills described in Rule .0509 of this Subchapter;
- (4) The instructor has provided false, incomplete, or incorrect information in connection with any reports a course sponsor is required to submit to the Commission; or
- (5) The instructor has been disciplined by the Commission or any other occupational licensing agency in North Carolina or another jurisdiction.

(b) If a licensee who is an approved update course instructor engages in any dishonest, fraudulent or improper conduct in connection with the licensee's activities as an instructor, the licensee shall be subject to disciplinary action pursuant to G.S. 93A-6.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994;
Amended Eff. April 1, 2004; July 1, 2000.

21 NCAC 58E .0206 REQUEST FOR A VIDEO RECORDING

Upon the written request of the Commission, an approved update course instructor must submit to the Commission, a video recording depicting the instructor teaching the update course. The video recording must have been recorded within 12 months of the date of submission, must be recorded either on a digital video disc (DVD) or on a VHS formatted videocassette, must include a label which clearly identifies the instructor and the date of the video-recorded presentation, and must conform to technical specifications set forth in Rule .0203(d) of this Section.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994;
Amended Eff. April 1, 2004.

SECTION .0300 - ELECTIVE COURSES

21 NCAC 58E .0301 PURPOSE AND APPLICABILITY

This Section describes the elective course component of the continuing education requirement for real estate licensees and prescribes the criteria and procedures for the approval of continuing education elective courses, sponsors and instructors.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0302 ELECTIVE COURSE COMPONENT

(a) To renew a license on active status, a real estate broker must complete, within one year preceding license expiration and in addition to satisfying the continuing education mandatory update course requirement described in Rule .0102 of this Subchapter, four classroom hours of instruction in one or more Commission-approved elective courses.

(b) Approval of an elective course includes approval of the sponsor and instructor(s) as well as the course itself. Such approval authorizes the sponsor to conduct the approved course using the instructor(s) who have been found by the Commission to satisfy the instructor requirements set forth in Rule .0306 of this Section. The sponsor may conduct the course at any location as frequently as is desired during the approval period, provided, however, the sponsor may not conduct any session of an approved course for real estate continuing education purposes between June 11 and June 30, inclusive, of any approval period.

(c) The sponsor of an approved "distance education" elective course, as defined in Rule .0310 of this Subchapter, shall not permit students to register for any such course between June 11 and June 30, inclusive, of any approval period. The sponsor of any such distance education course shall require students registering for any such course to complete the course within 30 days of the date of registration for the course or the date the student is provided the course materials and permitted to begin work, whichever is the later date, provided that the deadline for course completion in any approval period shall not be later than June 10 of that approval period. The sponsor shall advise all students registering for a distance education course, prior to accepting payment of any course fees, of the deadlines for course completion.

History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff. April 1, 2006; July 1, 2005; September 1, 2002; October 1, 2000;
September 1, 1996.

21 NCAC 58E .0303 APPLICATION FOR ORIGINAL APPROVAL

(a) A person or entity seeking original approval of a proposed elective course shall complete an application on a form prescribed by the Commission. The form shall be available on the Commission's website at www.ncrec.gov or upon request to the Commission and shall require the applicant to set forth:

- (1) the title of the proposed elective course;
- (2) the applicant's legal name, address, and telephone number;
- (3) the identification of the continuing education coordinator;
- (4) the applicant's sponsor code, if previously approved;
- (5) the amount of the application fee enclosed;
- (6) the credit/classroom hours awarded for completing the course;
- (7) the subject matter of the course;
- (8) the identification of the course owner;
- (9) the information regarding the instructor guide and student manual;
- (10) the identification of prospective instructors; and
- (11) the applicant's signature.

(b) The applicant shall submit a nonrefundable fee of one hundred dollars (\$100.00) per course payable to the North Carolina Real Estate Commission; provided, however, that no fee is required if the applicant is a community college, junior college, college or university located in this State and accredited by the Southern Association of Colleges and Schools, or is an agency of federal, state, or local government.

(c) The application shall be accompanied by a copy of the course objectives, timed outline, instructor's guide, and materials that will be provided to students.

(d) An applicant who is not a resident of North Carolina shall also file with the application a consent to service of process and pleadings.

*History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff. July 1, 2015; March 1, 1996; July 1, 1995.*

21 NCAC 58E .0304 CRITERIA FOR ELECTIVE COURSE APPROVAL

- (a) The following requirements shall be satisfied in order to obtain approval of a proposed elective course:
- (1) The applicant shall submit the application form and pay the application fee, both of which are required in Rule .0303 of this Section, including any additional application fee set forth in Subparagraph (a)(12) of this Rule if applicable;
 - (2) The applicant shall satisfy the requirements of Section .0400 of this Subchapter relating to the qualifications or eligibility of course sponsors;
 - (3) The subject matter of the course shall satisfy the elective course subject matter requirements set forth in Rule .0305 of this Section and all information to be presented in the course shall be current and accurate;
 - (4) The course shall involve a minimum of four classroom hours of instruction on acceptable subject matter, as defined in Rule .0305 of this Section. A classroom hour consists of 50 minutes of instruction and 10 minutes of break time;
 - (5) The applicant and the continuing education coordinator required by Rule .0405 of this Subchapter shall be truthful, honest and of high integrity. To do this, the Commission may consider the reputation and character of any owner, officer and director of any corporation, association or organization applying for sponsor approval;
 - (6) The proposed instructor(s) for the course shall possess the qualifications described in Rule .0306 of this Section;
 - (7) The instructional delivery methods to be utilized in the course shall either involve live instruction in a traditional classroom setting or comply with the requirements described in Rule .0310 of this Section;
 - (8) The applicant shall submit an instructor guide that includes:
 - (A) a course outline describing the subject matter and topics to be taught in sufficient detail to permit an evaluation by the Commission of the depth and accuracy of the subject matter and topics to be covered;
 - (B) the amount of time to be devoted to each major topic and to breaks;
 - (C) the learning objective(s) for each major topic; and
 - (D) the instructional methods and instructional aids that will be utilized in the course.
 - (9) The proposed time allotments shown in the instructor guide shall be appropriate for the proposed subject matter to be taught. Unless the applicant can demonstrate that straight lecture is the most effective instructional method for the course, the instructor guide must provide for the use of a variety of instructional methods and instructional aids intended to enhance student participation, attentiveness, and learning. Examples of instructional methods that may be appropriate include, but are not limited to, instructor-led class discussion, role-playing, and in-class individual or group work assignments. Examples of instructional aids that may be appropriate include, but are not limited to, PowerPoint slides, overhead transparencies, video recordings, and information from the Internet displayed on a large screen;
 - (10) The course shall include handout materials for students that provide, in narrative or text form, all the information to be presented in the course. This requirement shall not be satisfied by using only copies of PowerPoint slides or a detailed course outline. All information included in the student materials shall be up-to-date, without error, explanatory of topics covered, consistent with course learning objectives, grammatically correct, and organized. The scope and depth of information presented shall be appropriate in view of course learning objectives and subject matter time allotments, and the information presented must, except for instruction on changes in laws, rules, or practices, include coverage of subject matter at a cognitive level higher than that expected of entry-level real estate brokers. The quality of reproduced student materials shall be generally comparable to that commonly seen in education materials produced by professional publishers. These standards for student materials also apply, to the extent they are relevant, to student materials other than paper materials such as material to be viewed by computer that are provided for use by students in distance education courses;

- (11) If an applicant proposes to use copyrighted materials in the course, such materials shall be used in a form approved by the copyright holder. If any copyrighted material is to be duplicated by the applicant for use in the course, the sponsor must have the specific permission of the copyright holder; and
- (12) When an applicant resubmits an elective course approval application after a previous application for the same course has been twice reviewed and found unsatisfactory by the Commission, the resubmitted application shall be treated as an original application for approval and shall be subject to the application fee prescribed in Rule .0303 of this Section.

(b) An application for elective course approval shall be found unsatisfactory if the applicant fails to fulfill one or more of the requirements set forth in this Rule.

(c) Applicants requesting approval of distance education courses shall also comply with the requirements described in Rule .0310 of this Section.

History Note: Authority G.S. 93A-3(c); 93A-4.1;
 Eff. July 1, 1994;
 Amended Eff. July 1, 2014; July 1, 2010; April 1, 2004; July 1, 2000; July 1, 1996; July 1, 1995.

21 NCAC 58E .0305 ELECTIVE COURSE SUBJECT MATTER

(a) Elective courses must cover a real estate topic and must directly contribute to accomplishment of the primary purpose of mandatory continuing education, which is to help assure that real estate licensees possess the knowledge, skills and competence necessary to function in the real estate business in a manner that protects and serves the public interest. The knowledge or skills taught in an elective course must enable licensees to better serve real estate consumers and the subject matter must be directly related to real estate practice. Examples of acceptable subject matter include, but are not limited to: Real property law; agency law; real estate contracts; land use controls; environmental protection laws; real estate economics and markets; real estate finance, investment or appraisal; property management; real estate construction or development; commercial real estate brokerage; taxation of real estate investments; the Real Estate License Law and Commission rules; and other similar topics. Examples of subject matter that is not acceptable include, but are not limited to: Real estate sales training; real estate brokerage management; business administration or management; general office and computer skills; success training; motivational training; personal development; time management; and other similar topics.

(b) If there are unique North Carolina laws, rules or customary practices that are relevant to a topic being addressed in an elective course, and if the course is to be conducted in North Carolina or primarily for the benefit of North Carolina licensees, then the course must accurately and completely address such North Carolina laws, rules or practices.

History Note: Authority G.S. 93A-3(c); 93A-4A;
 Eff. July 1, 1994;
 Amended Eff. July 1, 1995.

21 NCAC 58E .0306 ELECTIVE COURSE INSTRUCTORS

(a) The instructor of an elective course must be truthful, honest and of high integrity and must be qualified under one of the following standards:

- (1) Possession of a baccalaureate or higher degree in a field directly related to the subject matter of the course;
- (2) Three years' full-time work experience within the previous ten years that is directly related to the subject matter of the course;
- (3) Three years' full-time experience within the previous ten years teaching the subject matter of the course; or
- (4) Education or experience or both found by the Commission to be equivalent to one or more of the above standards.

(b) If the subject matter of the course deals directly with real estate brokerage practices, then the instructor must also possess a current real estate license.

History Note: Authority G.S. 93A-3(c); 93A-4A;
 Eff. July 1, 1994.

21 NCAC 58E .0307 ELECTIVE COURSE CREDIT HOURS

The elective course approval issued to a course sponsor shall include the number of hours of continuing education credit that may be awarded for the course. The maximum number of credit hours that may be awarded for an elective course is four hours.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0308 REQUEST FOR A VIDEO RECORDING

Upon the written request of the Commission, the sponsor of an approved elective course shall submit to the Commission a digital video recording depicting the course being taught by a particular instructor designated by the Commission. The digital video recording of the instructor's course presentation shall conform to technical specifications set forth in Rule .0203(d) of this Subchapter.

History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff. July 1, 2015; April 1, 2004.

21 NCAC 58E .0309 STUDENT FEES FOR ELECTIVE COURSES

A sponsor of an elective course may establish the amount of the fee(s) to be charged to students taking the course; provided, however, that the total amount of any fees to be charged must be included in any advertising or promotional materials for the course.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0310 DISTANCE EDUCATION COURSES

(a) As used in this Chapter, the term "distance education" means educational programs in which instruction is accomplished through the use of media whereby teacher and student are separated by distance and sometimes by time. An entity requesting approval of a distance education course must, in addition to satisfying all other requirements for elective course approval specified in this Section, demonstrate that the proposed distance education course satisfies the following criteria:

- (1) The course shall be designed to assure that students actively participate in the instructional process while completing the course by utilizing techniques that require student interaction with the instructor, other students or a computer program at frequent intervals throughout each class period. The course design must not permit students to merely sit passively and observe instruction or read instructional materials. If the nature of the subject matter is such that the learning objectives for the course cannot be reasonably accomplished without some direct interaction between the instructor and students, then the course design must provide for such interaction.
- (2) A course that does not provide the opportunity for continuous audio and visual communication between the instructor and all students during the course presentation shall utilize testing and remedial processes appropriate to assure student mastery of the subject material.
- (3) A course that involves students completing the course on a self-paced study basis shall be designed so that the time required for a student of average ability to complete the course will be at least four hours, and the sponsor shall utilize a system that assures that students have actually performed all tasks designed to assure student participation and mastery of the subject material. The number of equivalent classroom hours assigned by the course sponsor or developer to the course must be supported by studies or field tests, and the applicant must submit a description of such studies or field tests with the course application.
- (4) The proposed instructional delivery methods shall be appropriate to enable effective accomplishment of the proposed learning objectives and the scope and depth of the instructional materials must also be consistent with the proposed learning objectives.
- (5) The sponsor shall provide appropriate technical support to enable students to satisfactorily complete the course.
- (6) An instructor shall be available to respond to student questions about the subject matter of the course and to direct students to additional sources of information. Instructors shall

- have training in the proper use of the instructional delivery method utilized in the course, including the use of computer hardware and software or other equipment and systems.
- (7) The sponsor shall provide students an orientation or information package which contains all information required by the Commission to be provided to students and all necessary information about the course, including information about course fees and refund policies, course subject matter and learning objectives, procedures and requirements for satisfactory course completion, any requirements with regard to computer hardware and software or other equipment, and instructor and technical support.

(b) An entity seeking approval of a computer-based distance education course must submit a complete copy of the course on the medium that is to be utilized and, if requested, must make available, at a date and time satisfactory to the Commission and at the sponsor's expense, all hardware and software necessary for the Commission to review the submitted course. In the case of an internet-based course, the Commission must be provided access to the course via the internet at a date and time satisfactory to the Commission and shall not be charged any fee for such access.

History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1996;
Amended Eff. July 1, 2009; July 1, 2005; July 1, 2000.

SECTION .0400 - GENERAL SPONSOR REQUIREMENTS

21 NCAC 58E .0401 PURPOSE AND APPLICABILITY

This Section contains miscellaneous general provisions relating to the approval of sponsors to conduct either the update course or elective courses and to the responsibilities of approved sponsors. Matters addressed include: Sponsor names and eligibility; designation of a continuing education coordinator; renewal of course and sponsor approval; records and reports; grounds for denial or withdrawal of approval, and other related matters.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0402 SPONSOR ELIGIBILITY

Any legal entity is eligible to seek approval as a sponsor of continuing education courses, provided that the entity seeking approval of a course as a continuing education elective course is either the owner of the proprietary rights to the course or has lawfully acquired from the course owner the right to seek course approval from the Commission and to conduct such course.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0403 SPONSOR NAME

(a) The official name to be used by any course sponsor in connection with the offering of an approved continuing education course must clearly distinguish the sponsor from any other previously approved continuing education course sponsor. Unless the sponsor is a licensed private real estate school proposing to operate continuing education courses in its own name, the official name also must clearly distinguish the sponsor from any licensed private real estate school. Sponsor applicants proposing to use a sponsor name which does not comply with this standard may be required to adopt a different name as a condition of approval.

(b) Any advertisement or promotional material utilized by an approved course sponsor must include the course sponsor's official name and shall not include any other name for the sponsor.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0404 ADVANCE APPROVAL REQUIRED

Prospective sponsors of an update course or elective course must obtain written approval from the Commission to conduct such course prior to conducting the course and prior to advertising or otherwise representing that the course is or may be approved for continuing education credit in North Carolina. No

retroactive approval to conduct an update course will be granted for any reason. Retroactive approval of an elective course may be granted by the Commission if the course sponsor can provide evidence satisfactory to the Commission that the course was not offered for purposes of satisfying the real estate continuing education requirement and that the sponsor could not reasonably have been expected to anticipate in advance that students would want to receive continuing education elective credit for the course.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0405 CONTINUING EDUCATION COORDINATOR

A sponsor of an update course or elective course must designate one person to serve as the continuing education coordinator for all Commission-approved continuing education courses offered by the sponsor. The designated coordinator shall serve as the official contact person for the sponsor and shall be responsible for the following:

- (1) Supervising the conduct of all the sponsor's Commission-approved continuing education courses;
- (2) Signing the course completion certificates provided by the sponsor to licensees completing courses; and
- (3) Submitting to the Commission all required fees, rosters, reports and other information.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994;
Amended Eff. July 1, 1995.

21 NCAC 58E .0406 COURSE COMPLETION REPORTING

(a) Course sponsors must prepare and submit to the Commission, along with the per student fee required by G.S. 93A-4.1(d), reports verifying completion of a continuing education course for each licensee who satisfactorily completes the course according to the criteria in 21 NCAC 58A .1705 and who desires continuing education credit for the course. Such reports shall include students' names, students' license numbers, course date, sponsor and course codes and course information presented in the format prescribed by the Commission, and sponsors shall be held accountable for the completeness and accuracy of all information in such reports. Such reports shall be transmitted electronically via the Internet. Sponsors must submit these reports to the Commission in a manner that will assure receipt by the Commission within seven calendar days following the course, but in no case later than June 15 of any approval period for courses conducted during that approval period.

(b) At the request of the Commission, course sponsors must provide licensees enrolled in each continuing education course an opportunity to complete an evaluation of each approved continuing education course on a form provided by the Commission. Sponsors must submit the completed evaluation forms to the Commission with the reports verifying completion of a continuing education course.

(c) Course sponsors shall provide each licensee who satisfactorily completes an approved continuing education course according to the criteria in 21 NCAC 58A .1705 a course completion certificate on a form provided by the Commission. Sponsors must provide the certificates to licensees within fifteen calendar days following the course, but in no case later than June 15 for any course completed prior to that date. The certificate shall be retained by the licensee as his or her proof of having completed the course.

(d) When a licensee in attendance at a continuing education course does not comply with the student participation standards, the course sponsor shall advise the Commission of this matter in writing at the time reports verifying completion of continuing education for the course are submitted. A sponsor who determines that a licensee failed to comply with either the Commission's attendance or student participation standards shall not provide the licensee with a course completion certificate nor shall the sponsor include the licensee's name on the reports verifying completion of continuing education.

(e) Notwithstanding the provisions of Paragraphs (a) and (c) of this Rule, approved course sponsors who are national professional trade organizations and who conduct Commission-approved continuing education elective courses out of state shall not be obligated to submit reports verifying completion of continuing education courses by electronic means, provided that such sponsors submit to the Commission a roster which includes the names and license numbers of North Carolina licensees who completed the course in compliance with the criteria in 21 NCAC 58A .1705 and who desire continuing education credit for the course. A separate roster must be submitted for each class session and must be accompanied by a per student fee required by G.S. 93A-4.1(d), payable to the North Carolina Real Estate Commission. Rosters must be submitted in a manner which assures receipt by the Commission within 15 calendar days following

the course, but not later than the last course reporting dates for an approval period specified in Paragraph (a) of this Rule. Such sponsors may also provide each licensee who completes an approved course in compliance with the criteria in 21 NCAC 58A .1705 a sponsor-developed course completion certificate in place of a certificate on a form provided by the Commission. Sponsors must provide the certificates to licensees within fifteen calendar days following the course.

History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff. April 1, 2006; July 1, 2005; September 1, 2002; October 1, 2000; July 1, 1996; July 1, 1995.

21 NCAC 58E .0407 PER STUDENT FEE

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994;
Amended Eff. July 1, 2005; August 1, 1998; July 1, 1996; July 1, 1995;
Repealed Eff. April 1, 2006.

21 NCAC 58E .0408 CHANGE IN SPONSOR OWNERSHIP

If, at any time after the original approval of a course sponsor, an aggregate of fifty percent or more of the ownership interest is transferred to natural persons or entities other than those having an ownership interest at the time of the original application, the course sponsor approval shall terminate. Termination shall be effective on the date of the transaction resulting in the aggregate transfer of fifty percent or more of the original ownership. The course sponsor, the transferring owners, and the new owners shall not conduct any course after the termination of sponsor approval. The natural persons or entities holding an ownership interest after the transfer shall obtain an original course sponsor approval as required by G.S. 93A-4.1 and Rules .0104, .0303 and .0402 of this Subchapter prior to advertising courses, registering students, accepting tuition, conducting courses, or otherwise engaging in any sponsor activity.

History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff. July 1, 2015; July 1, 2014.

21 NCAC 58E .0409 CHANGES DURING APPROVAL PERIOD

(a) Course sponsors shall notify the Commission in writing prior to any change in business name, ownership interest, continuing education coordinator, address, or business telephone number.
(b) Course sponsors shall obtain advance approval from the Commission for any changes to be made in the content or number of hours for elective courses. However, changes in course content that are solely for the purpose of assuring that information provided in a course is current and accurate do not require approval during the approval period, but shall be reported at the time the sponsor requests renewal of course approval. Requests for approval of changes shall be in writing.

History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff. July 1, 2015.

21 NCAC 58E .0410 COURSE RECORDS

All course sponsors must retain on file for two years records of student registration and attendance for each session of a continuing education course that is conducted and must make such records available to the Commission upon request.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0411 RENEWAL OF COURSE AND SPONSOR APPROVAL

(a) Commission approval of all continuing education elective courses and update course sponsors expires on the next June 30 following the date of issuance. In order to assure continuous approval, applications for renewal of Commission approval, accompanied by the prescribed renewal fee, must be filed on a form

prescribed by the Commission annually on or before April 30. Any incomplete application for renewal of continuing education course and sponsor approval received on or before April 30 which is not completed within 10 days of notice of the deficiency, as well as any renewal application received after April 30, shall not be accepted and the sponsor will have to file an application for original approval on or after July 1 in order to be reapproved. Applicants for renewal of approval must satisfy the criteria for original approval in order to renew their approval. When the Commission issues original course or sponsor approval with an effective date of approval between April 1 and June 10, the deadline for submission of applications for renewal of such newly approved sponsor or course shall be June 10 of the year in which the original approval is issued.

(b) The fee for renewal of Commission approval shall be fifty dollars (\$50.00) for each update course sponsor and for each elective course, provided that no fee is required for course sponsors that are exempted from original application fees. The fee shall be paid by check payable to the North Carolina Real Estate Commission and is nonrefundable.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994;
Amended Eff. July 1, 1996.

21 NCAC 58E .0412 DENIAL OR WITHDRAWAL OF APPROVAL

- (a) The Commission may deny or withdraw approval of any course or course sponsor upon finding that:
- (1) the course sponsor made any false statements or presented any false, incomplete, or incorrect information in connection with an application for course or sponsor approval or renewal of such approval;
 - (2) the course sponsor or any official or instructor in the employ of the course sponsor refused or failed to comply with any of the provisions of this Subchapter;
 - (3) the course sponsor or any official or instructor in the employ of the course sponsor provided false, incomplete, or incorrect information in connection with any reports the course sponsor is required to submit to the Commission;
 - (4) the course sponsor engaged in a pattern of canceling scheduled courses;
 - (5) the course sponsor provided to the Commission in payment for required fees a check that was dishonored by a bank;
 - (6) an instructor in the employ of the course sponsor fails to conduct approved courses in a manner that demonstrates possession of the teaching skills described in Rule .0509 of this Subchapter;
 - (7) the course sponsor or any official or instructor in the employ of the course sponsor has been found by a court of competent jurisdiction to have violated, in connection with the offering of continuing education courses, any applicable federal or state law or regulation:
 - (A) prohibiting discrimination on the basis of disability;
 - (B) requiring places of public accommodation to be in compliance with prescribed accessibility standards;or
 - (C) requiring that courses related to licensing or certification for professional or trade purposes be offered in a place and manner accessible to persons with disabilities;
 - (8) the course sponsor or any official or instructor in the employ of the course sponsor has been disciplined by the Commission or any other occupational licensing agency in North Carolina or another jurisdiction;
 - (9) the course sponsor or any official or instructor in the employ of the course sponsor collected money from brokers for a continuing education course, but refuses or fails to provide the promised instruction;
 - (10) the course sponsor or any person associated with the sponsor provided to a broker any false, incomplete, or misleading information relating to real estate licensing or education matters or the broker's education needs or license status;
 - (11) the course sponsor fails to submit to the Commission class rosters as required by Rule .0406 of this Section; or
 - (12) the course sponsor fails to submit the per-student-fee as required by G.S. 93A-4.1(d) and Rule .0406 of this Section.
- (b) If a broker who is an approved course sponsor or an instructor in the employ of an approved course sponsor engages in any dishonest, fraudulent, or improper conduct in connection with the broker's activities as a course sponsor or instructor, the broker shall be subject to disciplinary action pursuant to G.S. 93A-6.

History Note: Authority G.S. 93A-3(c); 93A-4.1; 93A-6(a)(15);
Eff. July 1, 1994;
Amended Eff. July 1, 2015; July 1, 2010; April 1, 2004; July 1, 2000.

SECTION .0500 - COURSE OPERATIONAL REQUIREMENTS

21 NCAC 58E .0501 PURPOSE AND APPLICABILITY

This Section prescribes various operational requirements for both approved elective courses and update courses. Sponsors are fully responsible for assuring compliance with these course operational requirements as well as continued compliance with the criteria for original approval of courses and sponsors.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0502 SCHEDULING

Courses must be scheduled and conducted in a manner that limits class sessions to a maximum of eight classroom hours in any given day, including appropriate breaks for each class session. The maximum permissible class session without a break is 90 minutes. Courses scheduled for more than four hours in any given day must include a meal break of at least one hour.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0503 MINIMUM CLASS SIZE

The minimum class size for any session of an approved continuing education course shall be five students, as determined by the sponsor's preregistration records. The minimum class size requirement shall not apply to class sessions when the sponsor notifies the Commission in writing of the scheduled class session as provided in Rule .0504 of this Section and advertises in advance the scheduled class session in the general real estate community where the class session is to be held. A sponsor who conducts a class session for fewer than five students shall submit with the reports verifying completion of the course a copy of the advertisement for the class session plus a statement or other documentation indicating the date of the advertisement and the advertising method.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994;
Amended Eff. July 1, 1996.

21 NCAC 58E .0504 NOTICE OF SCHEDULED COURSES

(a) Sponsors must provide the Commission written notice of all scheduled course offerings not later than 10 days prior to a scheduled course date. The notice shall include the name and assigned number for the sponsor and, for each scheduled course, the name and assigned number for the course, the scheduled date and time, specific location, and name of the instructor.

(b) Sponsors must notify the Commission of any schedule changes or course cancellations at least five days prior to the original scheduled course date. If a last minute change or cancellation is necessary due to some unforeseen circumstance, then notice shall be provided to the Commission as soon as possible.

(c) Sponsors must notify the Commission as soon as possible when it becomes apparent that enrollment in a planned class session will exceed 100 students.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0505 ADVERTISING; PROVIDING COURSE INFORMATION

(a) Course sponsors shall not utilize advertising of any type that is false or misleading. If the number of continuing education credit hours awarded by the Commission for an approved elective course is less than the number of scheduled hours for the course, any course advertisement or promotional materials that indicate that the course is approved for real estate continuing education credit in North Carolina shall specify the number of continuing education credit hours awarded by the Commission for the course.

(b) Any flyers, brochures, or similar materials utilized to promote a continuing education course shall describe the fee to be charged and the sponsor's cancellation and fee refund policies. Course sponsors shall provide prospective students with a full description of the sponsor's cancellation and fee refund policies prior to accepting payment for any course(s).

(c) Course sponsors of any elective course shall, upon request, provide any prospective student a description of the course content sufficient to give the prospective student a general understanding of the instruction to be provided in the course.

(d) Course sponsors shall not use endorsements or recommendations of any person or organization, in advertising or otherwise, unless the person or organization has consented in writing to the use of the endorsement or recommendation and is not compensated for such use.

History Note: Authority G.S. 93A-3(c); 93A-4.1;
Eff. July 1, 1994;
Amended Eff. July 1, 2015; July 1, 2001.

21 NCAC 58E .0506 CLASSES OPEN TO ALL LICENSEES

All class sessions of approved continuing education courses must be open to all licensees on a first-come/first-served basis; provided that the sponsor of a course which has a bona fide education or experience prerequisite, such as an advanced course leading to a special real estate designation, may refuse admission to a licensee not satisfying such prerequisite. An approved sponsor may contract with an organization such as a real estate firm, franchise or trade organization to conduct approved continuing education courses for licensees affiliated with such organization, but the sponsor must allow licensees not affiliated with the organization to enroll in any class session on a first-come/first-served basis.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994;
Amended Eff. July 1, 1995.

21 NCAC 58E .0507 CLASSROOM FACILITIES

Courses must be conducted in a fixed building. No bus, van, tractor-trailer or other motor vehicle shall be used as a classroom facility. The classroom must:

- (1) be of sufficient size to accommodate comfortably all enrolled students;
- (2) be equipped with student desks, worktables with chairs, or other seating having a writing surface sufficient to provide every student a personal workspace;
- (3) have sufficient light, heat, cooling, and ventilation to provide a comfortable environment, and public address equipment;
- (4) have the capability for instructors to make electronic presentations; and
- (5) be free of distractions that would disrupt class sessions.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.
Amended Eff. January 1, 2012.

21 NCAC 58E .0508 STUDENT CHECK-IN

Upon initially checking in for a class session, sponsors and instructors shall require each licensee to provide their license number and shall provide each student with a copy of the continuing education student information sheet provided to sponsors by the Commission.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0509 INSTRUCTOR CONDUCT AND PERFORMANCE

(a) Instructors must assure that class sessions are commenced in a timely manner and are conducted for the full amount of time that is scheduled. Instructors must also assure that each update course is taught according to the instructor guide provided by the Commission and that each elective course is taught according to the course plan and instructor guide that was approved by the Commission, including the furnishing to students of appropriate student materials.

(b) Instructors must conduct themselves in a professional and courteous manner when performing their instructional duties and must conduct classes in a manner that demonstrates a mastery of the following basic teaching skills:

- (1) The ability to communicate effectively through speech, including the ability to speak clearly at an appropriate rate of speed and with appropriate voice inflection, grammar and vocabulary.

- (2) The ability to present an effective visual image to a class, including appropriate appearance and physical mannerisms.
- (3) The ability to present instruction in a thorough, accurate, logical, orderly and understandable manner, to utilize illustrative examples as appropriate, and to respond appropriately to questions from students.
- (4) The ability to effectively utilize varied instructional techniques in addition to straight lecture, such as class discussion, role playing or other techniques.
- (5) The ability to effectively utilize instructional aids, such as the overhead projector, to enhance learning.
- (6) The ability to maintain an appropriate learning environment and effective control of a class.
- (7) The ability to interact with adult students in a positive manner that encourages students to learn, that demonstrates an understanding of varied student backgrounds, that avoids offending the sensibilities of students, and that avoids personal criticism of any other person, agency or organization.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0510 MONITORING ATTENDANCE

(a) Sponsors and instructors must monitor attendance for the duration of each class session to assure that all students reported as satisfactorily completing a course according to the criteria in 21 NCAC 58A .1705 have attended at least 90 percent of the scheduled classroom hours. Students shall not be admitted to a class session after 10 percent of the scheduled classroom hours have been conducted. The 10 percent absence allowance is generally permitted for any reason at any time during the course; however sponsors and instructors shall not permit students to use the 10 percent absence allowance to avoid the last 10 percent of the course or to leave the course early unless the absence is for circumstances beyond the student's control that could not have been reasonably foreseen by the student and is approved by the instructor. With regard to the Commission's 12-hour Broker-In-Charge Course that is taught over two days, students must attend at least 90 percent of the scheduled classroom hours on each day of the course to receive any credit for the course, and the 10 percent absence allowance restrictions cited above shall apply to each day of the course. Students shall not be allowed to sign a course completion card, shall not be issued a course completion certificate, and shall not be reported to the Commission as having completed a course unless the student satisfies the attendance requirement. Sponsors and instructors may not make any exceptions to the attendance requirement for any reason.

(b) Sponsors must assure that adequate, personnel are present during all class sessions to assist the instructor in monitoring attendance and performing the necessary administrative tasks associated with conducting a course. A minimum of one person, including the instructor, for every 50 students registered for a class session shall be utilized for this purpose. Only one person, including the instructor, is necessary for this purpose when the class size is 50 or fewer persons.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994;
Amended Eff. July 1, 2010; April 1, 2004.

21 NCAC 58E .0511 STUDENT PARTICIPATION STANDARDS

(a) In addition to requiring student compliance with the attendance requirement, sponsors and instructors shall require that students comply with the following student participation standards:

- (1) A student shall direct his or her undivided attention to the instruction being provided and refrain from engaging in activities unrelated to the instruction.
- (2) A student shall refrain from engaging in any activities which are distracting to other students or the instructor, or which otherwise disrupt the orderly conduct of a class.
- (3) A student shall comply with all instructions provided by the sponsor or instructor related to providing information needed to properly report completion of a course by the student.
- (4) A student taking a distance education course shall personally perform all work required to complete the course.

(b) Instructors and sponsors have the authority to dismiss from a class session any student who fails to comply with the student participation standards prescribed in Paragraph (a) of this Rule.

(c) Sponsors shall not issue a course completion certificate to any student who fails to comply with the student participation standards set forth in Paragraph (a) of this Rule, nor shall sponsors include the name of such student on their reports verifying completion of a continuing education course. Sponsors shall submit to the Commission with their course completion reports a written statement which includes the name and license number of the student for whom the sponsor does not report course credit, details concerning the student's failure to comply with the student participation standards, and names of other persons who can attest to the student's conduct.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994;
Amended Eff. July 1, 2009; October 1, 2000; July 1, 1996.

21 NCAC 58E .0512 SOLICITATION OF STUDENTS

Sponsors and instructors may make available for purchase by continuing education students materials that belong to the sponsor, instructor, or some other party; however, class time may not be used to promote or sell any materials or to solicit affiliation or membership in any business or organization.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0513 CANCELLATION AND REFUND POLICIES

Course sponsors must administer course cancellation and fee refund policies in a non-discriminatory manner. In the event a scheduled course is canceled, reasonable efforts must be made to notify preregistered students of the cancellation and all prepaid fees received from such preregistered students must be refunded within 30 days of the date of cancellation or, with the student's permission, applied toward the fees for another course.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0514 COURSE INSPECTIONS BY COMMISSION REPRESENTATIVE

Course sponsors shall admit the Commission's authorized representative to monitor any continuing education class without prior notice. Such representatives shall not be required to register or pay any fee and shall not be reported as having completed the course.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1994.

21 NCAC 58E .0515 ACCOMMODATIONS FOR PERSONS WITH DISABILITIES

Course sponsors may deviate from Commission rules concerning the conduct of continuing education courses, such as rules addressing classroom facilities, minimum class size and instructional methods, as may be necessary in order for the sponsor to comply with the Americans with Disabilities Act or other laws requiring such sponsors to accommodate persons with disabilities. When considering a request for special accommodation under the Americans With Disabilities Act or other similar laws, a sponsor shall make a reasonable inquiry to determine that the person making the request is a qualified individual with a disability and that the requested accommodation is appropriate for the particular disability. A sponsor providing a special accommodation for a licensee with a disability that requires the sponsor to deviate from Commission rules shall notify the Commission in writing of the accommodation at the time reports are submitted for the class session attended by the licensee.

History Note: Authority G.S. 93A-3(c); 93A-4A;
Eff. July 1, 1995;
Amended Eff. July 1, 2000.

SECTION .0600 – BROKER-IN-CHARGE ANNUAL REVIEW

21 NCAC 58E .0601	PURPOSE AND APPLICABILITY
21 NCAC 58E .0602	COURSE DESCRIPTION
21 NCAC 58E .0603	AUTHORITY TO CONDUCT COURSE
21 NCAC 58E .0604	COURSE OPERATIONAL REQUIREMENTS

History Note: Authority G.S. 93A-2; 93A-3; 93A-3(c); 93A-4.1; 93A-4.2;
Eff. July 1, 2010;
Repealed Eff. July 1, 2014.