

# NORTH CAROLINA REAL ESTATE COMMISSION



## REAL ESTATE EDUCATION RULES

JULY 2017

The rules in this booklet govern the operation of real estate education programs in North Carolina and are organized as follows:

### 21 NCAC SUBCHAPTER 58H REAL ESTATE EDUCATION

SECTION .0100-GENERAL

page 1

SECTION .0200- REAL ESTATE SCHOOLS

pages 2-10

(Prescribes requirements for approval of community/technical colleges, colleges/universities [public and private], junior colleges, and for licensure of private business schools to conduct real estate courses as well as standards for real estate prelicensing and postlicensing courses.)

***Note: Private real estate school owners and directors are also referred to Article 3 of the Real Estate License Law entitled "Private Real Estate Schools."***

SECTION .0300- APPROVED INSTRUCTORS

pages 11-14

(Prescribes approval criteria and standards for real estate course instructors.)

SECTION .0400- CONTINUING EDUCATION

pages 15-21

(Prescribes requirements for approval of CE sponsors and standards for real estate continuing education programs.)

## **SECTION .0100 – GENERAL**

### **21 NCAC 58H .0101 DEFINITIONS**

The following definitions apply throughout this Subchapter and to all forms prescribed pursuant to this Chapter:

- (1) "Instructional hour" means 50 minutes of instruction and 10 minutes of break time.
- (2) "Distance education" means a method of instruction accomplished through the use of media whereby teacher and student are separated by distance or time.
- (3) "End-of-course evaluation" means a student evaluation of the course and the instructor's performance that shall be administered during the class period before administration of the end-of-course examination.
- (4) "End-of-course examination" means an examination administered at the conclusion of a course that tests students' knowledge and mastery of all course subjects mandated by the Commission prescribed course syllabus.
- (5) "Mid-course evaluation" means a student evaluation of the course and the instructor's performance given at the midpoint of the course.
- (6) "Instructor development program" means courses of instruction designed to assist real estate instructors in the performance of Prelicensing, Postlicensing, or Continuing Education instructor duties or in the development of teaching skills.
- (7) "License Examination Performance Record" means the percentage of an instructor's or school's students who, within 30 days of completing a Prelicensing course pursuant to 21 NCAC 58H .0210(a), take and pass the license examination, as defined in 21 NCAC 58A .0402, on their first attempt.
- (8) "Postlicensing course" means any one of the courses comprising the 90 hour Postlicensing education program pursuant to G.S. 93A-4(a1) and 21 NCAC 58A .1902.
- (9) "Prelicensing course" means a single course consisting of at least 75 hours of instruction on subjects prescribed by the Commission pursuant to G.S. 93A-4(a).
- (10) "Private real estate school" means any real estate educational entity that is privately owned and operated by an individual, partnership, corporation, limited liability company, or association, and that conducts, for a profit or tuition charge, Prelicensing or Postlicensing courses.
- (11) "Public real estate school" means any proprietary business or trade school licensed by the State Board of Community Colleges under G.S. 115D-90 or approved by the Board of Governors of the University of North Carolina that conducts Prelicensing or Postlicensing courses.
- (12) "Schools" mean licensed private and approved public real estate schools.
- (13) "Update Courses" mean the General Update Course and the Broker-in-Charge Update Course.

*History Note: Authority G.S. 93A-4; 93A-4.1; 93A-32; 93A-33;  
Eff. July 1, 2017.*

## SECTION .0200 - REAL ESTATE SCHOOLS

### 21 NCAC 58H .0201 APPLICABILITY

This Section applies to all real estate schools offering approved Prelicensing and Postlicensing courses. Public real estate schools offering approved Prelicensing and Postlicensing courses shall be exempt from rules in this Section unless a Rule specifically requires compliance.

*History Note: Authority G.S. 93A-4; 93A-33;  
Eff. July 1, 2017.*

### 21 NCAC 58H .0202 APPLICATION FOR ORIGINAL APPROVAL OF A PUBLIC REAL ESTATE SCHOOL

(a) Any entity seeking original approval as a public real estate school to conduct Prelicensing or Postlicensing courses shall apply to the Commission on a form available on the Commission's website and shall set forth the:

- (1) school name;
- (2) school director name and contact information;
- (3) school address;
- (4) school telephone number;
- (5) school website address;
- (6) type of public institution;
- (7) Prelicensing or Postlicensing courses to be offered by the school;
- (8) Update courses to be offered by the school; and
- (9) a signed certification by the school director that courses shall be conducted in compliance with the rules of this Subchapter.

(b) Public real estate schools offering Prelicensing or Postlicensing courses pursuant to Paragraph (a) of this Rule shall be eligible to offer Update courses and continuing education courses.

(c) Approval shall extend only to the courses included in the application for school approval.

*History Note: Authority G.S. 93A-4;  
Eff. July 1, 2017.*

### 21 NCAC 58H .0203 APPLICATION FOR ORIGINAL LICENSURE OF A PRIVATE REAL ESTATE SCHOOL

(a) Any entity seeking original licensure as a private real estate school to conduct Prelicensing or Postlicensing courses shall apply to the Commission on a form available on the Commission's website and shall set forth the following criteria in addition to the requirements in G.S. 93A-34(b):

- (1) the physical, website, and email addresses and telephone number of the principal office of the school;
- (2) the proposed school director's legal name, real estate license number, if any, email and mailing address, and telephone number;
- (3) the type of school ownership entity and the name, title, real estate license number, if any, mailing address, and ownership percentage of each individual or entity holding at least 10% ownership in the entity;
- (4) the North Carolina Secretary of State Identification Number;
- (5) the criminal history and history of occupational license disciplinary actions of individual school owner(s);
- (6) the physical address of each proposed school location;
- (7) the source of real estate examinations to be used for each course offered;

- (8) a copy of a current fire inspection report;
  - (9) a copy of a criminal background check for the previous seven years on the proposed school director;
  - (10) a signed Consent to Service of Process and Pleadings form available on the Commission's website, if a foreign entity;
  - (11) the Prelicensing or Postlicensing courses to be offered by the school;
  - (12) the Update courses to be offered by the school;
  - (13) the signature and certification of the school owner(s).
- (b) Private real estate school names shall contain the words "Real Estate" and other words identifying the entity as a school, such as "school," "academy," or "institute" that are distinguishable from other licensed private real estate schools and from continuing education course sponsors approved by the Commission.
- (c) The school name shall be used in all school publications and advertising.
- (d) Each school shall certify that its facilities and equipment are in compliance with all applicable local, state and federal laws and regulations regarding health, safety, and welfare, including the Americans with Disabilities Act.
- (e) The original license application fee shall be two hundred dollars (\$200.00) for each proposed school location.
- (f) The initial fee for a school to offer a Prelicensing or Postlicensing course at any of its locations during the licensing period shall be forty dollars (\$40.00) per Prelicensing or Postlicensing course.
- (g) Private real estate schools offering Prelicensing or Postlicensing courses pursuant to Paragraph (a) of this Rule shall be eligible to offer Update courses and continuing education courses.
- (h) If a school relocates any location during any licensing period, the school owner shall submit an original application for licensure of that location pursuant to this Rule.

*History Note: Authority G.S. 93A-4; 93A-33; 93A-34;  
Eff. July 1, 2017.*

## **21 NCAC 58H .0204 SCHOOL DIRECTOR**

- (a) All schools shall designate a school director, who shall
- (1) supervise all school operations related to the conduct of Prelicensing and Postlicensing courses;
  - (2) ensure compliance with all statutory and rule requirements governing the licensing and operation of the school; and
  - (3) act as the school's liaison to the Commission.
- (b) Public real estate schools shall designate one permanent employee to serve as the school director.
- (c) The school director for a private real estate school shall satisfy one of the following qualification standards:
- (1) hold a baccalaureate or higher degree;
  - (2) have at least two years full-time experience within the past 10 years as an instructor or school administrator; or
  - (3) possess qualifications that the Commission finds to be equivalent to those described in Subparagraph (1) or (2) of this Rule, such as:
    - (A) a transcript demonstrating completion of 120 semester hours of education at an institution accredited by any college accrediting body recognized by the U. S. Department of Education;
    - (B) currently holding or having held within the past 15 years a military pay grade of an E-8 level, O-1 level, or higher; or
    - (C) a current Distinguished Real Estate Instructor (DREI) designation granted by the Real Estate Educators' Association.

- (d) The school director shall approve a guest lecturer prior to the guest lecturer teaching a course session. School directors shall ensure that all guest lecturers possess experience related to the particular subject area the guest lecturer is teaching. Guest lecturers may be utilized to teach collectively up to one-fourth of any Prelicensing or Postlicensing course.
- (e) The school director shall ensure that each instructor meets the requirements of Rule .0302 of this Subchapter.
- (f) The school director shall ensure each course utilizes a textbook currently approved by the Commission pursuant to Rule .0206 of this Section.
- (g) Schools shall notify the Commission within 10 days of any change in school director during the licensing period.

*History Note: Authority G.S. 93A-4; 93A-33; 93A-34;  
Eff. July 1, 2017.*

### **21 NCAC 58H .0205 PRIVATE REAL ESTATE SCHOOL BULLETIN**

- (a) A private real estate school shall publish a single bulletin addressing Prelicensing and Postlicensing courses offered. The same bulletin shall be used by all locations of a private real estate school.
- (b) In addition to the information required by G.S. 93A-34(c)(5), a school's bulletin shall:
  - (1) describe the purpose of Prelicensing and Postlicensing courses;
  - (2) describe the school's policies and procedures;
  - (3) include the name and address of the Commission, along with a statement that any complaints concerning the school or its instructors should be directed to the Commission;
  - (4) include a statement that the school shall not discriminate in its admissions policy or practice against any person on the basis of age, sex, race, color, national origin, familial status, handicap status, or religion;
  - (5) contain the following prescribed text: "NOTICE: Pursuant to North Carolina Real Estate Commission Rule 21 NCAC 58A .1904, the Commission may deny or withdraw credit for a Postlicensing course that a provisional broker begins taking while already enrolled in another Postlicensing course at the same school or a different school if participating in the two courses concurrently results in the provisional broker attending Postlicensing course sessions that total more than 30 instructional hours in any given seven-day period;" and
  - (6) include a signed certification that a student received a copy of the bulletin prior to payment of any portion of tuition or registration fee without the right to a full refund.
- (c) A private real estate school may provide in its bulletin information about courses that are not approved by the Commission and shall state that such courses are not approved or sanctioned by the Commission.
- (d) A private real estate school may not include in its bulletin any promotional information for a particular real estate broker, firm, franchise, or association, even if the entity being promoted owns the school.
- (e) A private real estate school shall retain the signed certification required by Paragraph (b)(6) of this Rule pursuant to Rule .0212 of this Section. The certification shall include:
  - (1) the student's name;
  - (2) the date;
  - (3) the title of the course(s) for which the student is enrolling;
  - (4) the course schedule, including the beginning and end date, and meeting days and times;
  - (5) the amount of tuition and other required fees being paid by the particular student;
  - (6) a provision whereby the school certifies that the school's bulletin has been provided to the student and that the student acknowledges receipt of the bulletin;

- (7) any provisions needed to address special accommodations or arrangements applicable to a particular student; and
- (8) the signatures of both the student and a school official.

*History Note: Authority G.S. 93A-4(a); 93A-4(d); 93A-33; 93A-34;  
Eff. July 1, 2017.*

### **21 NCAC 58H .0206 APPROVAL OF TEXTBOOKS**

(a) A request for approval of a proposed textbook shall be submitted in writing to the Commission along with two copies of the proposed textbook. The criteria for approval shall be:

- (1) the textbook shall cover current North Carolina real estate related laws, rules, and practices;
- (2) the text shall be grammatically correct; and
- (3) the nature and depth of subject matter coverage shall be consistent with the competency and instructional levels prescribed by the Commission for the course for which approval is sought.

(b) Approval of a textbook shall only apply to the edition reviewed by the Commission. A request for approval of a new or updated edition of a previously approved textbook shall be submitted in writing to the Commission, along with two copies of the proposed textbook, and shall include a list with specific page references of all significant changes from the previously approved edition.

(c) Approval of a textbook shall terminate four years after the initial approval or upon the approval of a new edition of a previously approved textbook.

*History Note: Authority G.S. 93A-4; 93A-33;  
Eff. July 1, 2017.*

### **21 NCAC 58H .0207 SCHOOL ADVERTISING AND RECRUITMENT ACTIVITIES**

(a) Any school utilizing its license examination performance record for advertising or promotional purposes shall only use data that:

- (1) are limited to the annual examination performance data for the particular school and for all examination candidates in the State;
- (2) include the time period covered, the number of first-time candidates examined, and either the number or percentage of first-time candidates passing the examination; and
- (3) are presented in a manner that is not misleading or false.

(b) Schools shall not make or publish, by way of advertising or otherwise, any false or misleading statement regarding employment opportunities that may be available as a result of completion of a course offered by that school or acquisition of a real estate license.

(c) Schools shall not use endorsements or recommendations of any person or organization of advertising or otherwise unless such person or organization has consented in writing to the use of the endorsement or recommendation. In no case shall any person or organization be compensated for an endorsement or recommendation.

(d) Schools may offer and advertise courses in addition to those approved by the Commission pursuant to this Subchapter provided that references to such courses are not made or published in a manner that implies approval by the Commission.

(e) Instructional time and materials may be utilized for instructional purposes only.

(f) Schools shall not offer Postlicensing courses only for brokers affiliated with a particular real estate broker, firm, franchise, or association, even if the entity whose affiliated brokers would benefit from the closed course is the school owner.

*History Note: Authority G.S. 93A-4(d); 93A-33; 93A-34; Eff. July 1, 2017.*

**21 NCAC 58H .0208 PRELICENSING AND POSTLICENSING COURSE SCHEDULING AND NOTIFICATION**

- (a) All Prelicensing and Postlicensing courses shall have fixed beginning and ending dates. Schools shall not utilize a scheduling system that allows students to enroll late for a course and then complete their course work in a subsequently scheduled course. Late enrollment shall be permitted only if the enrolling student can satisfy the minimum attendance requirement set forth in Rule .0210 of this Section.
- (b) Schools shall notify the Commission of all scheduled Prelicensing and Postlicensing course offerings not later than 10 days prior to a scheduled course beginning date.
- (c) The notice required by Paragraph (b) of this Rule shall include:
  - (1) the school name;
  - (2) the school code number; and
  - (3) for each scheduled course:
    - (A) the name and course code number;
    - (B) the scheduled beginning and ending dates;
    - (C) the course meeting days and times, including any scheduled lunch breaks; and
    - (D) the name of the instructor and instructor number.
- (d) If there is a change or cancellation within five days of the scheduled course date, then the school director shall provide notice to the Commission within 24 hours of the change or cancellation.
- (e) Class meetings shall not exceed seven and a half instructional hours per day and shall not exceed 30 instructional hours over any seven day period.

*History Note: Authority G.S. 93A-4;  
Eff. July 1, 2017.*

**21 NCAC 58H .0209 PRELICENSING AND POSTLICENSING COURSE ENROLLMENT**

- (a) A school shall not enroll an individual in a Postlicensing course if the first day of the Postlicensing course occurs while the individual is enrolled in a Prelicensing course or if that individual has not passed the license examination.
- (b) A school shall not enroll an individual in a Postlicensing course if the first day of the Postlicensing course occurs while the individual is taking another Postlicensing course at the same school or a different school if such enrollment results in the individual being in class for more than 30 instructional hours in any given seven day period.

*History Note: Authority G.S. 93A-4(a1); 93A-33;  
Eff. July 1, 2017.*

**21 NCAC 58H .0210 PRELICENSING AND POSTLICENSING COURSE COMPLETION STANDARDS**

- (a) To complete a Prelicensing course, a student shall, at a minimum:
  - (1) attend at least eighty percent of all scheduled credit hours for the course; and
  - (2) obtain a grade of at least seventy-five percent on the end-of-course examination.
- (b) To complete a Postlicensing course, a student shall, at a minimum:
  - (1) attend at least ninety percent of all scheduled credit hours for the course; and
  - (2) obtain a grade of at least seventy-five percent on the end-of-course examination.
- (c) The end-of-course examination shall be completed in the classroom and proctored by the instructor or another school staff member. Students shall not use textbooks or notes on the end-of-course examination.
- (d) Prelicensing end-of-course examinations may be provided by the Commission for use by a licensed or approved school. If the Commission does not provide such end-of-course examination, or if a school elects not to use a Commission-provided examination, the school shall use an examination that tests

students' knowledge and mastery of the course subject matter. Upon the request of the Commission during an application or investigation, the school shall provide a copy of its end-of-course examination.

(e) Postlicensing end-of-course examinations shall be provided by the Commission for use by a licensed or approved school.

(f) A school may, within 30 days of the course ending date, allow a Prelicensing or Postlicensing course student opportunities to make-up a missed end-of-course examination or to retake a failed end-of-course examination without repeating the course. Postlicensing students shall be allowed at least one retake examination opportunity. Any make-up or repeat end-of-course examination shall consist of a different form of the examination than any previously administered in the student's course. If the examination used is not provided by the Commission, at least seventy-five percent of the questions shall be different from those previously included on any end-of-course examination used earlier in the student's course.

(g) Schools, school directors, and instructors shall take steps to protect the security and integrity of course examinations at all times. These steps shall include:

- (1) maintaining examinations and answer keys in a secure place, such as a locked area, accessible only to the instructor or school officials;
- (2) prohibiting students from retaining copies of examinations, answer sheets, and scratch paper containing notes or calculations, or any material that may jeopardize examination security;
- (3) monitoring students at all times when examinations are being administered; and
- (4) prohibiting students from reviewing examinations, answer sheets, scratch paper, or any material used during the examination after students have completed the examination.

(h) Any student who is found to have cheated in any manner on any course examination shall be dismissed from the course and shall not be awarded a passing grade for the course or any credit for partial completion of the course. The school shall report the cheating incident in writing to the Commission within 10 days.

*History Note: Authority G.S. 93A-4; 93A-33;  
Eff. July 1, 2017.*

## **21 NCAC 58H .0211 PRELICENSING AND POSTLICENSING ROSTER REPORTING**

(a) A school shall provide a course completion certificate to each student who completes a Prelicensing or Postlicensing course under Rule .0210 of this Section. Each course completion certificate shall identify the course, date of completion, student, and instructor. The certificate shall be signed by the school director.

(b) For each Prelicensing or Postlicensing course taught, a school shall submit a Roster Report electronically within 30 days following the course.

- (1) The Prelicensing Roster Report shall include:
  - (A) each student's legal name;
  - (B) each student's email address and telephone number;
  - (C) each student's unique identification number;
  - (D) the course completion date pursuant to Rule .0210 of this Section;
  - (E) the school's name and number;
  - (F) the course's number; and
  - (G) the instructor's name and number;
- (2) The Postlicensing Roster Report shall include:
  - (A) each student's legal name;
  - (B) each broker's license number;
  - (C) the course completion date;
  - (D) the school's name and number;
  - (E) the course's name and number; and



- (F) the instructor's name and number.
- (c) Schools shall electronically submit with the Postlicensing Roster Reports the per student fee prescribed by G.S 93A-4(a2).

*History Note: Authority G.S. 93A-4; 93A-33;  
Eff. July 1, 2017.*

## **21 NCAC 58H .0212 SCHOOL RECORDS**

All school records shall be retained for three years by the school and be made available to the Commission during an investigation or application process. School records shall include:

- (1) enrollment and attendance records;
- (2) each student's end-of-course examination with grade and graded answer sheet;
- (3) a master copy of each end-of-course course examination with its answer key, course title, course dates, and name of the instructor;
- (4) all student evaluations pursuant to Rule .0213(a) of this Section;
- (5) all instructor evaluations pursuant to Rule .0213(c) of this Section;
- (6) class schedules;
- (7) advertisements;
- (8) bulletins, catalogues, and other official publications; and
- (9) statements of consent required by Rule .0207(c) of this Section.

*History Note: Authority G.S. 93A-4; 93A-33;  
Eff. July 1, 2017.*

## **21 NCAC 58H .0213 EVALUATIONS OF INSTRUCTOR PERFORMANCE**

(a) A school shall provide each student an opportunity to complete a mid-course evaluation and an end-of-course evaluation of the instructor in each Prelicensing course and to complete an end-of-course evaluation of the instructor in each Postlicensing course. Each student's evaluation shall be on a form provided by the Commission, include a section for the student's comments, and shall evaluate the instructor's:

- (1) knowledge of the subject matter;
- (2) teaching skills; and
- (3) classroom management.

(b) The school director shall submit a Summary Report electronically within 30 days after course completion pursuant to Rule .0210 of this Section. The Summary Report form shall require the school director to set forth:

- (1) the full name of the instructor being evaluated;
- (2) title of course;
- (3) the number of students who initially enrolled in the course;
- (4) the number of students who met all course requirements pursuant to Rule .0210 of this Section;
- (5) the number of students who met all course requirements except Rule .0210(a)(2) and (b)(2) of this Section;

(c) In addition to the student evaluations in Paragraph (a) of this Rule, school directors shall also ensure all school-affiliated instructors are observed at least once annually for a minimum of one hour of live uninterrupted instruction by either the school director or a Commission-approved Prelicensing or Postlicensing instructor present in the classroom. School directors who are also instructors may, upon written request to the Commission, be evaluated by a Commission monitor. The evaluation shall be based

on the instructor's teaching abilities pursuant to Rule .0304 of this Subchapter. The instructor shall receive the written evaluation of his or her instructional performance within 30 days of observation.

*History Note: Authority G.S. 93A-4; 93A-33;  
Eff. July 1, 2017.*

## **21 NCAC 58H .0214 EXPIRATION AND RENEWAL OF A SCHOOL APPROVAL OR LICENSE**

(a) All Commission approvals and licenses issued to real estate schools shall expire annually on June 30 following issuance of approval or licensure.

(b) A school shall file an electronic application for renewal of its approval or license within 45 days immediately preceding expiration of approval or licensure on a form available on the Commission's website. The school renewal application form shall include:

- (1) the school name;
- (2) the school number;
- (3) the school director's name;
- (4) the school's mailing address, telephone number, and web address, if applicable;
- (5) all Commission approved courses offered by the school;
- (6) any change in the school's business entity;
- (7) court records of any conviction, guilty plea, or plea of no contest to, a misdemeanor or felony violation of state or federal law by a court of competent jurisdiction against the school owner(s) and school director since the last renewal;
- (8) records pertaining to any disciplinary action taken against the school owner(s) and school director by an occupational licensing board since the last renewal;
- (9) a copy of the current bulletin;
- (10) proof of bond as required in G.S. 93A-36;
- (11) proof of a current fire inspection; and
- (12) the school director's signature.

(c) The private school license renewal fee shall be one hundred dollars (\$100.00) for each school location.

(d) The renewal fee for a private real estate school to offer a Prelicensing or Postlicensing course at any of its locations during the licensed period shall be twenty-five dollars (\$25.00) per Prelicensing or Postlicensing course.

(e) If a school approval or license has expired, the school shall submit an application for original approval or licensure.

*History Note: Authority G.S. 93A-4; 93A-33; 93A-34(b); 93A-35(b); 93A-36;  
Eff. July 1, 2017.*

## **21 NCAC 58H .0215 DENIAL, WITHDRAWAL, OR TERMINATION OF SCHOOL APPROVAL OR LICENSE**

(a) The Commission may deny or withdraw approval of any public real estate school or suspend, revoke, or deny renewal of the license of any private real estate school upon finding that:

- (1) any school official employed by the school has been convicted of, pleaded guilty to, or pleaded no contest to, a misdemeanor or felony violation of state or federal law by a court of competent jurisdiction;
- (2) any school official found by a court or government agency of competent jurisdiction to have violated any state or federal regulation prohibiting discrimination;

- (3) a school made any false statements or presented any false, incomplete, or incorrect information in connection with an application;
- (4) a school provided false, incomplete, or incorrect information in connection with any report the school is required to submit to the Commission;
- (5) a school presented to its students or prospective students false or misleading information relating to its instructional program, to the instructional programs of other institutions, or related to employment opportunities;
- (6) a school refused at any time to permit authorized representatives of the Commission to inspect the school or audit its courses;
- (7) a school director violated the rules of this Subchapter or was disciplined by the Commission under G.S. 93A-6;
- (8) a school obtained or used, or attempted to obtain or use, in any manner or form, North Carolina real estate license examination questions;
- (9) a school compiled a license examination performance record for first-time examination candidates that is below sixty percent passing for two or more of the previous five annual reporting periods;
- (10) a school failed to provide to the Commission a written plan describing the changes the school made or intends to make in its instructional program including instructors, course materials, methods of student evaluation, and completion standards to improve the performance of the school's students on the license examination within 30 days of the Commission's request during an investigation, application process, or following a school's attainment of a licensing examination record for first-time examination candidates that is below 60 percent passing for the previous annual reporting period;
- (11) a school provided the Commission a fee that was dishonored by a bank or returned for insufficient funds; or
- (12) a school refused or failed to comply with the provisions of this Subchapter.

(b) When ownership of a licensed private real estate school is transferred and the school ceases to operate as the licensed entity, the school license is not transferable and shall terminate on the effective date of the transfer. All courses shall be completed by the effective date of the transfer. The transferring owner shall report course completion(s) to the Commission. The new entity shall obtain an original private real estate school license for each location where the school will conduct courses as required by G.S. 93A-34 and Rule .0203 of this Section prior to advertising courses, registering students, accepting tuition, conducting courses, or otherwise engaging in any school operations.

(c) If a licensed private real estate school transfers an aggregate of 50 percent or more of the ownership interest, the school shall notify the Commission in writing within 10 days of the transfer.

*History Note: Authority G.S. 93A-4(d); 93A-34(c); 93A-35(c); 93A-38; Eff. July 1, 2017.*

## SECTION .0300 – APPROVED INSTRUCTORS

### 21 NCAC 58H .0301 PRELICENSING, POSTLICENSING, AND UPDATE COURSE INSTRUCTOR APPROVAL

- (a) Approval of an instructor to teach Prelicensing and Postlicensing courses shall authorize the instructor to teach courses only in conjunction with and at schools approved or licensed by the Commission pursuant to Rule .0202 or .0203 of this Subchapter to conduct such courses.
- (b) An instructor approved to teach Prelicensing and Postlicensing courses may elect to also teach Update courses upon initial approval, renewal, or any time while holding such approval.
- (c) Approved instructors may teach Update courses for any approved Update course sponsor pursuant to Rule .0402 of this Subchapter. An approved instructor may not independently conduct an Update course unless the instructor has also obtained approval as an Update course sponsor.

*History Note: Authority G.S. 93A-4(d); 93A-33; 93A-34;  
Eff. July 1, 2017.*

### 21 NCAC 58H .0302 APPLICATION AND CRITERIA FOR ORIGINAL PRELICENSING, POSTLICENSING, OR UPDATE COURSE INSTRUCTOR APPROVAL

- (a) An individual seeking original instructor approval shall submit an application on a form available on the Commission's website that shall require the instructor applicant to indicate the course(s) for which he or she is seeking approval and set forth the instructor applicant's:
  - (1) legal name, address, email address, and telephone number;
  - (2) real estate license number and instructor number, if any, assigned by Commission;
  - (3) criminal and occupational licensing history, including any disciplinary actions;
  - (4) education background, including specific real estate education;
  - (5) experience in the real estate business;
  - (6) real estate teaching experience, if any;
  - (7) a signed Consent to Service of Process and Pleadings for nonresident applicants; and
  - (8) signature.
- (b) An instructor applicant shall demonstrate that he or she possesses good reputation and character pursuant to G.S. 93A-34(c)(9) and has:
  - (1) a North Carolina real estate broker license that is not on provisional status;
  - (2) completed continuing education sufficient to activate a license under 21 NCAC 58A .1702;
  - (3) completed 60 semester hours of college-level education at an institution accredited by any college accrediting body recognized by the U.S. Department of Education; and
  - (4) within the previous seven years has either:
    - (A) two years full-time experience in real estate brokerage with at least one year in North Carolina;
    - (B) three years of instructor experience at a secondary or post-secondary level;
    - (C) real estate Prelicensing or Postlicensing instructor approval in another jurisdiction; or
    - (D) qualifications found to be equivalent by the Commission, including a current North Carolina law license and three years' full time experience in commercial or residential real estate transactions or representation of real estate brokers or firms.
- (c) Along with their application, an instructor applicant shall submit a digital video recording of themselves teaching a 50 minute block of a single topic in a Prelicensing, Postlicensing, or Update course that demonstrates the ability to teach the subject in a manner consistent with the course materials. The digital video recording shall comply with Rule .0305(c) of this Section.

(d) The digital video recording requirement described in Paragraph (c) of this Rule shall be waived by the Commission if the instructor applicant has a current:

- (1) approval as either a General Update Course, Prelicensing, or Postlicensing instructor; or
- (2) Distinguished Real Estate Instructor (DREI) designation that has been awarded to the instructor by the Real Estate Educators Association or an equivalent instructor certification.

(e) Prior to teaching any Prelicensing or Postlicensing course, an approved instructor shall take the Commission's New Pre/Postlicensing Instructor Seminar.

(f) Prior to teaching any Update course, an approved instructor shall take the Commission's annual Update Instructor Seminar for the current license period. The Update Instructor Seminar shall not be used to meet the requirement in Rule .0306(b)(4) of this Section.

*History Note: Authority G.S. 93A-3(f); 93A-4; 93A-10; 93A-33; 93A-34; Eff. July 1, 2017.*

### **21 NCAC 58H .0303 DENIAL OR WITHDRAWAL OF INSTRUCTOR APPROVAL**

The Commission may deny or withdraw approval of any instructor applicant or approved instructor upon finding that the instructor or instructor applicant:

- (1) has failed to meet the criteria for approval described in Rule .0302 of this Section or the criteria for renewal of approval described in Rule .0306 of this Section at the time of application or at any time during an approval period;
- (2) made any false statements or presented any false, incomplete, or incorrect information in connection with an application for approval or renewal of approval or any report that is required to be submitted to the Commission;
- (3) has failed to submit to the Commission any report, course examination, or video recording required by these Rules;
- (4) has failed to demonstrate the ability to teach a Prelicensing, Postlicensing, or Update course in a manner consistent with the course materials;
- (5) taught a Prelicensing course and compiled a license examination performance record for first-time examination candidates that is below 60 percent passing for two or more of the previous five annual reporting periods;
- (6) taught a Prelicensing course and failed to provide to the Commission a written plan describing the changes the instructor has made or intends to make in his or her instructional program to improve the performance of the instructor's students on the license examination within 30 days of the Commission's request during an investigation, application process, or following an instructor's attainment of a licensing examination record for first-time examination candidates that is below sixty percent passing for the previous annual reporting period;
- (7) has been convicted of, pleaded guilty to, or pleaded no contest to, a misdemeanor or felony violation of state or federal law by a court of competent jurisdiction;
- (8) has been found by a court or government agency of competent jurisdiction to have violated any state or federal regulation prohibiting discrimination;
- (9) has obtained, used, or attempted to obtain or use, in any manner or form, North Carolina real estate license examination questions;
- (10) has failed to take appropriate steps to protect the security of end-of-course examinations pursuant to Rule .0210(g) of this Subchapter;
- (11) failed to take any corrective action set out in the plan described in Item (5) of this Rule or as otherwise requested by the Commission;
- (12) engaged in any other improper, fraudulent, or dishonest conduct; or
- (13) failed to comply with any other provisions of this Subchapter.

*History Note: Authority G.S. 93A-4; 93A-33; 93A-34; Eff. July 1, 2017.*

## **21 NCAC 58H .0304 INSTRUCTOR CONDUCT AND PERFORMANCE**

(a) All instructors shall ensure that class sessions are conducted at the scheduled time and for the full amount of time that is scheduled or required. Instructors shall conduct courses in accordance with the Commission's rules, and any applicable course syllabi, instructor guide, or course plan. Instructors shall conduct classes demonstrating the ability to:

- (1) state student learning objectives at the beginning of the course and present accurate and relevant information;
- (2) communicate correct grammar and vocabulary;
- (3) utilize a variety of instructional techniques that require students to analyze and apply course content, including teacher-centered approaches, such as lecture and demonstration, and student-centered approaches, such as lecture discussion, reading, group problem solving, case studies, and scenarios;
- (4) utilize instructional aids, such as:
  - (A) whiteboards;
  - (B) sample forms and contracts;
  - (C) pictures;
  - (D) charts; and
  - (E) videos.
- (5) utilize assessment tools, such as:
  - (A) in-class or homework assignments, and
  - (B) quizzes and midterm examinations for Prelicensing and Postlicensing courses.
- (6) avoid criticism of any other person, agency, or organization;
- (7) identify key concepts and correct student misconceptions; and
- (8) maintain control of the class.

(b) Instructors teaching Prelicensing, Postlicensing, or Update courses shall interact with students either in person in a classroom setting or through an interactive telecommunication system, or comparable system, that permits continuous mutual audio and visual communication between the instructor and students. The school shall provide monitoring and technical support for the instructors or students.

(c) Instructors teaching Prelicensing or Postlicensing courses shall:

- (1) safeguard and protect the security of course examinations;
- (2) not allow students to review or retain copies of end-of-course examinations and any materials used during the examination; and
- (3) only use guest lecturers that have been approved by the school director pursuant to Rule .0204(d) of this Section.

(d) Instructors shall not obtain, use, or attempt to obtain or use, in any manner or form, North Carolina real estate license examination questions.

*History Note: Authority G.S. 93A-4; 93A-33; 93A-34;  
Eff. July 1, 2017.*

## **21 NCAC 58H .0305 DIGITAL VIDEO RECORDINGS**

(a) Upon request of the Commission during an investigation, an approved instructor shall submit a digital video recording of the instructor teaching specified topics of a course, as identified by the Commission which the instructor is approved to teach.

(b) Upon the request of the Commission during an investigation, a continuing education sponsor shall submit a digital video recording depicting a particular Update Course instructor, as designated by the Commission, teaching the Update course.

(c) Any digital video recording submitted to the Commission shall:

- (1) have been made within 12 months of the date of submission;
- (2) be recorded either on a digital video disc (DVD), USB drive, or similar medium;

- (3) be unedited;
  - (4) display a visible date and time stamp during the entire video recording;
  - (5) include a label identifying the instructor, the course title, subject being taught, student materials used, and dates of the video instruction;
  - (6) have visual and sound quality to allow reviewers to see and hear the instructor; and
  - (7) show at least a portion of the students present in a live audience.
- (d) The deadline for any digital video recording requested during an investigation shall be 30 days after the date of the next scheduled course, but no later than 120 days after the Commission's request.

*History Note: Authority G.S. 93A-4; 93A-33; 93A-34;  
Eff. July 1, 2017.*

### **21 NCAC 58H .0306 RENEWAL AND EXPIRATION OF INSTRUCTOR APPROVAL**

- (a) Commission approval of instructors shall expire annually on June 30 following issuance of approval.
- (b) Any approved instructor shall file an electronic application for renewal of approval within the 45 days immediately preceding expiration of approval. The instructor renewal application shall set forth the instructor's:
- (1) legal name, address, email address, and telephone number;
  - (2) real estate license number and instructor number assigned by Commission;
  - (3) any criminal convictions and occupational license disciplinary actions within the past year;
  - (4) proof of attendance since approval or last renewal of a real estate instructor educational program of at least six hours, such as the:
    - (A) Commission's Spring Educators Conference or New Instructor Seminar;
    - (B) NC Real Estate Educators Association's conference or instructor development workshop; or
    - (C) Real Estate Educators Association's conference or instructor development workshop.
  - (5) courses for which he or she is seeking approval as an instructor; and
  - (6) signature.
- (c) In order to reinstate an instructor approval that has been expired for less than six months, the former instructor shall meet the requirements set forth in Paragraph (b) of this Rule.
- (d) If an instructor approval has been expired for more than six months, the former instructor shall file an application for original approval pursuant to Rule .0302 of this Section.

*History Note: Authority G.S. 93A-4; 93A-33; 93A-34;  
Eff. July 1, 2017.*

## SECTION .0400 - CONTINUING EDUCATION

### 21 NCAC 58H .0401 APPLICABILITY

This Section shall apply to the application, renewal, and conduct of continuing education sponsors, continuing education elective courses, and Update Courses.

*History Note: Authority G.S. 93A-4; 93A-33; 93A-34;  
Eff. July 1, 2017.*

### 21 NCAC 58H .0402 APPLICATION FOR ORIGINAL APPROVAL OF CONTINUING EDUCATION SPONSOR

(a) Only continuing education sponsors approved by the Commission shall be eligible to offer continuing education courses, including elective courses and Update Courses.

(b) Any entity seeking original approval to be a continuing education sponsor shall make application on a form available on the Commission's website that requires the applicant to set forth:

- (1) the legal name of applicant and any assumed business name;
- (2) the applicant's mailing address, telephone number, and email address;
- (3) the legal name of the individual who will serve as the applicant's continuing education coordinator as defined in Rule .0403 of this Section;
- (4) the applicant's form of business entity;
- (5) the SOSID issued by the NC Secretary of State, if applicable;
- (6) the legal name(s) of the sponsor's owner(s);
- (7) a record of any criminal convictions for all individuals listed as owner(s), manager(s), or partner(s);
- (8) a record of any discipline related to a professional license for all individuals listed as owner(s), manager(s), or partner(s); and
- (9) the signature of the applicant.

(c) Any foreign or out-of-state entity or person applying for original approval shall submit a signed Consent to Service of Process and Pleadings form as required by G.S. 93A-10.

(d) The name of any course sponsor shall not be identical to the name of any other approved continuing education course sponsor or licensed private real estate school.

(e) Continuing education sponsors shall notify the Commission in writing within 10 days of any change in business name, ownership interest, continuing education coordinator, address, business telephone number, or email address.

*History Note: Authority G.S. 93A-3(c); 93A-4.1; 93A-10; 93A-34;  
Eff. July 1, 2017.*

### 21 NCAC 58H .0403 CONTINUING EDUCATION COORDINATOR

(a) Continuing education sponsors shall designate in writing to the Commission one person to serve as the continuing education coordinator. The continuing education coordinator shall serve as the official contact person for the sponsor and shall be responsible for:

- (1) supervising the sponsor's continuing education courses;
- (2) ensuring continuing education elective courses are taught by instructors complying with Rule .0407 of this Section;
- (3) ensuring elective courses are taught according to the course materials approved by the Commission;
- (4) ensuring only approved instructors who have taken the Update Course Seminar for the current license period teach Update Courses;



- (5) ensuring students are furnished with the approved course materials pursuant to Rule .0406 of this Section;
  - (6) signing course completion certificates;
  - (7) submitting to the Commission all required fees, rosters, reports, and other information; and
  - (8) submitting to the Commission the name and the instructor number of each elective course instructor within 10 days of employment.
- (b) Each continuing education coordinator shall view the Commission's Continuing Education Coordinator video electronically within 30 days of initial designation and annually within 45 days immediately preceding expiration of sponsor approval.

*History Note: Authority G.S. 93A-3; 93A-4.1;  
Eff. July 1, 2017.*

#### **21 NCAC 58H .0404 RENEWAL OF SPONSOR APPROVAL**

- (a) Commission approval of all continuing education sponsors shall expire annually on June 30 following issuance of approval.
- (b) In order to ensure continuous sponsor approval, an approved sponsor shall file an electronic application for renewal of approval within the 45 days immediately preceding expiration of approval. The sponsor approval renewal application shall require the sponsor to set forth:
- (1) the legal name of sponsor and any assumed business name;
  - (2) the sponsor number assigned by the Commission;
  - (3) the sponsor's mailing address, telephone number, and email address;
  - (4) the continuing education coordinator's legal name;
  - (6) any criminal convictions or occupational licensure disciplinary action taken against any individual listed as owner(s) of the sponsor since last approval;
  - (7) the name and course number of each continuing education elective course approved pursuant to Rule .0406 of this Section the applicant wishes to renew;
  - (8) a certification that the continuing education coordinator has completed the Commission's video training pursuant to Rule .0403(c) of this Section;
  - (9) a certification that its facilities and equipment are in compliance with all applicable local, state, and federal laws and regulations regarding health, safety, and welfare, including the Americans with Disabilities Act; and
  - (10) the signature of the sponsor.
- (c) A continuing education sponsor also licensed or approved as a school may renew its continuing education sponsor approval on its school renewal form pursuant to Rule .0214 of this Subchapter.
- (d) Continuing education sponsors shall submit a fifty dollar (\$50.00) fee for each continuing education elective course the sponsor wishes to renew. No fee is required if the entity making application is a public school or is an agency of federal, state or local government.
- (e) Continuing education sponsors shall submit a one hundred dollar (\$100.00) materials fee if the sponsor wishes to renew approval to offer Update courses. No fee is required if the entity making application is a public real estate school or is an agency of federal, state, or local government.

*History Note: Authority G.S. 93A-3; 93A-4.1;  
Eff. July 1, 2017.*

#### **21 NCAC 58H .0405 DENIAL OR WITHDRAWAL OF SPONSOR APPROVAL**

- (a) The Commission may deny or withdraw approval of any continuing education sponsor upon finding that the sponsor or the continuing education coordinator in the employ of the sponsor:

- (1) made any false statements or presented any false, incomplete, or incorrect information in connection with an application for course or sponsor approval or renewal;
  - (2) provided false, incomplete, or incorrect information in connection with any reports the continuing education sponsor is required to submit to the Commission;
  - (3) provided the Commission a check for required fees that was dishonored by a bank or returned for insufficient funds;
  - (4) has been convicted of, pleaded guilty to, or pleaded no contest to, a misdemeanor or felony violation of state or federal law by a court of competent jurisdiction;
  - (5) has been found by a court or government agency of competent jurisdiction to have violated any state or federal regulation prohibiting discrimination;
  - (6) has been disciplined by the Commission or any other occupational licensing agency in North Carolina or another jurisdiction;
  - (7) collected money from brokers for a continuing education course but refused or failed to provide the promised instruction;
  - (8) intentionally provided false, incomplete, or misleading information relating to real estate licensing, education matters, or the broker's education needs or license status;
  - (9) failed to submit the CE Roster Reports as required by Rule .0412 of this Section;
  - (10) failed to submit the per student fee as required by G.S. 93A-4.1(d); or
  - (11) failed to comply with any other provision of this Subchapter.
- (b) A broker shall be subject to discipline pursuant to G.S. 93A-6 if the broker engages in dishonest, fraudulent, or improper conduct in connection with the operations of a continuing education course sponsor if that broker:
- (1) has an ownership interest in the course sponsor;
  - (2) is the designated continuing education coordinator for the course sponsor; or
  - (3) is an instructor for the course sponsor.
- (c) When ownership of an approved continuing education sponsor is transferred to a separate legal entity, the sponsor's approval is not transferable and shall terminate on the effective date of the transfer. All courses shall be completed by the effective date of the transfer. The transferring owner shall report course completion(s) to the Commission. The new entity shall obtain an original continuing education sponsor approval as required by Rule .0402 of this Subchapter prior to advertising courses, registering students, accepting tuition, conducting courses, or otherwise engaging in any sponsor operations.
- (d) If an approved continuing education sponsor transfers an aggregate of 50 percent or more of the ownership interest, the sponsor shall notify the Commission in writing within 10 days of the transfer.

*History Note: Authority G.S. 93A-3(c); 93A-4.1; 93A-6(a)(15);  
Eff. July 1, 2017.*

## **21 NCAC 58H .0406 APPROVAL AND RENEWAL OF ELECTIVE COURSE**

- (a) Prior to obtaining the Commission's written approval of a continuing education elective course, sponsors shall not offer, advertise, or otherwise represent that any continuing education elective course is, or may be, approved for continuing education credit in North Carolina.
- (b) A sponsor seeking original approval of a proposed elective course shall complete an application on a form available on the Commission's website that requires the applicant to set forth the:
- (1) title of the proposed elective course;
  - (2) continuing education sponsor's legal name, address, and telephone number;
  - (3) continuing education coordinator's legal name;
  - (4) continuing education sponsor's sponsor code, if previously approved;
  - (5) credit hours awarded for completing the course;
  - (6) subject matter of the course;
  - (7) identity of the course owner;

- (8) written permission of the course owner, if other than the applicant;
  - (9) identity of prospective instructors; and
  - (10) continuing education sponsor's signature.
- (c) The application for original approval shall be accompanied by a copy of the course guide, which shall include course objectives, learning objectives for each topic, a timed outline, instructional methods and aids to be employed, and all materials that will be provided to students.
- (d) If the elective course will be taught by any method other than live, in-person, in-class instruction, the applicant shall submit, along with the application for original approval:
- (1) a full copy of the course on the medium to be utilized for instruction;
  - (2) a description of the method by which the sponsor will verify and record student attendance;
  - (3) a list of hardware and software or other equipment necessary to both offer and complete the course;
  - (4) the contact information for the technical support service for the course; and
  - (5) a copy of the student orientation and course tutorial information.
- (e) If the course will be taught by any method other than live, in-person, in-class instruction, the applicant shall, if requested, make available, at a date and time satisfactory to the Commission and at the applicant'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 shall be provided access to the course at a date and time set by the Commission and shall not be charged any fee for such access.
- (f) A sponsor seeking approval to offer an already approved elective course shall complete an application on a form available on the Commission's website that requires the applicant to set forth the:
- (1) title of the elective course;
  - (2) applicant's legal name, address, and telephone number;
  - (3) applicant's continuing education coordinator's legal name;
  - (4) applicant's continuing education sponsor code, if previously approved;
  - (5) identity of the course owner;
  - (6) written permission of the course owner, if other than the applicant;
  - (7) identity of prospective instructors; and
  - (8) continuing education sponsor's signature.
- (g) All applicants shall submit a fee of one hundred dollars (\$100.00) per elective course. No fee shall be required if the applicant is a public real estate school or is an agency of federal, state, or local government.
- (h) Applications submitted pursuant to Paragraph (f) of this Rule shall be deemed approved ten business days after the Commission has received both a complete application and the required one hundred dollar (\$100.00) per course fee, unless the Commission notifies the applicant otherwise.
- (i) Commission approval of all continuing education elective courses shall expire on June 30.
- (j) In order to ensure continuous approval, a course sponsor shall include the name and course number of each previously approved continuing education elective it wishes to renew, along with the required fifty dollar (\$50.00) fee, in the sponsor approval renewal application pursuant to Rule .0404 of this Section.
- (k) In order to obtain approval for an expired continuing education elective, a course sponsor shall submit an application for original approval.

*History Note: Authority G.S. 93A-3(c); 93A-4.1  
Eff. July 1, 2017.*

## **21 NCAC 58H .0407 CONTINUING EDUCATION ELECTIVE COURSE REQUIREMENTS**

- (a) Continuing education elective courses shall:
- (1) cover subject matter related to real estate brokerage practice and offer knowledge or skills that will enable brokers to better serve real estate consumers and the public interest;

- (2) consist of at least four hours of instruction;
- (3) offer four continuing education credit hours;
- (4) include handout materials for students that provide the information to be presented in the course; and
- (5) be taught only by an instructor who possesses at least one of the following:
  - (A) a baccalaureate or higher degree in a field directly related to the subject matter of the course;
  - (B) three years' full-time work experience within the previous 10 years that is directly related to the subject matter of the course;
  - (C) three years' full-time experience within the previous 10 years teaching the subject matter of the course; or
  - (D) education or experience or both found by the Commission to be equivalent to one of the above standards.

(b) Sponsors shall obtain approval from the Commission before making any changes in the content of an elective course. Requests for approval of changes shall be in writing. However, changes in course content that are technical in nature do not require approval during the approval period, but shall be reported at the time the sponsor requests renewal of course approval.

*History Note: Authority G.S. 93A-3(c); 93A-4.1;  
Eff. July 1, 2017.*

## **21 NCAC 58H .0408 COMMISSION CREATED UPDATE COURSES**

- (a) The Commission shall annually develop Update courses and shall produce instructor and student materials for use by sponsors.
- (b) Only approved continuing education sponsors shall offer Update courses. Only approved instructors pursuant to Rule .0302 of this Subchapter shall instruct Update courses.
- (c) Continuing education sponsors shall obtain written approval from the Commission prior to offering, advertising, or otherwise representing that any Update course is being offered for continuing education credit in North Carolina. (d) A continuing education sponsor seeking approval to offer Update courses shall submit an application form available on the Commission's website that shall require the applicant to set forth the:
  - (1) continuing education sponsor's legal name, address, and telephone number;
  - (2) continuing education coordinator's legal name;
  - (3) continuing education sponsor's number assigned by the Commission;
  - (4) name and instructor number of prospective instructors; and
  - (5) continuing education sponsor's signature.
- (e) A continuing education sponsor seeking approval to offer a modified Update course pursuant to Paragraph (k) of this Rule shall also submit the written permission of each of the course owners, if other than the applicant.
- (f) A licensed or approved school may obtain approval from the Commission to offer an Update Course by requesting it on the application or renewal of the school license or approval.
- (g) The applicant shall submit a one hundred dollar (\$100.00) materials fee. No fee shall be required if the applicant is a public school or is an agency of federal, state, or local government.
- (h) Sponsors shall use the Commission-developed course materials to conduct Update courses. Sponsors shall provide a copy of the course materials to each broker taking an Update course.
- (i) Commission approval to offer Update courses shall expire annually on June 30 following issuance of approval. Sponsors shall apply for renewal of approval to offer Update courses each year along with the renewal of sponsor approval required in Rule .0404 of this Section.

(j) All Update course materials developed by the Commission are the sole property of the Commission and are subject to the protection of federal copyright laws. Violation of the Commission's copyright with regard to these materials shall be grounds for disciplinary action or other action as permissible by law.

(k) With advance approval from the Commission, course sponsors and approved 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. Such modifications shall relate to the same general subject matter addressed in the prescribed Update course and the Update course as modified shall achieve the same educational objectives as the unmodified Update course. Where certain subject matter addressed in the prescribed Update course is not directly applicable to the group of brokers who specialize in the particular area of real estate brokerage being targeted, different subject matter and education objectives may be substituted with the prior written consent of the Commission. All modified Update course materials shall be the joint property of the Commission and the course sponsor or approved instructor approved to make such modifications, or as otherwise determined by written agreement. Violation of the Commission's copyright with regard to these materials shall be grounds for disciplinary action or other action as permitted by law.

*History Note: Authority G.S. 93A-3; 93A-4.1;  
Eff. July 1, 2017.*

#### **21 NCAC 58H .0409 RECORDS AND COMMISSION REVIEW**

(a) All continuing education sponsors shall retain on file for three years records of student registration and attendance for each session of a continuing education course that is conducted and shall make such records available to the Commission upon request during an investigation.

(b) Continuing education sponsors shall admit any Commission 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-4.1;  
Eff. July 1, 2017.*

#### **21 NCAC 58H .0410 CONTINUING EDUCATION COURSE SCHEDULING AND NOTIFICATION**

(a) All continuing education courses shall be scheduled and conducted in a manner that limits class sessions to a maximum of eight instructional hours in any given day. The maximum permissible class session without a break shall be 90 minutes. Courses scheduled for more than four instructional hours in any given day shall include a meal break of at least one hour.

(b) Continuing education sponsors shall not offer, conduct, or allow a student to complete any course and offer continuing education credit between June 11 and June 30, inclusive.

(c) Sponsors shall provide the Commission written notice of all scheduled course offerings at least 10 days prior to the scheduled course date. The notice shall include:

- (1) the sponsor name;
- (2) the sponsor number assigned by the Commission;
- (3) the legal name and instructor number of the course instructor;
- (4) the course number;
- (5) the scheduled course date and start time; and
- (6) the course location.

(d) Continuing education sponsors shall notify the Commission of any schedule changes or course cancellations at least five days prior to the original scheduled course date. If a change or cancellation

occurs within five days of the scheduled course date, then the continuing education sponsor shall provide notice to the Commission within 24 hours of the change or cancellation.

(e) The sponsor of any distance education course shall require students to complete the course within 30 days of the date of registration or the date the student is provided the course materials and permitted to begin work, whichever is the later date. The sponsor shall not offer, conduct, or allow a student to complete any course for continuing education credit between June 11 and June 30, inclusive. The sponsor shall advise all students registering for a distance education course, prior to accepting payment for any course, of the deadlines for course completion.

(f) Each sponsor shall certify that its facilities and equipment are in compliance with all applicable local, state, and federal laws and regulations regarding health, safety, and welfare, including the Americans with Disabilities Act.

*History Note: Authority G.S. 93A-3(c); 93A-4.1;  
Eff. July 1, 2017.*

#### **21 NCAC 58H .0411 CONTINUING EDUCATION COURSE ATTENDANCE**

(a) Continuing education sponsors shall require each student who is a licensed broker to provide his or her name and license number at the initial check in for a class session.

(b) A student 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 in 21 NCAC 58A .1705.

(c) Sponsors and instructors shall not make any exceptions to this Rule.

*History Note: Authority G.S. 93A-3(c); 93A-4.1;  
Eff. July 1, 2017.*

#### **21 NCAC 58H .0412 CONTINUING EDUCATION ROSTER REPORTS AND CERTIFICATES**

(a) At the conclusion of any continuing education course, elective or Update, the sponsor shall submit to the Commission a CE Roster Report verifying each broker's completion of the course pursuant to Rule .0411 of this Section. The CE Roster Report shall contain the:

- (1) sponsor's name;
- (2) sponsor's number assigned by the Commission;
- (3) course instructor's name and number;
- (4) course's name and number;
- (5) course completion date; and
- (6) name and license number of each student who completed the course.

(b) Sponsors shall submit the CE Roster Report electronically within seven calendar days following the end of any course, but in no case later than June 15.

(c) Sponsors shall submit the ten dollar (\$10.00) per student fee required by G.S. 93A-4.1(d), along with the CE Roster Report.

(d) Sponsors shall provide a course completion certificate to each student who completes an approved continuing education course pursuant to Rule .0411 of this Section. Sponsors shall provide a printed or electronic certificate within 15 days following the course, but in no case later than June 15, for any course completed prior to that date.

*History Note: Authority G.S. 93A-3(c); 93A-4.1;  
Eff. July 1, 2017.*

**21 NCAC 58H .0413 CONTINUING EDUCATION COURSE COST, CANCELLATION, AND REFUNDS**

- (a) Sponsors shall establish an all-inclusive cost to be charged to students taking any continuing education course. No separate or additional costs shall be charged to students.
- (b) Sponsors shall establish written course cancellation and refund policies. In the event a sponsor cancels a scheduled course, registered students shall be notified within 24 hours. Sponsors shall refund all prepaid payments received from registered students within 30 days of the date of cancellation, or with the student's written permission apply the refund toward another course.

*History Note: Authority G.S. 93A-3(c); 93A-4.1;  
Eff. July 1, 2017.*

**21 NCAC 58H .0414 ADVERTISING**

- (a) Sponsors shall not utilize advertising that is false or misleading.
- (b) All course advertisement and promotional materials shall specify the number of continuing education credit hours to be awarded by the Commission for the course.
- (c) All continuing education course promotional materials shall describe the course costs, the cancellation policy, and refund policies.
- (d) Sponsors shall not use endorsements or recommendations of any person or organization, in advertising or otherwise, unless the person or organization:
  - (1) has consented in writing to the use of the endorsement or recommendation; and
  - (2) is not compensated for such use.

*History Note: Authority G.S. 93A-3(c); 93A-4.1;  
Eff. July 1, 2017.*