

COMMISSION RULE REGARDING EQUIVALENT CREDIT

.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 may 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 cannot 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-dollar (\$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: Statutory 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.

CONTINUING EDUCATION OPTIONS FOR NONRESIDENT LICENSEES

The basic continuing education requirement for North Carolina real estate licensees who wish to renew their licenses on active status is **eight (8) hours each annual license period** (July - June). However, the Commission is aware that many of its non-resident licensees (persons with North Carolina licenses who live in other states) hold licenses in other states and are subject to the real estate continuing education requirements of another state. Many nonresident licensees reside a great distance from North Carolina, and most nonresident licensees conduct their brokerage activity primarily in the state of residence. For these reasons, the Commission offers its nonresident licensees the following four options for satisfying the basic continuing education requirement:

Option #1 - Certify Active Status in Another State

A nonresident licensee with an active real estate license in another state may renew his or her North Carolina license on active status by paying the license renewal fee and certifying active license status in another state at the time of renewal - even if the other state's continuing education requirement is different from North Carolina's requirement. Nonresidents who elect this option to renew a license on active status should not submit any continuing education course completion certificate nor make any special request for continuing education credit.

For example, if a South Carolina resident's broker license is on active status in that state when he applies for renewal of his North Carolina broker license in June, the broker may renew on active status simply by certifying his South Carolina active license status on the renewal form and paying the \$40 renewal fee. The Commission will subsequently contact licensing agencies in other states to make random "spot checks" of licensees' certifications, and any nonresident licensee found to have falsely certified active status in another state will immediately have his North Carolina license placed on inactive status and will be subject to disciplinary action by the Commission.

At any time during the license year, a nonresident licensee who has timely renewed his North Carolina license may activate an inactive North Carolina license by simply certifying his or her out-of-state active status on a "request for license activation form". The form is available on the Commission's website at www.ncrec.gov. Remember, however, that in addition to the CE requirement, the Commission requires every licensed provisional broker to have a designated broker-in-charge in order for the provisional broker to be eligible for active status.

Option #2 - Take North Carolina CE Courses

A nonresident licensee may fulfill the CE requirement exactly like a resident licensee by taking CE courses that are approved by the North Carolina Real Estate Commission. Under this option, a nonresident licensee must complete the four-hour mandatory Real Estate Update course and four hours of approved elective courses. The course sponsors will notify the Commission of all licensees completing each course. Do not send course completion certificates to the Commission unless requested.

Option #3 - Take CE Courses Approved in Another State

A nonresident licensee for whom options #1 and #2 are not viable may fully satisfy the CE requirement by completing eight hours of CE courses which are approved by the real estate licensing agency in the licensee's resident state or in the state where the course or courses are completed. Such courses must be completed within one year preceding expiration of the nonresident's North Carolina real estate license.

To obtain credit for a continuing education course or courses completed in another state and not approved by the Commission, the licensee must submit a written request for CE credit **accompanied by a nonrefundable processing fee of twenty dollars (\$20.00) per request**, payable to the North Carolina Real Estate Commission. The request for credit must be accompanied by official verification (usually a copy of the course completion certificate) of having completed at least eight hours of continuing education approved for CE credit by the real estate licensing agency in the licensee's resident state or in the state(s) where the course or courses were taken. The official verification must clearly indicate the date the licensee completed each course. To expedite processing prior to license expiration, **such requests should be submitted to the Commission as early as possible and no later than June 10th each year** and should include the licensee's North Carolina Real Estate license number.

NOTE: In any given license year, a nonresident licensee may earn a maximum of eight (8) hours of CE credit by completing courses which are not approved by the N.C. Real Estate Commission. For example, if a nonresident licensee completes a single 14-hour course or three 3-hour courses (total of nine hours), the maximum credit hours awarded by North Carolina will be eight (8) hours. 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.

Option #4 - Obtain Equivalent Credit

Nonresident licensees may formally request the Commission to evaluate and award continuing education course credit for a course not approved by the Commission or by the licensing agency in their resident state or in the state where the course was taken, or for some other real estate education activity (e.g., teaching or developing an approved continuing education course, writing a text or published scholarly article on subject matter acceptable for purposes of continuing education). These courses and education activities must be found by the Commission to be equivalent to North Carolina's continuing education requirement. No carry-over credit may be earned under the equivalent credit option.

Each request for equivalent credit must be submitted to the Commission no later than June 10th on a form prescribed by the Commission accompanied by a non-refundable \$30 evaluation fee. Forms and more detailed information on equivalent credit rules and procedures are available from the Commission's website at www.ncrec.gov or by calling the Commission office.

No Credit for Prelicensing or Postlicensing Courses

Continuing education credit will NOT be awarded for real estate prelicensing or postlicensing courses, even if such courses are recognized for CE credit by the real estate licensing agency in another state. [See 21 NCAC 58A.1704]

Time Limitation on Course Recognition

Continuing education courses taken prior to the current license period are not creditable toward the CE requirement for the current license period. For example: to renew on ACTIVE status for the July 2013 - June 2014 license period, the required continuing education must be obtained after July 1, 2012 and should be reported to the Commission by June 10, 2013.

Inactive Status

Nonresidents may renew their North Carolina license on INACTIVE status without having to satisfy the continuing education requirement. When requesting to change an inactive license to active status, a nonresident licensee may fully satisfy the North Carolina education requirement by complying with any of the options described above.

CE ELECTIVE COURSE SUBJECT MATTER GUIDELINES

Basic Requirement for Elective Course Subject Matter and Evaluation Criteria for Equivalent Credit Requests

Elective courses must cover a **real estate topic** and must directly contribute to the accomplishment of the primary purpose of continuing education, which is to help assure that 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. Any unique North Carolina laws, rules or customary practices relevant to the course subject matter must be appropriately addressed. [See Commission Rule 58E.0305.] The substantive information to be presented must be appropriate to accomplish continuing education objectives, and the time allotments must be appropriate for the proposed subject matter. [See Commission Rule 58E.0304(8) and (10).]

Key Elements of the Criteria

A proposed elective course must satisfy **all** of the following four key elements of the subject matter criteria that are discussed below.

1. A proposed elective course must cover a **real estate** topic that is directly related to **real estate brokerage practice**.
2. A proposed elective course must **directly** contribute to the accomplishment of the primary purpose of mandatory continuing education, which is to help assure that licensees possess the knowledge, skills, and competency 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**.
3. 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.
4. The substantive information to be presented must be **appropriate to accomplish the continuing education objectives**, and the **time allotments must be appropriate** for the proposed subject matter.

Examples of Unacceptable Topics

Accounting	Marketing
Computer Basics	Marketing Yourself
Dealing with Client or Customer Objections	Personal Financial Management
Economic Development	Personnel Management
Effective Interpersonal Communication	Positive Thinking
Efficient Real Estate Office Operations	Principles of Management
Effective Time Management	Prospecting ("Farming") for Listings
Expanding Your Real Estate Business	REALTOR® Board Orientation
Guidelines for First-Time Homebuyers	Residential Sales Strategies
Improving your Personal Image	Stress Management
Introduction to the Internet	Understanding Body Language
Managing In-House Corporate Real Estate Holdings	

Examples of **ACCEPTABLE** Topics

Listed below are various examples of acceptable topics chosen from Commission-approved elective courses. These were chosen to illustrate the wide range of acceptable topics available to course developers.

Agency

Buyer Representation
Agency Forms and Practices

Appraisal

Uniform Standards of Professional
Appraisal Practice (USPAP)
Most courses approved by the NC Appraisal Board

Brokerage Practices

Listing Procedures
Performing a CMA/BPO

Commercial Real Estate Brokerage

Commercial Real Estate Fundamentals
Managing Commercial Real Estate

Construction/Building Design

Residential Construction Basics
Sustainable Housing & Building Green

Contracts (Sales)

Guide to Sales Contract Preparation
Using Predrafted Contract Addenda

Environmental Issues

Understanding Mold

Fair Housing

Fair Housing Case Studies

Finance

Residential Financing Options
Understanding Lending Procedures

Investment

Real Estate Investment Fundamentals
Investment Analysis of Office Properties

Land Use

Zoning Basics

Legal Issues (Miscellaneous)

Top Legal Issues for Brokers
Misrepresentation: Case Studies

License Law/Commission Rules

Top Disciplinary Complaints

Property Management

Legal Issues for Property Managers
Residential Property Management

Taxation

Taxation of Investment Property
Tax Deferred Exchanges

Miscellaneous

Real Estate Ethics
Property Inspection
Mortgage Fraud and Predatory Lending
Short Sales
Risk Management
“Staging” Real Estate for Sale