

21 NCAC 58A .0110 is amended with changes as published in 34:15 NCR 1357 as follows:

SUBCHAPTER 58A – REAL ESTATE BROKERS

SECTION .0100 - GENERAL BROKERAGE

21 NCAC 58A .0110 BROKER-IN-CHARGE

(a) Every real estate firm shall designate one BIC for its principal office and one BIC for each of its branch offices. No office of a firm shall have more than one designated BIC. A BIC shall not serve as BIC for more than one office unless each of those offices share the same physical office space and delivery address.

(b) Every ~~broker who is a sole proprietor~~ proprietorship shall designate ~~himself or herself~~ as a BIC if the ~~broker~~: sole proprietorship:

- (1) engages in any transaction where ~~the~~ a broker is required to deposit and maintain monies belonging to others in a trust account;
- (2) engages in advertising or promoting ~~his or her~~ services as a broker in any manner; or
- (3) has one or more other brokers affiliated with ~~him or her~~ the sole proprietorship in the real estate business.

(c) A licensed real estate firm shall not be required to have a BIC if it:

- (1) is organized for the sole purpose of receiving compensation for brokerage services furnished by its qualifying broker through another firm or broker;
- (2) is treated for tax purposes as a ~~Subchapter S corporation~~ pass-through business by the United States Internal Revenue Service;
- (3) has no principal or branch office; and
- (4) has no licensed person associated with it other than its qualifying broker.

(d) A broker who maintains a trust or escrow account for the sole purpose of holding residential tenant security deposits received by the broker on properties owned by the broker in compliance with G.S. 42-50 shall not be required to be a BIC.

(e) In order for a broker to designate as a BIC for a sole proprietor, real estate firm, or branch office, a broker shall apply for BIC Eligible status by submitting an application on a form available on the Commission's website. The BIC Eligible status form shall include the broker's:

- (1) name;
- (2) license number;
- (3) telephone number;
- (4) email address;
- (5) criminal history and history of occupational license disciplinary actions;
- (6) certification of compliance with G.S. 93A-4.2, including that:
 - (A) his or her broker license is on active status;

- 1 (B) the broker ~~possesses at least two years of full-time or four years of part-time~~ has obtained
2 at least two years of real estate brokerage experience equivalent to 40 hours per week real
3 estate brokerage experience within the previous five years or shall be a North Carolina
4 licensed attorney with a practice that consisted primarily of handling real estate closings
5 and related matters in North Carolina for three years immediately preceding application;
6 and
7 (C) the broker completed the 12-hour Broker-in-Charge Course no earlier than one year prior
8 to application and no later than 120 days after application; and

9 (7) signature.

10 (f) A broker who holds BIC Eligible status shall submit a form to become the designated BIC for a sole proprietor,
11 real estate firm, or branch office. The BIC designation form shall include:

12 (1) the broker's:

- 13 (A) name;
14 (B) license number;
15 (C) telephone number;
16 (D) email address; and
17 (E) criminal history and history of occupational license disciplinary actions; and

18 (2) the firm's:

- 19 (A) name; and
20 (B) license number, if applicable;

21 (g) A designated BIC shall:

- 22 (1) assure that each broker employed at the office has complied with Rules .0503, .0504, and .0506 of
23 this Subchapter;
24 (2) notify the Commission of any change of firm's business address or trade name and the registration
25 of any assumed business name adopted by the firm for its use;
26 (3) be responsible for the conduct of advertising by or in the name of the firm at such office;
27 (4) maintain the trust or escrow account of the firm and the records pertaining thereto;
28 (5) retain and maintain records relating to transactions conducted by or on behalf of the firm, including
29 those required to be retained pursuant to Rule .0108 of this Section;
30 (6) supervise provisional brokers associated with or engaged on behalf of the firm at such office in
31 accordance with the requirements of Rule .0506 of this Subchapter;
32 (7) supervise all brokers employed at the office with respect to adherence to agency agreement and
33 disclosure requirements; ~~and~~
34 (8) notify the Commission in writing that he or she is no longer serving as BIC of a particular office
35 within 10 days following any such ~~change~~. change; and
36 (9) [shall] complete the Commission's Basic Trust Account Procedures Course within 120 days of
37 opening a trust account in accordance with G.S. 93A-6(g).

1 (h) A broker holding BIC Eligible status shall take the Broker-in-Charge Update Course during the license year of
2 designation, unless the broker has satisfied the requirements of Rule .1702 of this Subchapter prior to designation.

3 (i) A broker's BIC Eligible status shall terminate if the broker:

- 4 (1) made any false statements or presented any false, incomplete, or incorrect information in connection
5 with an application;
- 6 (2) fails to complete the 12-hour Broker-in-Charge Course pursuant to Paragraph (e) of this Rule;
- 7 (3) fails to renew his or her broker license pursuant to Rule .0503 of this Subchapter, or the broker's
8 license has been suspended, revoked, or surrendered; or
- 9 (4) fails to complete the Broker-in-Charge Update Course and a four credit hour elective course
10 pursuant to Rules .1702 and .1711 of this Subchapter, if applicable.

11 (j) In order to regain BIC Eligible status after a broker's BIC Eligible status terminates, the broker shall complete the
12 12-hour Broker-in-Charge Course prior to application and then submit a BIC Eligible status form pursuant to
13 Paragraph (e) of this Rule.

14 (k) A nonresident commercial real estate broker licensed under the provisions of Section .1800 of this Subchapter
15 shall not act as or serve in the capacity of a broker-in-charge of a firm or office in North Carolina.

16
17 *History Note:* Authority G.S. 93A-2; 93A-3(c); 93A-4; 93A-4.1; 93A-4.2; 93A-9;
18 *Eff. September 1, 1983;*
19 *Amended Eff. July 1, 2014; May 1, 2013; July 1, 2010; July 1, 2009; January 1, 2008; April 1, 2006;*
20 *July 1, 2005; July 1, 2004; April 1, 2004; September 1, 2002; July 1, 2001; October 1, 2000; August*
21 *1, 1998; April 1, 1997; July 1, 1995; July 1, 1994;*
22 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018;*
23 *Amended Eff. July 1, 2020; July 1, 2018.*

1 21 NCAC 58A .0302 is amended as published in 34:15 NCR 1358 as follows:

2
3 **SECTION .0300 – APPLICATION FOR LICENSE**
4

5 **21 NCAC 58A .0302 LICENSE APPLICATION AND FEE**

6 (a) The fee for an original application of a broker or firm license shall be one hundred dollars (\$100.00).

7 (b) An applicant shall update information provided in connection with a license application in writing to the
8 Commission or submit a new application form that includes the updated information without request by the
9 Commission to ensure that the information provided in the application is current and accurate. Failure to submit
10 updated information prior to the issuance of a license may result in disciplinary action against a broker or firm in
11 accordance with G.S. 93A-6(b)(1). Upon the request of the Commission, an applicant shall submit updated
12 information or provide additional information necessary to complete the application within ~~90~~ 45 days of the request
13 or the license application shall be canceled.

14 (c) The license application of an individual shall be canceled if the applicant fails to:

- 15 (1) pass a scheduled license examination within 180 days of filing a complete application pursuant to
16 Rule .0301 of this Section; or
17 (2) appear for and take any scheduled examination without having the applicant's examination
18 postponed or absence excused pursuant to Rule .0401 of this Subchapter.

19
20 *History Note: Authority G.S. 93A-4; 93A-6(b)(1); 93A-9;*
21 *Eff. February 1, 1976;*
22 *Readopted Eff. September 30, 1977;*
23 *Amended Eff. July 1, 2017; April 1, 2006; July 1, 2004; April 1, 2004; July 1, 2003; October 1,*
24 *2000; August 1, 1998; July 1, 1998; July 1, 1996; February 1, 1989;*
25 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. ~~May 1, 2018.~~*
26 *May 1, 2018;*
27 *Amended Eff. July 1, 2020.*
28

1 21 NCAC 58A .0305 is adopted as published in 34:15 NCR 1358 as follows:

2
3 **21 NCAC 58A .0305** **PETITION FOR PREDETERMINATION**

4 (a) An individual who wishes to file a petition for a predetermination of whether the individual's criminal history will
5 likely disqualify the individual from obtaining a real estate license shall submit a petition on the Commission's website.

6 (b) The petition shall include the petitioner's:

7 (1) legal name;

8 (2) mailing, physical, and email addresses;

9 (3) social security number;

10 (4) date of birth;

11 (5) telephone number;

12 (6) places of residence for the past seven years;

13 (7) employment history since the date the crime was committed;

14 (8) criminal record report prepared no more than 60 days prior to the date of petition;

15 (9) written statement describing the circumstances surrounding the commission of the crime(s);

16 (10) written statement of any rehabilitation efforts, if applicable;

17 (11) rehabilitative drug or alcohol treatments, if applicable;

18 (12) Certificate of Relief granted pursuant to G.S. 15A-173.2, if applicable;

19 (13) affidavits or other written documents, including character references, that the petitioner intends to
20 submit for review;

21 (14) certification; and

22 (15) signature.

23 (c) The fee for a petition for predetermination shall be forty-five dollars (\$45.00).

24
25 *History Note:* Authority G.S. 93A-4; 93B-8.1;

26 Temporary Adoption Eff. December 3, 2019;

27 Eff. July 1, 2020.

1 21 NCAC 58A .0506 is amended with changes as published in 34:15 NCR 1359 as follows:

2
3 **SECTION .0500 - LICENSING**
4

5 **21 NCAC 58A .0506 PROVISIONAL BROKER TO BE SUPERVISED BY BROKER-IN-CHARGE**

6 (a) A provisional broker may engage in or hold himself or herself out as engaging in activities requiring a real estate
7 license only while his or her license is on active status pursuant to Rule .0504 of this Section and he or she is supervised
8 by the broker-in-charge of the real estate firm or office with which the provisional broker is affiliated. A provisional
9 broker shall be supervised by only one broker-in-charge at a ~~time~~ time except that a provisional broker may be
10 supervised by no more than two brokers-in-charge of two licensed affiliated firms located in the same physical location
11 and acting as co-listing or co-selling agents in real estate transactions. When a provisional broker is supervised by
12 more than one broker-in-charge, both brokers-in-charge shall bear all supervision responsibility at all times.

13 (b) Upon a provisional broker's affiliation with a real estate broker or brokerage firm, the broker-in-charge of the
14 office where the provisional broker will be engaged in the real estate business shall file with the Commission a License
15 Activation and Broker Affiliation form that sets forth the:

- 16 (1) provisional broker's:
17 (A) name;
18 (B) license number, type of license, and current license status;
19 (C) physical, mailing, and emailing addresses;
20 (D) public and private phone numbers;
21 (E) completed Postlicensing courses, if necessary;
22 (F) completed continuing education courses, if necessary; and
23 (G) signature.
- 24 (2) broker-in-charge's:
25 (A) name;
26 (B) license number;
27 (C) firm's name and license number;
28 (D) physical, mailing, and emailing addresses;
29 (E) public and private phone numbers; and
30 (F) signature.

31 (c) Upon the submission of the License Activation and Broker Affiliation form, the provisional broker may engage
32 in real estate brokerage activities requiring a license under the supervision of the broker-in-charge; however, if the
33 provisional broker and broker-in-charge do not receive from the Commission a written acknowledgment of the
34 provisional broker supervision notification and, if appropriate, the request for license activation, within 30 days of the
35 date shown on the form, the provisional broker shall cease all real estate brokerage activities pending receipt of the
36 written acknowledgment from the Commission.

1 (d) A broker-in-charge shall supervise the provisional broker in a manner that assures that the provisional broker
2 performs all acts for which a real estate license is required in accordance with the Real Estate License Law and
3 Commission rules. A supervising broker who fails to supervise a provisional broker as prescribed in this Rule may be
4 subject to disciplinary action ~~by the~~ pursuant to Rule .0110 of this Subchapter.

5 (e) Upon the termination of the supervisory relationship between a provisional broker and his or her broker-in-charge,
6 the provisional broker and the broker-in-charge shall provide written notification of the date of termination to the
7 Commission not later than 10 days following the termination.

8

9 *History Note:* Authority G.S. ~~93A-2(b); 93A-2(a1); 93A-2(a2);~~ 93A-3; 93A-9;

10 *Eff. February 1, 1976;*

11 *Readopted Eff. September 30, 1977;*

12 *Amended Eff. April 1, 2013; April 1, 2006; July 1, 2005; July 1, 2004; October 1, 2000; August 1,*
13 *1998; July 1, 1996; July 1, 1995; July 1, 1993;*

14 *Readopted Eff. ~~July 1, 2019.~~ July 1, 2019;*

15 *Amended Eff. July 1, 2020.*

16

1 21 NCAC 58A .0616 is amended as published in 34:15 NCR 1340 as follows:

2
3 **SUBCHAPTER 58A – REAL ESTATE BROKERS**

4
5 **SECTION .0600 – REAL ESTATE COMMISSION HEARINGS**

6
7 **21 NCAC 58A .0616 PROCEDURES FOR REQUESTING HEARINGS WHEN APPLICANT'S**
8 **CHARACTER IS IN QUESTION**

9 (a) When the moral character of an applicant for licensure or approval is in question, the applicant shall not be licensed
10 or approved until the applicant has affirmatively demonstrated that the applicant possesses the requisite honesty,
11 truthfulness, integrity, good moral character, and general fitness, including mental and emotional fitness, necessary to
12 protect the public interest and promote public confidence in the real estate brokerage business. For the purposes of
13 this Rule, applicant means any person or entity making application for licensure as a real estate broker or for licensure
14 or approval as a ~~prelicensing or continuing education instructor, director, coordinator, school or sponsor.~~ an instructor.

15 (b) When the applicant is an entity, it shall be directed and controlled by persons who possess the requisite honesty,
16 truthfulness, integrity, good moral character, and general fitness, including mental and emotional fitness, necessary to
17 protect the public interest and promote public confidence in the real estate brokerage business.

18 (c) When the character of an applicant is in question, the Commission shall defer action upon the application until the
19 applicant is notified by letter. The letter informing the applicant that his or her moral character is in question shall be
20 sent by certified mail, return receipt requested, to the address shown upon the application. The applicant shall have 60
21 days from the date of receipt of this letter to request a hearing before the Commission. If the applicant fails to request
22 a hearing within this time or if a properly addressed letter is returned to the Commission undelivered, applicant's right
23 to a hearing shall be considered waived and the application shall be deemed denied. If the applicant makes a timely
24 request for a hearing in accordance with the provisions of this Rule, the Commission shall provide the applicant with
25 a Notice of Hearing and hearing as required by G.S. 150B, Article 3A.

26 (d) Nothing in this Rule shall be interpreted to prevent an unsuccessful applicant from reapplying for licensure or
27 approval if such application is otherwise permitted by law.

28
29 *History Note: Authority G.S. 93A-4;*
30 *Eff. September 1, 2002;*
31 *Amended Eff. April 1, 2013; January 1, 2012; April 1, 2006;*
32 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. ~~May 1, 2018.~~*
33 *May 1, 2018;*
34 *Amended Eff. July 1, 2020.*
35

1 21 NCAC 58A .1708 is amended as published in 34:15 NCR 1341 as follows:

2
3 **SECTION .1700 – MANDATORY CONTINUING EDUCATION**

4
5 **21 NCAC 58A .1708 EQUIVALENT CREDIT**

6 (a) The Commission shall award a broker continuing education credit for teaching a Commission Update Course. A
7 broker seeking continuing education credit for teaching a Commission Update Course shall submit a form, available
8 on the Commission's website, that requires the broker to set forth the:

- 9 (1) broker's name, license number, instructor number, address, telephone number, and email address;
10 (2) Update Course number;
11 (3) ~~sponsor's~~ education provider's name and number;
12 (4) ~~sponsor's~~ education provider's address; and
13 (5) date the course was taught.

14 (b) The Commission shall award a broker continuing education elective credit for teaching a Commission approved
15 continuing education elective for the first time any given continuing education elective is taught. A broker seeking
16 continuing education credit under this Paragraph shall submit a form, available on the Commission's website, that
17 requires the broker to set forth the:

- 18 (1) broker's name, license number, address, telephone number, and email address;
19 (2) course title;
20 (3) course number;
21 (4) ~~sponsor's~~ education provider's name and number;
22 (5) ~~sponsor's~~ education provider's address; and
23 (6) date the course was taught.

24 (c) The Commission may award continuing education elective credit for completion of an unapproved course that the
25 Commission finds equivalent to the elective course component of the continuing education requirement set forth in
26 21 NCAC 58H .0402. The broker shall submit a course completion certificate issued by the ~~course sponsor,~~ education
27 provider, a copy of the course description or course outline, and a fifty dollar (\$50.00) fee for each course for which
28 the broker seeks credit. A broker seeking continuing education credit for a course that is not approved by the
29 Commission shall submit a form, available on the Commission's website, that requires the broker to set forth the:

- 30 (1) broker's name, license number, address, telephone number, and email address;
31 (2) course title;
32 (3) number of instructional hours;
33 (4) course instructor's name; and
34 (5) ~~course sponsor's~~ education provider's name, address, telephone number, and email address.

35 (d) The Commission may award continuing education elective credit for developing a continuing education elective
36 course that is approved by the Commission pursuant to 21 NCAC 58H .0401. However, a broker shall only receive
37 credit for the year in which the continuing education elective is approved. A broker seeking continuing education

1 credit under this Paragraph shall submit a form, available on the Commission's website, that requires the broker to set
2 forth the broker's name, license number, address, telephone number, and email address. Along with the form, the
3 broker shall submit the course title, the course number, the date of the course approval, and a fifty dollar (\$50.00) fee
4 for each course for which the broker seeks credit.

5 (e) The Commission may award continuing education elective credit for authoring a real estate textbook. However, a
6 broker shall receive credit for any single textbook only once. A broker seeking continuing education credit under this
7 Paragraph shall submit a form, available on the Commission's website, that requires the broker to set forth the broker's
8 name, license number, address, telephone number, and email address. Along with the form, the broker shall submit
9 the title page of the textbook, showing the title, publisher, and publication date, the table of contents, and a fifty dollar
10 (\$50.00) fee for each textbook for which the licensee seeks credit.

11 (f) The Commission may award continuing education elective credit for authoring of a scholarly article on a real
12 estate topic published in a professional journal or periodical. A broker shall receive credit for any single article only
13 once. A broker seeking continuing education credit under this Paragraph shall submit a form, available on the
14 Commission's website, that requires the broker to set forth the broker's name, license number, address, telephone
15 number, and email address. Along with the form, the broker shall submit a copy of the article, proof of publication,
16 and a fifty dollar (\$50.00) fee for each article for which the broker seeks credit.

17 (g) In order for any application for equivalent credit to be considered and credits applied to the current licensing
18 period, a complete application, the appropriate fee, and all supporting documents shall be received by the Commission
19 no later than 5:00 p.m. on June ~~10~~ 17.

20 (h) Any equivalent continuing education credit awarded under this Rule shall be applied first to make up any
21 continuing education deficiency for the previous license period and then to satisfy the continuing education
22 requirement for the current license period; however, credit for an unapproved course or educational activity, other
23 than teaching an approved elective course, that was completed during a previous license period shall not be applied to
24 a subsequent license period.

25
26 *History Note: Authority G.S. 93A-3(c); ~~93A-4.1~~; 93A-38.5;*
27 *Eff. July 1, 1994;*
28 *Amended Eff. July 1, 2017; April 1, 2006; July 1, 2001; July 1, 2000; March 1, 1996; July 1, 1995;*
29 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. ~~May 1, 2018~~.*
30 *May 1, 2018;*
31 *Amended Eff. July 1, 2020.*
32

1 21 NCAC 58A .1710 is amended as published in 34:15 NCR 1342 as follows:

2

3 **21 NCAC 58A .1710 DENIAL OR WITHDRAWAL OF CONTINUING EDUCATION CREDIT**

4 (a) The Commission shall deny continuing education credit claimed by a broker or reported by ~~a course sponsor~~ an
5 education provider for a broker, and shall withdraw continuing education credit previously awarded by the
6 Commission to a broker upon finding that the broker:

7 (1) or ~~course sponsor~~ education provider provided incorrect or incomplete information to the
8 Commission concerning continuing education completed by the broker;

9 (2) failed to comply with the attendance requirement established by Rule .1705 of this Section; or

10 (3) was mistakenly awarded continuing education credit due to an administrative error.

11 (b) If an administrative error or an incorrect report by ~~a course sponsor~~ an education provider results in the denial or
12 withdrawal of continuing education credit for a broker, the Commission shall, upon the written request of the broker,
13 grant the broker an extension of time to satisfy the continuing education requirement.

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

16

17 *History Note: Authority G.S. 93A-3(c); ~~93A-4.1~~; 93A-38.5;*

18 *Eff. July 1, 1994;*

19 *Amended Eff. July 1, 2017; July 1, 1995;*

20 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. ~~May 1, 2018~~.*

21 *May 1, 2018;*

22 *Amended Eff. July 1, 2020.*

23

1 21 NCAC 58A .1711 is amended as published in 34:15 NCR 1342 as follows:

2
3 **21 NCAC 58A .1711 CONTINUING EDUCATION REQUIRED OF NONRESIDENT BROKERS**

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

9 (1) A nonresident broker may, at the time of license renewal, hold a real estate license on active status
10 in another state and certify on a form prescribed by the Commission that the broker holds such
11 license. If at any time after renewal there is a change in the status of the out-of-state license, the
12 nonresident broker shall notify the Commission within 10 days and request that his or her North
13 Carolina license be placed on inactive status, or provide evidence to the Commission that he or she
14 has satisfied either Subparagraph (a)(2) or (a)(3) of this Rule or the requirements of Rule .1702 of
15 this Section.

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

19 ~~(3) A nonresident broker may, within one year preceding license expiration, complete eight classroom~~
20 ~~hours in courses approved for continuing education credit by the real estate licensing agency in the~~
21 ~~broker's state of residence or in the state where the course was taken. To obtain credit for a~~
22 ~~continuing education course completed in another state and not approved by the Commission, the~~
23 ~~broker must submit a written request for continuing education credit accompanied by a fee of fifty~~
24 ~~dollars (\$50.00) per request and evidence that the course was completed and that the course was~~
25 ~~approved for continuing education credit by the real estate licensing agency in the broker's state of~~
26 ~~residence or in the state where the course was taken.~~

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

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

36 (b) When a nonresident broker's license has been on inactive status for more than two years and the broker is satisfying
37 the requirements of Rule .1703(c) of this Subchapter, if a distance education Postlicensing course is unavailable, a

1 nonresident broker may apply for equivalent education credit for a Postlicensing course by submitting a written request
2 that includes a course completion certificate or transcript evidencing the completion of an education program in
3 another state that:

4 (1) consisted of at least 30 hours of instruction;

5 (2) was completed within six months prior to application; and

6 (3) is parallel to the topics and timings described in the Commission's Postlicensing course syllabi.

7 (c) No carry-over credit to a subsequent license period shall be awarded for a course taken in another state that has
8 not been approved by the North Carolina Real Estate Commission as an elective course pursuant to 21 NCAC 58H
9 .0406.

10
11 *History Note: Authority G.S. 93A-3(c); ~~93A-4.1~~; 93A-38.5;*

12 *Eff. July 1, 1994;*

13 *Amended Eff. July 1, 2017; July 1, 2015; January 1, 2008; April 1, 2006; October 1, 2000; March*
14 *1, 1996; July 1, 1995;*

15 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018;*

16 *Amended Eff. July 1, 2020; July 1, 2018.*

1 21 NCAC 58A .1903 is repealed as published in 34:15 NCR 1343 as follows:

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3

SECTION .1900 – POST-LICENSING EDUCATION

4

5 21 NCAC 58A .1903 EXTENSIONS OF TIME TO COMPLETE POSTLICENSING EDUCATION

6

7 *History Note: Authority G.S. 93A-4;*

8 *Eff. April 1, 2006;*

9 *Amended Eff. January 1, 2012;*

10 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. ~~May 1, 2018.~~*

11 *May 1, 2018;*

12 *Repealed Eff. July 1, 2020.*

13

1 21 NCAC 58A .1904 is amended as published in 34:15 NCR 1343 as follows:

2
3 **21 NCAC 58A .1904 DENIAL OR WITHDRAWAL OF POSTLICENSING EDUCATION CREDIT**

4 (a) The Commission may deny Postlicensing education credit claimed by a provisional broker or reported by ~~a school~~
5 an education provider for a provisional broker, and may withdraw Postlicensing education credit previously awarded
6 by the Commission to a provisional broker and make appropriate license status changes for that broker upon finding
7 ~~that:~~ that the provisional broker:

8 (1) ~~the provisional broker or school~~ education provider provided incorrect or incomplete information to
9 the Commission concerning Postlicensing education completed by the provisional broker;

10 (2) failed to comply with the attendance requirement pursuant to 21 NCAC 58H .0207; or

11 ~~(2)(3) the provisional broker~~ was mistakenly awarded Postlicensing education credit due to an
12 administrative ~~error; or error.~~

13 ~~(3) the provisional broker attended a Postlicensing course while concurrently attending a different~~
14 ~~Postlicensing course at the same school or a different school if such concurrent attendance in the~~
15 ~~two courses resulted in the provisional broker participating in Postlicensing course sessions for more~~
16 ~~than 30 instructional hours in any given seven day period.~~

17 (b) When Postlicensing education credit is denied or withdrawn by the Commission under Paragraph (a) of this Rule,
18 the provisional broker shall remain responsible for satisfying the Postlicensing education requirement in G.S. 93A-
19 4(a1).

20 (c) A broker who obtains or attempts to obtain Postlicensing education credit through misrepresentation of fact,
21 dishonesty or other improper conduct is subject to disciplinary action pursuant to G.S. 93A-6.

22
23 *History Note: Authority G.S. 93A-4;*

24 *Eff. April 1, 2006;*

25 *Amended Eff. July 1, 2017; July 1, 2009;*

26 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. ~~May 1, 2018.~~*

27 *May 1, 2018;*

28 *Amended Eff. July 1, 2020.*

1 21 NCAC 58H .0101 is amended with changes as published in 34:15 NCR 1343 as follows:

2
3 **SUBCHAPTER 58H - REAL ESTATE EDUCATION**

4
5 **SECTION .0100 – GENERAL**

6
7 **21 NCAC 58H .0101 DEFINITIONS**

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

9 ~~(1) "Instructional hour" means 50 minutes of instruction and 10 minutes of break time.~~

10 (1) "Blended learning" means a combination of Distance education and in-person methods of
11 instruction.

12 (2) "Branch location" means any location in addition to the principal address of an education provider
13 that offers Prelicensing or Postlicensing Courses.

14 (3) "Continuing Education" means a continuing education elective or Update Course.

15 ~~(2)(4)~~ "Distance education" means a method of instruction accomplished through the use of media
16 whereby teacher and student are separated by distance **or and** time.

17 ~~(3) "End of course evaluation" means a student evaluation of the course and the instructor's~~
18 ~~performance that shall be administered during the class period before administration of the end of~~
19 ~~course examination.~~

20 ~~(4)(5)~~ "End-of-course examination" means an examination administered at the conclusion of a course that
21 tests students' knowledge and mastery of all course subjects mandated by the Commission
22 prescribed course syllabus.

23 ~~(5) "Mid course evaluation" means a student evaluation of the course and the instructor's performance~~
24 ~~given at the midpoint of the course.~~

25 (6) "Instructional hour" means 50 minutes of instruction and 10 minutes of break time.

26 ~~(6)(7)~~ "Instructor development program" means courses of instruction designed to assist real estate
27 instructors in the performance of Prelicensing, Postlicensing, or Continuing Education instructor
28 duties or in the development of teaching skills.

29 ~~(7)(8)~~ "License Examination Performance Record" means the percentage of an instructor's or school's
30 students who, within 30 days of completing a Prelicensing course pursuant to 21 NCAC 58H
31 .0210(a), take and pass the license examination, as defined in 21 NCAC 58A .0402, on their first
32 attempt.

33 ~~(8)(9)~~ "Postlicensing course" means any one of the courses comprising the 90 hour Postlicensing education
34 program pursuant to G.S. 93A-4(a1) and 21 NCAC 58A .1902.

35 ~~(9)(10)~~ "Prelicensing course" means a single course consisting of at least 75 hours of instruction on subjects
36 prescribed by the Commission pursuant to G.S. 93A-4(a).

1 ~~(10) "Private real estate school" means any real estate educational entity that is privately owned and~~
2 ~~operated by an individual, partnership, corporation, limited liability company, or association, and~~
3 ~~that conducts, for a profit or tuition charge, Prelicensing or Postlicensing courses.~~

4 (11) "Public real estate school" education provider" means any proprietary business or trade school
5 licensed by the State Board of Community Colleges under G.S. 115D-90 or approved by the Board
6 of Governors of the University of North Carolina that conducts ~~Prelicensing or Postlicensing~~
7 approved real estate courses.

8 (12) "Synchronous distance-learning" means the instructor and students are separated only by distance
9 and not time, allowing for real-time monitoring of student participation.

10 ~~(12) "Schools" mean licensed private and approved public real estate schools.~~

11 (13)~~(12)~~ "Update Courses" mean the General Update Course and the Broker-in-Charge Update
12 Course.

13
14 *History Note: Authority G.S. 93A-4; ~~93A-4.1~~; 93A-32; 93A-33; 93A-38.5;*
15 *Eff. ~~July 1, 2017~~. July 1, 2017;*
16 *Amended Eff. July 1, 2020.*

1 21 NCAC 58H .0201 is amended as published in 34:15 NCR 1344 as follows:

2

3

SECTION .0200 - REAL ESTATE SCHOOLS EDUCATION PROVIDERS

4

21 NCAC 58H .0201 APPLICABILITY

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

9 This Section applies to all real estate education providers offering approved real estate courses. Public education
10 providers shall be exempt from the rules in this Section unless the Rule specifically requires compliance.

11

12 *History Note: Authority G.S. 93A-4; 93A-33;*

13 *Eff. ~~July 1, 2017.~~ July 1, 2017;*

14 *Amended Eff. July 1, 2020.*

15

21 NCAC 58H .0202 is amended with changes as published in 34:15 NCR 1344 as follows:

**21 NCAC 58H .0202 APPLICATION FOR ~~ORIGINAL APPROVAL OF A PUBLIC REAL ESTATE~~
SCHOOL EDUCATION PROVIDER CERTIFICATION**

~~(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.~~

(a) Any community college, junior college, or university located in this State and accredited by the Southern Association of Colleges and Schools seeking education provider certification shall apply to the Commission on a form available on the Commission's website and shall set forth the:

- (1) education provider's name;
- (2) education director's name and contact information;
- (3) education director's email address;
- (4) education provider's address;
- (5) education provider's telephone number;
- (6) education provider's website address;
- (7) type of public institution;
- (8) Prelicensing, Postlicensing, and Continuing Education courses to be offered by the applicant; and
- (9) a signed certification by the education director that courses shall be conducted in compliance with the rules of this Subchapter.

(b) Any other person or entity seeking education provider certification 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(b1):

- (1) the website, physical and mailing address, and telephone number of the principal office of the education provider;

- 1 (2) the education director's license number, if applicable, email and mailing address, and telephone
2 number;
3 (3) the North Carolina Secretary of State Identification Number, if applicable;
4 (4) the physical address of each proposed branch location, if applicable;
5 (5) the type of ownership entity;
6 (6) a signed Consent to Service of Process and Pleadings form available on the Commission's website,
7 if a foreign entity;
8 (7) the Prelicensing, Postlicensing, and Continuing Education courses to be offered by the applicant;
9 and
10 (8) a signed certification by the education director that courses shall be conducted in compliance with
11 the Rules of this Subchapter.

12 (c) The certification application fee for an education provider applying under Paragraph (b) of this Rule shall be two
13 hundred dollars (\$200.00) for each proposed education provider location. Provided however, education providers shall
14 not be required to obtain a certification for every location a Continuing Education course is offered.

15 (d) If any education provider relocates any location or opens additional branch locations during any licensing period,
16 the education director shall submit an original application for certification of that location pursuant to this Rule.

17 (e) In the event that any education provider [~~shall advertise or operate~~ **advertises or operates** in any manner using a
18 name different from the name under which the education provider is certified, the education provider shall first file an
19 assumed name certificate in compliance with G.S. 66-71.4 and shall notify the Commission in writing of the use of
20 such an assumed name. An education provider shall not advertise or operate in any manner that would mislead a
21 consumer as to the education provider's actual identity.

22
23 *History Note: Authority G.S. 93A-4; 93A-34;*
24 *Eff. ~~July 1, 2017~~; July 1, 2017;*
25 *Amended Eff. July 1, 2020.*
26

1 21 NCAC 58H .0203 is amended as published in 34:15 NCR 1345 as follows:

2
3 **21 NCAC 58H .0203 ~~APPLICATION FOR ORIGINAL LICENSURE OF A PRIVATE REAL ESTATE~~**
4 **~~SCHOOL EDUCATION DIRECTOR~~**

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

- 8 ~~(1) the physical, website, and email addresses and telephone number of the principal office of the~~
9 ~~school;~~
- 10 ~~(2) the proposed school director's legal name, real estate license number, if any, email and mailing~~
11 ~~address, and telephone number;~~
- 12 ~~(3) the type of school ownership entity and the name, title, real estate license number, if any, mailing~~
13 ~~address, and ownership percentage of each individual or entity holding at least 10% ownership in~~
14 ~~the entity;~~
- 15 ~~(4) the North Carolina Secretary of State Identification Number;~~
- 16 ~~(5) the criminal history and history of occupational license disciplinary actions of individual school~~
17 ~~owner(s);~~
- 18 ~~(6) the physical address of each proposed school location;~~
- 19 ~~(7) the source of real estate examinations to be used for each course offered;~~
- 20 ~~(8) a copy of a criminal background check for the previous seven years on the proposed school director;~~
- 21 ~~(9) a signed Consent to Service of Process and Pleadings form available on the Commission's website,~~
22 ~~if a foreign entity;~~
- 23 ~~(10) the Prelicensing or Postlicensing courses to be offered by the school;~~
- 24 ~~(11) the Update courses to be offered by the school; and~~
- 25 ~~(12) the signature and certification of the school owner(s).~~

26 ~~(b) Private real estate school names shall contain the words "Real Estate" and other words identifying the entity as a~~
27 ~~school, such as "school," "academy," or "institute" that are distinguishable from other licensed private real estate~~
28 ~~schools and from continuing education course sponsors approved by the Commission.~~

29 ~~(c) The school name shall be used in all school publications and advertising.~~

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

32 ~~(e) The original license application fee shall be two hundred dollars (\$200.00) for each proposed school location.~~

33 ~~(f) The initial fee for a school to offer a Prelicensing or Postlicensing course at any of its locations during the licensing~~
34 ~~period shall be forty dollars (\$40.00) per Prelicensing or Postlicensing course.~~

35 ~~(g) Private real estate schools offering Prelicensing or Postlicensing courses pursuant to Paragraph (a) of this Rule~~
36 ~~shall be eligible to offer Update courses and continuing education courses.~~

1 ~~(h) If a school relocates any location during any licensing period, the school owner shall submit an original application~~
2 ~~for licensure of that location pursuant to this Rule.~~

3 (a) All education providers shall designate an education director, who shall:

- 4 (1) supervise all education provider operations related to the conduct of offering Prelicensing,
5 Postlicensing, and Continuing Education courses;
- 6 (2) ensure that each approved instructor meets the requirements of Rule .0302 of this Subchapter;
- 7 (3) ensure that each continuing education elective course instructor meets the requirements of Rule
8 .0402(a)(5) of this Subchapter;
- 9 (4) ensure each course utilizes course materials pursuant to Rule .0205 of this Section;
- 10 (5) sign course completion certificates;
- 11 (6) submit to the Commission all required fees, rosters, reports, and other information;
- 12 (7) submit to the Commission the name and the instructor number of each course instructor within 10
13 days of employment;
- 14 (8) ensure compliance with all statutory and rule requirements governing the certification and operation
15 of the education provider;
- 16 (9) take steps to protect the security and integrity of course examinations at all times; and
- 17 (10) act as the education provider's liaison to the Commission.

18 (b) Public education providers shall designate one permanent employee to serve as the education director.

19 (c) The education director shall approve a guest lecturer prior to the guest lecturer teaching a course session. Education
20 directors shall ensure that all guest lecturers possess experience related to the particular subject area the guest lecturer
21 is teaching. Guest lecturers may be utilized to teach collectively up to one-fourth of any Prelicensing or Postlicensing
22 course.

23 (d) The education director shall ensure all instructors that teach Prelicensing or Postlicensing courses by methods
24 other than distance education are observed at least once annually for a minimum of one hour of live uninterrupted
25 instruction by either the education director or a Commission-approved Prelicensing or Postlicensing instructor present
26 in the classroom. Education directors who are also instructors may, upon written request to the Commission, be
27 evaluated by a Commission monitor. The evaluation shall be based on the instructor's teaching abilities pursuant to
28 Rule .0304 of this Subchapter. The instructor shall receive the written evaluation of his or her instructional
29 performance within 30 days of observation.

30 (e) The education director for any education provider shall view the Commission's Education Director video
31 electronically within 30 days of initial designation and annually within 45 days immediately preceding expiration of
32 education provider certification.

33 (f) Education providers shall notify the Commission within 10 days of any change in education director during the
34 certification period.

35 (g) The education director shall admit any Commission authorized representative to monitor any class or provide
36 access to a distance education course without prior notice. Such representatives shall not be required to register or pay
37 any fee and shall not be reported as having completed the course.

1 (h) An education director shall dismiss a student from the course who is found to have cheated in any manner on a
2 course examination and shall not award a passing grade or any partial completion of the course. The education director
3 shall report the cheating incident in writing to the Commission within 10 days.

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5
6
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History Note: Authority G.S. 93A-4; 93A-33; 93A-34;
Eff. July 1, 2017;
Amended Eff. July 1, 2020; July 1, 2019.

1 21 NCAC 58H .0204 is amended as published in 34:15 NCR 1346 as follows:

2
3 **21 NCAC 58H .0204 SCHOOL DIRECTOR POLICIES AND PROCEDURES DISCLOSURE**

4 ~~(a) All schools shall designate a school director, who shall~~

- 5 ~~(1) supervise all school operations related to the conduct of Prelicensing and Postlicensing courses;~~
- 6 ~~(2) ensure compliance with all statutory and rule requirements governing the licensing and operation of~~
- 7 ~~the school; and~~
- 8 ~~(3) act as the school's liaison to the Commission.~~

9 ~~(b) Public real estate schools shall designate one permanent employee to serve as the school director.~~

10 ~~(c) The school director for a private real estate school shall satisfy one of the following qualification standards:~~

- 11 ~~(1) hold a baccalaureate or higher degree;~~
- 12 ~~(2) have at least two years full time experience within the past 10 years as an instructor or school~~
- 13 ~~administrator; or~~
- 14 ~~(3) possess qualifications that the Commission finds to be equivalent to those described in Subparagraph~~
- 15 ~~(1) or (2) of this Rule, such as:~~
 - 16 ~~(A) a transcript demonstrating completion of 120 semester hours of education at an institution~~
 - 17 ~~accredited by any college accrediting body recognized by the U. S. Department of~~
 - 18 ~~Education;~~
 - 19 ~~(B) currently holding or having held within the past 15 years a military pay grade of an E-8~~
 - 20 ~~level, O-1 level, or higher; or~~
 - 21 ~~(C) a current Distinguished Real Estate Instructor (DREI) designation granted by the Real~~
 - 22 ~~Estate Educators' Association.~~

23 ~~(d) The school director shall approve a guest lecturer prior to the guest lecturer teaching a course session. School~~

24 ~~directors shall ensure that all guest lecturers possess experience related to the particular subject area the guest lecturer~~

25 ~~is teaching. Guest lecturers may be utilized to teach collectively up to one fourth of any Prelicensing or Postlicensing~~

26 ~~course.~~

27 ~~(e) The school director shall ensure that each instructor meets the requirements of Rule .0302 of this Subchapter.~~

28 ~~(f) The school director shall ensure each course utilizes a textbook currently approved by the Commission pursuant~~

29 ~~to Rule .0206 of this Section.~~

30 ~~(g) Schools shall notify the Commission within 10 days of any change in school director during the licensing period.~~

31 (a) An education provider shall publish a Policies and Procedures Disclosure.

32 (b) In addition to the information required by G.S. 93A-34(c)(5), an education provider's Policies and Procedures

33 Disclosure shall include:

- 34 (1) the name and address of the Commission, along with a statement that any complaints concerning
- 35 the education provider or its instructors should be directed to the Commission;

- 1 (2) a statement that the education provider shall not discriminate in its admissions policy or practice
- 2 against any person on the basis of age, sex, race, color, national origin, familial status, handicap
- 3 status, or religion;
- 4 (3) the education provider's most recent annual License Examination Performance Record and the
- 5 Annual Summary Report data as published by the Commission;
- 6 (4) the all-inclusive tuition and fees for a particular course;
- 7 (5) a written course cancellation and refund policy; and
- 8 (6) a signed certification acknowledging the student's receipt of the Policies and Procedures Disclosure
- 9 prior to payment of any portion of tuition or registration fee without the right to a full refund.

10

11 *History Note:* *Authority G.S. 93A-4; 93A-33; 93A-34;*

12 *Eff. ~~July 1, 2017.~~ July 1, 2017;*

13 *Amended Eff. July 1, 2020.*

14

1 21 NCAC 58H .0205 is amended with changes as published in 34:15 NCR 1346 as follows:

2
3 **21 NCAC 58H .0205 PRIVATE REAL ESTATE SCHOOL BULLETIN COURSE MATERIALS**

4 ~~(a) A private real estate school shall publish a single bulletin addressing Prelicensing and Postlicensing courses~~
5 ~~offered. The same bulletin shall be used by all locations of a private real estate school.~~

6 ~~(b) In addition to the information required by G.S. 93A 34(c)(5), a school's bulletin shall:~~

- 7 ~~(1) describe the purpose of Prelicensing and Postlicensing courses;~~
- 8 ~~(2) describe the school's policies and procedures;~~
- 9 ~~(3) include the name and address of the Commission, along with a statement that any complaints~~
10 ~~concerning the school or its instructors should be directed to the Commission;~~
- 11 ~~(4) include a statement that the school shall not discriminate in its admissions policy or practice against~~
12 ~~any person on the basis of age, sex, race, color, national origin, familial status, handicap status, or~~
13 ~~religion;~~
- 14 ~~(5) contain the following prescribed text: "NOTICE: Pursuant to North Carolina Real Estate~~
15 ~~Commission Rule 21 NCAC 58A .1904, the Commission may deny or withdraw credit for a~~
16 ~~Postlicensing course that a provisional broker begins taking while already enrolled in another~~
17 ~~Postlicensing course at the same school or a different school if participating in the two courses~~
18 ~~concurrently results in the provisional broker attending Postlicensing course sessions that total more~~
19 ~~than 30 instructional hours in any given seven day period;" and~~
- 20 ~~(6) include a signed certification that a student received a copy of the bulletin prior to payment of any~~
21 ~~portion of tuition or registration fee without the right to a full refund.~~

22 ~~(c) A private real estate school may provide in its bulletin information about courses that are not approved by the~~
23 ~~Commission and shall state that such courses are not approved or sanctioned by the Commission.~~

24 ~~(d) A private real estate school may not include in its bulletin any promotional information for a particular real estate~~
25 ~~broker, firm, franchise, or association, even if the entity being promoted owns the school.~~

26 ~~(e) A private real estate school shall retain the signed certification required by Paragraph (b)(6) of this Rule pursuant~~
27 ~~to Rule .0212 of this Section. The certification shall include:~~

- 28 ~~(1) the student's name;~~
- 29 ~~(2) the date;~~
- 30 ~~(3) the title of the course(s) for which the student is enrolling;~~
- 31 ~~(4) the course schedule, including the beginning and end date, and meeting days and times;~~
- 32 ~~(5) the amount of tuition and other required fees being paid by the particular student;~~
- 33 ~~(6) a provision whereby the school certifies that the school's bulletin has been provided to the student~~
34 ~~and that the student acknowledges receipt of the bulletin;~~
- 35 ~~(7) any provisions needed to address special accommodations or arrangements applicable to a particular~~
36 ~~student; and~~
- 37 ~~(8) the signatures of both the student and a school official.~~

1 (a) Course materials shall cover current North Carolina real estate related laws, rules, and practices. The nature and
2 depth of subject matter coverage shall be consistent with the competency and instructional levels prescribed by the
3 [Commission] syllabus for the course for which approval is sought.

4 (b) Postlicensing courses shall utilize the current edition of the North Carolina Real Estate Manual. The North
5 Carolina Real Estate Manual may be purchased on the Commission's website in electronic format for \$25 per license
6 year and as a print publication for \$50.

7

8 *History Note: Authority G.S. ~~93A-4(a)~~; 93A-4(d); 93A-33; 93A-34;*

9 *Eff. ~~July 1, 2017~~; July 1, 2017;*

10 *Amended Eff. July 1, 2020.*

11

1
2

Amended Eff. July 1, 2020.

1 21 NCAC 58H .0207 is amended with changes as published in 34:15 NCR 1348 as follows:

2
3 **21 NCAC 58H .0207** ~~SCHOOL ADVERTISING AND RECRUITMENT ACTIVITIES~~ COURSE
4 COMPLETION CERTIFICATES AND REPORTS

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

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

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

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

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

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

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

25 (a) For each Prelicensing course taught, an education provider shall provide a course completion certificate within
26 180 days of enrollment that is signed by the education director to each student that: [that within 180 days of
27 enrollment.]

- 28 (1) attends at least 80 percent of all scheduled instructional hours; and
29 (2) obtains a grade of at least a 75 percent on the end-of-course examination.

30 (b) For each Postlicensing course taught, an education provider shall provide a course completion certificate signed
31 by the education director to each student that:

- 32 (1) attends at least ninety percent of all scheduled instructional hours; and
33 (2) obtains a grade of at least a 75 percent on the end-of-course examination.

34 (c) The end-of-course examination shall be [proctored. Students] proctored and students shall not use textbooks or
35 [notes] other materials on the end-of-course examination. End-of-course examinations administered in a distance
36 education, blended learning, or synchronous distance-learning course shall include proctoring or other security

1 measures designed to verify the identity of the student taking the examination and ensure that students are not using
2 textbooks or other materials on the end-of-course examination.

3 (d) For each Continuing Education course taught, an education provider shall provide a course completion certificate
4 signed by the education director to each student that meets the requirements of 21 NCAC 58A .1705.

5 (e) The course completion certificate shall identify the course, date of completion, student, and instructor.

6 (f) An education director shall submit a Course Completion Report within seven calendar days of any student
7 completing any real estate course pursuant to the education provider's Policies and Procedures Disclosure. The Course
8 Completion Report shall include:

9 (1) each student's legal name;

10 (2) each student's email address and telephone number;

11 (3) each student's unique identification number, if reporting a Prelicensing course;

12 (4) each student's real estate broker license number, if applicable;

13 (5) the course completion date;

14 (6) the education provider's name and number;

15 (7) the course number; and

16 (8) the instructor's name and number;

17 (g) For each Prelicensing or Postlicensing course taught, an education director shall submit a Summary Report no
18 later than the fifth day of the month. The Summary Report shall contain the previous month's data. The Summary
19 Report shall include the:

20 (1) name of the instructor(s);

21 (2) title of course(s);

22 (3) number of students who paid tuition in each course and did not receive a refund;

23 (4) number of students who met all course requirements pursuant to Paragraph (a) and (b) of this Rule;
24 and

25 (5) number of students who satisfied Subparagraph (a)(1) and (b)(1) of this Rule but did not satisfy
26 Subparagraph (a)(2) and (b)(2) of this Rule.

27 (h) Education providers shall electronically submit the per student fee prescribed by G.S. 93A-4(a2) and G.S. 93A-
28 38.5(d).

29
30 *History Note: Authority G.S. 93A-4(d); 93A-33; 93A-34;*

31 *Eff. ~~July 1, 2017~~. July 1, 2017;*

32 *Amended Eff. July 1, 2020.*

33

1 21 NCAC 58H .0208 is amended as published in 34:15 NCR 1348 as follows:

2
3 **21 NCAC 58H .0208 PRELICENSING AND POSTLICENSING COURSE SCHEDULING AND**
4 **NOTIFICATION EDUCATION PROVIDER RECORDS**

5 ~~(a) All Prelicensing and Postlicensing courses shall have fixed beginning and ending dates. Schools shall not utilize~~
6 ~~a scheduling system that allows students to enroll late for a course and then complete their course work in a~~
7 ~~subsequently scheduled course. Late enrollment shall be permitted only if the enrolling student can satisfy the~~
8 ~~minimum attendance requirement set forth in Rule .0210 of this Section.~~

9 ~~(b) Schools shall notify the Commission of all scheduled Prelicensing and Postlicensing course offerings not later~~
10 ~~than 10 days prior to a scheduled course beginning date.~~

11 ~~(c) The notice required by Paragraph (b) of this Rule shall include:~~

- 12 ~~(1) the school name;~~
- 13 ~~(2) the school code number; and~~
- 14 ~~(3) for each scheduled course:~~
 - 15 ~~(A) the name and course code number;~~
 - 16 ~~(B) the scheduled beginning and ending dates;~~
 - 17 ~~(C) the course meeting days and times, including any scheduled lunch breaks; and~~
 - 18 ~~(D) the name of the instructor and instructor number.~~

19 ~~(d) If there is a change or cancellation within five days of the scheduled course date, then the school director shall~~
20 ~~provide notice to the Commission within 24 hours of the change or cancellation.~~

21 ~~(e) Class meetings shall not exceed seven and a half instructional hours per day and shall not exceed 30 instructional~~
22 ~~hours over any seven day period.~~

23 All education provider records shall be retained for three years by the education provider and be made available to the
24 Commission during an investigation or application process. Education provider records shall include:

- 25 (1) enrollment and attendance records;
- 26 (2) each student's end-of-course examination with grade and graded answer sheet;
- 27 (3) a master copy of each end-of-course examination with its answer key, course title, course dates and
28 name of instructor;
- 29 (4) all instructor evaluations pursuant to Rule .0203(d) of this Section;
- 30 (5) advertisements;
- 31 (6) ARELLO or IDECC certifications;
- 32 (7) bulletins, catalogues, Policies and Procedures Disclosure, and other official publications;
- 33 (8) course schedules;
- 34 (9) student course materials;
- 35 (10) signed certifications pursuant to Rule .0204(b)(6) of this Section; and
- 36 (11) statements of consent pursuant to Rule .0206(c) of this Section.

1 *History Note: Authority G.S. 93A-4;*
2 *Eff. ~~July 1, 2017~~, July 1, 2017;*
3 *Amended Eff. July 1, 2020.*
4

1 21 NCAC 58H .0209 is amended with changes as published in 34:15 NCR 1349 as follows:

2
3 **21 NCAC 58H .0209 POSTLICENSING COURSE ENROLLMENT EXPIRATION AND RENEWAL OF**
4 **EDUCATION PROVIDER CERTIFICATION**

5 ~~A school shall not enroll an individual in a Postlicensing course if:~~

- 6 (1) ~~the first day of the Postlicensing course occurs while the individual is enrolled in a Prelicensing~~
7 ~~course; or~~
8 (2) ~~the first day of the Postlicensing course occurs while the individual is taking another Postlicensing~~
9 ~~course at the same school or a different school if such enrollment results in the individual being in~~
10 ~~class for more than 30 instructional hours in any given seven day period.~~

11 (a) All education provider and public education provider certifications shall expire annually on June 30 following
12 certification.

13 (b) [An education provider or a public education provider shall file an electronic application for renewal of its
14 certification within 45 days immediately preceding expiration of certification on a form available on the Commission's
15 website. The certification renewal application form shall include:] An education provider or public education provider
16 seeking renewal of its certification shall submit an electronic application which shall include the following
17 information:

- 18 (1) the education provider or public education provider's:
19 (A) name;
20 (B) number;
21 (C) mailing address;
22 (D) telephone number; and
23 (E) website address, if applicable; and
24 (2) the education director's name and signature;
25 (3) all approved real estate courses offered;
26 (4) a copy of the education provider's Policies and Procedures Disclosure, if applicable; and
27 (5) proof of bond as required in G.S. 93A-36, if applicable.

28 (c) Public education providers shall not be charged any fees to renew the education provider certification or course
29 renewal.

30 (d) The education provider certification renewal fee shall be one hundred dollars (\$100.00) for each education
31 provider location.

32 (e) The renewal fee for an education provider to offer a Prelicensing or Postlicensing course at any of its locations
33 during the licensed period shall be twenty-five dollars (\$25.00) per Prelicensing or Postlicensing course.

34 (f) The renewal fee for an education provider to renew an approved continuing education elective course shall be fifty
35 dollars (\$50.00) per elective course.

36 (g) The materials fee for an education provider to renew an Update course approval shall be one hundred dollars
37 (\$100.00).

1 (h) If an education provider or public education provider certification has expired, the education provider shall submit
2 an application for original certification pursuant to Rule .0202 of this Subchapter.

3 (i) Commission approval of all Continuing Education courses shall expire on June 30. In order to obtain approval for
4 an expired Continuing Education course, an education provider shall submit an original application pursuant to Rule
5 .0401 of this Subchapter.

6 (j) If an education provider transfers an aggregate of 50 percent or more of the ownership interest, the education
7 provider shall notify the Commission in writing within 10 days of the transfer.

8

9 *History Note:* Authority *G.S. ~~93A-4(a1)~~; 93A-3(f); 93A-4; 93A-33; 93A-34(b); 93A-35(b); 93A-36; 93A-38.5(d);*

10 *Eff. July 1, 2017;*

11 *Amended Eff. July 1, 2020; July 1, 2019.*

12

1 21 NCAC 58H .0210 is amended as published in 34:15 NCR 1349 as follows:

2
3 **21 NCAC 58H .0210 PRELICENSING AND POSTLICENSING COURSE COMPLETION**
4 **STANDARDS DENIAL, WITHDRAWAL, OR TERMINATION OF EDUCATION**
5 **PROVIDER CERTIFICATION**

6 ~~(a) To complete a Prelicensing course, a student shall, at a minimum:~~

- 7 ~~(1) attend at least eighty percent of all scheduled credit hours for the course; and~~
- 8 ~~(2) obtain a grade of at least seventy five percent on the end of course examination.~~

9 ~~(b) To complete a Postlicensing course, a student shall, at a minimum:~~

- 10 ~~(1) attend at least ninety percent of all scheduled credit hours for the course; and~~
- 11 ~~(2) obtain a grade of at least seventy five percent on the end of course examination.~~

12 ~~(c) The end of course examination shall be completed in the classroom and proctored by the instructor or another~~
13 ~~school staff member. Students shall not use textbooks or notes on the end of course examination.~~

14 ~~(d) Prelicensing end of course examinations may be provided by the Commission for use by a licensed or approved~~
15 ~~school. If the Commission does not provide such end of course examination, or if a school elects not to use a~~
16 ~~Commission provided examination, the school shall use an examination that tests students' knowledge and mastery of~~
17 ~~the course subject matter. Upon the request of the Commission during an application or investigation, the school shall~~
18 ~~provide a copy of its end of course examination.~~

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

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

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

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

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

4 (a) The Commission may deny or withdraw certification of an education provider or suspend, revoke, or deny renewal
5 of the certification of an education provider upon finding that an education provider:

- 6 (1) official was found by a court or government agency of competent jurisdiction to have violated any
7 state or federal law;
- 8 (2) made any false statements or presented any false, incomplete, or incorrect information in connection
9 with an application;
- 10 (3) failed to provide or provided false, incomplete, or incorrect information in connection with any
11 report the education provider is required to submit to the Commission;
- 12 (4) presented to its students or prospective students false or misleading information relating to its
13 instructional program, to the instructional programs of other institutions, or related to employment
14 opportunities;
- 15 (5) collected money from students but refused or failed to provide the promised instruction;
- 16 (6) failed to submit the per student fee as required by G.S. 93A-4(a2) or 93A-38.5(d);
- 17 (7) refused at any time to permit authorized representatives of the Commission to inspect the education
18 provider's facilities or audit its courses;
- 19 (8) or education director violated the rules of this Subchapter or was disciplined by the Commission
20 under G.S. 93A-6;
- 21 (9) obtained or used, or attempted to obtain or use, in any manner or form, North Carolina real estate
22 license examination questions;
- 23 (10) failed to provide to the Commission a written plan describing the changes the education provider
24 made or intends to make in its instructional program including instructors, course materials, methods
25 of student evaluation, and completion standards to improve the performance of the education
26 provider's students on the license examination within 30 days of the Commission's request during
27 an investigation or application process;
- 28 (11) provided the Commission a fee that was dishonored by a bank or returned for insufficient funds;
- 29 (12) Certificate of Authority was revoked, subject to a revenue suspension, or subject to administrative
30 dissolution by the NC Secretary of State;
- 31 (13) failed to utilize course materials pursuant to Rule .0205 of this Section;
- 32 (14) failed to submit reports pursuant to Rule .0207 of this Section;
- 33 (15) provided false, incomplete, or misleading information relating to real estate licensing, education
34 matters, or the broker's education needs or license status; or
- 35 (16) refused or failed to comply with the provisions of this Subchapter.

36 (b) A broker shall be subject to discipline pursuant to G.S. 93A-6 if the broker engages in dishonest, fraudulent, or
37 improper conduct in connection with the operations of an education provider if that broker:

1 (1) has an ownership interest in the education provider;

2 (2) is the education director; or

3 (3) is an instructor for an education provider.

4 (c) The Commission shall withdraw an education provider's certification when its annual License Examination
5 Performance Record fails to exceed 40 percent in each of the previous two license years. Following withdrawal, the
6 education provider shall be ineligible to apply for certification for a period of one year.

7 (d) When ownership of a certified education provider is transferred and the education provider ceases to operate as
8 the certified entity, the certification is not transferable and shall terminate on the effective date of the transfer. All
9 courses shall be completed by the effective date of the transfer. The transferring owner shall report course
10 completion(s) to the Commission. The new entity shall obtain an original certification for each location where the
11 education provider will conduct courses as required by G.S. 93A-34 and Rule .0202 of this Section prior to advertising
12 courses, registering students, accepting tuition, conducting courses, or otherwise engaging in any education provider
13 operations.

14

15 *History Note:* Authority G.S. ~~93A-4; 93A-33;~~ 93A-4(d); 93A-34(c); 93A-35(c); 93A-38;

16 Eff. ~~July 1, 2017;~~ July 1, 2017;

17 Amended Eff. July 1, 2020.

18

1 21 NCAC 58H .0211 - .0215 are repealed as published in 34:15 NCR 1351 as follows:

2

3 **21 NCAC 58H .0211 PRELICENSING AND POSTLICENSING ROSTER REPORTING**

4 **21 NCAC 58H .0212 SCHOOL RECORDS**

5 **21 NCAC 58H .0213 EVALUATIONS OF INSTRUCTOR PERFORMANCE**

6 **21 NCAC 58H .0214 EXPIRATION AND RENEWAL OF A SCHOOL APPROVAL OR LICENSE**

7 **21 NCAC 58H .0215 DENIAL, WITHDRAWAL, OR TERMINATION OF SCHOOL APPROVAL OR**
8 **LICENSE**

9

10 *History Note: Authority G.S. 93A-4; 93A-33; 93A-34; 93A-35; 93A-36; 93A-38;*

11 *Eff. July 1, 2017;*

12 *Amended Eff. July 1, 2019; July 1, 2018;*

13 *Repealed Eff. July 1, 2020.*

14

1 21 NCAC 58H .0301 is amended with changes as published in 34:15 NCR 1351 as follows:

2
3 **SECTION .0300 – APPROVED INSTRUCTORS**

4
5 **21 NCAC 58H .0301 PRELICENSING, POSTLICENSING, AND UPDATE COURSE INSTRUCTOR**
6 **APPROVAL**

7 (a) Approval of an instructor to teach Prelicensing and Postlicensing courses shall authorize the instructor to teach
8 courses only in conjunction with and at ~~schools approved or licensed by the Commission~~ certified education providers
9 pursuant to Rule .0202 ~~or .0203~~ of this ~~Subchapter to conduct such courses.~~ Subchapter.

10 (b) An instructor approved to teach Prelicensing and Postlicensing courses may elect to also teach Update courses
11 upon initial approval, renewal, or any time while holding such approval.

12 (c) Approved instructors may teach Update courses for any ~~approved Update course sponsor pursuant to Rule .0402~~
13 certified education provider pursuant to Rule .0202 of this Subchapter. An approved instructor may not independently
14 conduct an Update course unless the instructor has also obtained ~~approval as an Update course sponsor.~~ certification
15 as an education provider.

16
17 *History Note: Authority G.S. 93A-4(d); 93A-33; 93A-34;*

18 *Eff. ~~July 1, 2017.~~ July 1, 2017;*

19 *Amended Eff. July 1, 2020.*

1 21 NCAC 58H .0302 is amended as published in 34:15 NCR 1351 as follows:

2
3 **21 NCAC 58H .0302 APPLICATION AND CRITERIA FOR ORIGINAL—PRELICENSING,**
4 **POSTLICENSING, OR UPDATE COURSE INSTRUCTOR APPROVAL**

5 (a) An individual seeking original instructor approval shall submit an application on a form available on the
6 Commission's website that shall require the instructor applicant to indicate the course(s) for which he or she is seeking
7 approval and set forth the instructor applicant's:

- 8 (1) legal name, address, email address, and telephone number;
- 9 (2) real estate license number and instructor number, if any, assigned by Commission;
- 10 (3) criminal and occupational licensing history, including any disciplinary actions;
- 11 (4) education background, including specific real estate education;
- 12 (5) experience in the real estate business;
- 13 (6) real estate teaching experience, if any;
- 14 (7) a signed Consent to Service of Process and Pleadings for nonresident applicants; and
- 15 (8) signature.

16 (b) An instructor applicant shall demonstrate that he or she possesses good reputation and character pursuant to G.S.
17 93A-34(c)(9) and has:

- 18 (1) a North Carolina real estate broker license that is not on provisional status;
- 19 (2) completed continuing education sufficient to activate a license under ~~21 NCAC 58A .1702~~; 21
20 NCAC 58A .1703;
- 21 (3) completed 60 semester hours of college-level education at an institution accredited by any college
22 accrediting body recognized by the U.S. Department of Education;
- 23 (4) completed the New Instructor Seminar within the previous six months; and
- 24 (5) within the previous seven years has either:
 - 25 (A) two years full-time experience in real estate brokerage with at least one year in North
26 Carolina;
 - 27 (B) three years of instructor experience at a secondary or post-secondary level;
 - 28 (C) real estate Prelicensing or Postlicensing instructor approval in another jurisdiction; or
 - 29 (D) qualifications found to be equivalent by the Commission, including a current North
30 Carolina law license and three years' full time experience in commercial or residential real
31 estate transactions or representation of real estate brokers or firms.

32 (c) In order to complete the New Instructor Seminar, a broker shall:

- 33 (1) attend at least ninety percent of all scheduled hours; and
- 34 (2) demonstrate the ability to teach a 15-minute block of a single Prelicensing topic in a manner
35 consistent with the course materials.

36 ~~(d) Instructors approved prior to July 1, 2019 shall be exempt from the New Instructor Seminar requirement pursuant~~
37 ~~to Paragraph (b)(4) of this Rule.~~

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

4

5 *History Note: Authority G.S. 93A-3(f); 93A-4; 93A-10; 93A-33; 93A-34;*

6 *Eff. July 1, 2017;*

7 *Amended Eff. July 1, 2020; July 1, 2019.*

8

21 NCAC 58H .0303 is amended with changes as published in 34:15 NCR 1352 as follows:

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

(a) 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)~~(5) 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;~~ investigation or application process;
- ~~(7)~~(6) 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)~~(7) has been found by a court or government agency of competent jurisdiction to have violated any state or federal regulation prohibiting discrimination;
- ~~(9)~~(8) has obtained, used, or attempted to obtain or use, in any manner or form, North Carolina real estate license examination questions;
- ~~(10)~~(9) has failed to take appropriate steps to protect the security of end-of-course ~~examinations pursuant to Rule .0210(g) of this Subchapter;~~ examinations;
- ~~(11)~~(10) 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)~~(11) engaged in any other improper, fraudulent, or dishonest conduct; ~~or~~
- (12) failed to utilize course materials pursuant to Rule .0205 of this Subchapter;
- (13) failed to comply with any other provisions of this Subchapter.

1 (b) The Commission shall withdraw an instructor's approval when their annual License Examination Performance
2 Record fails to exceed 40 percent in each of the previous two license years. Following withdrawal, the instructor shall
3 be ineligible to apply for approval for a period of one year.
4

5 *History Note: Authority G.S. 93A-4; 93A-33; 93A-34;*
6 *Eff. ~~July 1, 2017.~~ July 1, 2017;*
7 *Amended Eff. July 1, 2020.*
8

1 21 NCAC 58H .0304 is amended as published in 34:15 NCR 1352 as follows:

2
3 **21 NCAC 58H .0304 INSTRUCTOR CONDUCT AND PERFORMANCE**

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

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

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

30 ~~(c) Instructors teaching Prelicensing or Postlicensing courses shall:~~

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

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

1

2 *History Note:* Authority G.S. 93A-4; 93A-33; 93A-34;

3 *Eff. ~~July 1, 2017.~~ July 1, 2017;*

4 *Amended Eff. July 1, 2020.*

5

1 21 NCAC 58H .0305 is amended as published in 34:15 NCR 1353 as follows:

2

3 **21 NCAC 58H .0305 DIGITAL VIDEO RECORDINGS**

4 (a) Upon request of the Commission during an investigation, an education provider or approved instructor shall submit
5 a digital video recording ~~of the instructor teaching specified topics of a course, as identified by the Commission which~~
6 ~~the instructor is approved to teach.~~ depicting an instructor teaching a specified course topic.

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

10 ~~(e)~~(b) Any digital video recording submitted to the Commission shall:

- 11 (1) have been made within 12 months of the date of submission;
- 12 (2) be recorded either on a digital video disc (DVD), USB drive, or similar medium;
- 13 (3) be unedited;
- 14 (4) display a visible date and time stamp during the entire video recording;
- 15 (5) include a label identifying the instructor, the course title, subject being taught, ~~student materials~~
16 ~~used,~~ and dates of the video instruction;
- 17 (6) include student materials used in the production of the video recording;
- 18 ~~(6)~~(7) have visual and sound quality to allow reviewers to see and hear the instructor; and
- 19 ~~(7)~~(8) show at least a portion of the students present in a live audience.

20 ~~(d)~~(c) The deadline for any digital video recording requested during an investigation shall be 30 days after the date
21 of the next scheduled course, but no later than 120 days after the Commission's request.

22

23 *History Note: Authority G.S. 93A-4; 93A-33; 93A-34;*

24 *Eff. ~~July 1, 2017.~~ July 1, 2017;*

25 *Amended Eff. July 1, 2020.*

26

1 21 NCAC 58H .0401 is amended with changes as published in 34:15 NCR 1353 as follows:

2
3 **SECTION .0400 - CONTINUING EDUCATION REAL ESTATE COURSES**

4
5 **21 NCAC 58H .0401 APPLICABILITY APPROVAL OF A REAL ESTATE EDUCATION COURSE**

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

8 (a) Prior to obtaining the Commission's written approval of a real estate education course, education providers shall
9 not offer, advertise, or otherwise represent that any real estate education course is, or may be, approved for credit in
10 North Carolina.

11 (b) An education provider seeking original approval of a proposed course shall complete an application on a form
12 available on the Commission's website that requires the applicant to set forth the:

- 13 (1) title of the proposed course;
- 14 (2) education provider's legal name, address, and telephone number;
- 15 (3) education director's legal name;
- 16 (4) education provider's number;
- 17 (5) credit hours awarded for completing the course;
- 18 (6) subject matter of the course;
- 19 (7) identity of the course owner;
- 20 (8) written permission of the course owner, if other than the applicant;
- 21 (9) identity of prospective instructors;
- 22 (10) a description of the method by which the education provider will proctor the end-of-course
23 examination for Prelicensing and Postlicensing courses; and
- 24 (11) education director's signature.

25 (c) The application for original approval shall be accompanied by a copy of the course guide, which shall include:

- 26 (1) course objectives;
- 27 (2) learning objectives for each topic;
- 28 (3) a timed outline;
- 29 (4) instructional methods and aids to be employed; and
- 30 (5) all materials that will be provided to students.

31 (d) An applicant seeking approval to offer a [~~distance education or~~ distance education, synchronous distance-
32 learning, or blended learning course shall submit an application for original approval as well as:

- 33 (1) a full copy of the course on the medium to be utilized for [~~instruction;~~ instruction, except for
34 synchronous distance-learning;
- 35 (2) a description of the method by which the education provider will verify and record student
36 attendance;
- 37 (3) a list of hardware and software or other equipment necessary to both offer and complete the course;

- 1 (4) the contact information for the technical support service for the course;
- 2 (5) a copy of the student orientation and course tutorial information; and
- 3 ~~[(6) — a copy of the primary ARELLO or IDECC certification except for public education providers;~~
- 4 ~~providers and synchronous distance learning courses; and]~~
- 5 ~~[(7)]~~[6] all hardware and software necessary to review the submitted course at the expense of the [applicant;]
- 6 applicant, except for synchronous distance-learning;

7 (e) An education provider seeking approval to offer an already approved course shall complete an application on a
8 form available on the Commission's website that requires the applicant to set forth the:

- 9 (1) title of the course;
- 10 (2) applicant's legal name, address, and telephone number;
- 11 (3) applicant's education director's legal name;
- 12 (4) applicant's education provider number;
- 13 (5) identity of the course owner;
- 14 (6) written permission of the course owner, if other than the applicant;
- 15 (7) identity of prospective instructors, if applicable;
- 16 ~~[(8) — a copy of the secondary ARELLO or IDECC certification except for public education providers;]~~
- 17 ~~[(9)]~~[8] certification that the originally approved course will not be altered; and
- 18 ~~[(10)]~~[9] education director's signature.

19 (f) An education provider shall submit a one hundred dollar (\$100.00) fee for each application submitted pursuant to
20 Paragraph (e) of this Rule for any continuing education course. The application shall be deemed approved ten business
21 days after the Commission has received the application and fee, unless the Commission notifies the applicant
22 otherwise.

23 (g) An education provider shall submit a forty dollar (\$40.00) fee per Prelicensing or Postlicensing course offered at
24 any of its branch locations. No fee shall be required for public education providers or an agency of federal, state, or
25 local government.

26 (h) An education provider shall submit a one hundred dollar (\$100.00) fee per elective course. No fee shall be required
27 for public education providers or an agency of federal, state, or local government.

28 ~~[(i) Any distance education course approved by the Commission on or before July 1, 2020, shall not have to obtain~~
29 ~~ARELLO or IDECC certification until July 1, 2022.]~~

31 *History Note:* Authority G.S. 93A-3(c); 93A-4; 93A-33; 93A-34; 93A-38.5;
32 Eff. July 1, 2017; July 1, 2017;
33 Amended Eff. July 1, 2020.
34

21 NCAC 58H .0402 is amended with changes as published in 34:15 NCR 1354 as follows:

**21 NCAC 58H .0402 ~~APPLICATION FOR ORIGINAL APPROVAL OF CONTINUING EDUCATION~~
~~SPONSOR CONTINUING EDUCATION ELECTIVE COURSE REQUIREMENTS~~**

~~(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.~~

(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;

1 (C) three years' full-time experience within the previous 10 years teaching the subject matter
2 of the course; or

3 (D) education or experience or both found by the [Commission] education director to be
4 equivalent to one of the above standards.

5 (b) Education providers shall [obtain approval from] notify the Commission in writing before making any changes in
6 the content of an elective course. [Requests for approval of changes shall be in writing.] However, changes in course
7 content that are technical in nature do not require [approval] written notification during the approval period, but shall
8 be reported at the time the education provider requests renewal of course approval.

9
10 *History Note: Authority G.S. 93A-3(c); 93A-4.1; 93A-10; 93A-34; 93A-38.5;*
11 *Eff. July 1, 2017; July 1, 2017;*
12 *Amended Eff. July 1, 2020.*
13

1 21 NCAC 58H .0403 is amended with changes as published in 34:15 NCR 1355 as follows:

2
3 **21 NCAC 58H .0403** ~~CONTINUING EDUCATION COORDINATOR~~ **COMMISSION CREATED**
4 **UPDATE COURSES**

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

- 8 ~~(1) supervising the sponsor's continuing education courses;~~
- 9 ~~(2) ensuring continuing education elective courses are taught by instructors complying with Rule .0407~~
10 ~~of this Section;~~
- 11 ~~(3) ensuring elective courses are taught according to the course materials approved by the Commission;~~
- 12 ~~(4) ensuring only approved instructors who have taken the Update Course Seminar for the current~~
13 ~~license period teach Update Courses;~~
- 14 ~~(5) ensuring students are furnished with the approved course materials pursuant to Rule .0406 of this~~
15 ~~Section;~~
- 16 ~~(6) signing course completion certificates;~~
- 17 ~~(7) submitting to the Commission all required fees, rosters, reports, and other information; and~~
- 18 ~~(8) submitting to the Commission the name and the instructor number of each elective course instructor~~
19 ~~within 10 days of employment.~~

20 ~~(b) Each continuing education coordinator shall view the Commission's Continuing Education Coordinator video~~
21 ~~electronically within 30 days of initial designation and annually within 45 days immediately preceding expiration of~~
22 ~~sponsor approval.~~

23 (a) The Commission shall annually develop Update courses and shall produce instructor and student materials for use
24 by education providers.

25 (b) An education provider shall submit a one hundred dollar (\$100.00) materials fee to offer the Update course.

26 (c) An education provider seeking approval to offer a modified Update course pursuant to Paragraph (f) of this Rule
27 shall also submit the written permission of each of the course owners, if other than the applicant.

28 (d) Education providers shall use the Commission-developed course materials to conduct Update courses. Education
29 providers shall provide a copy of the course materials to each broker taking an Update course.

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

33 (f) With advance approval from the Commission, education providers and approved instructors may make
34 modifications to the Update course when the Update course is being promoted to and conducted for a group of brokers
35 that specialize in a particular area of real estate brokerage. Such modifications shall relate to the same general subject
36 matter addressed in the prescribed Update course and the Update course as modified shall achieve the same educational
37 objectives as the unmodified Update course. Where certain subject matter addressed in the prescribed Update course

1 is not directly applicable to the group of brokers who specialize in the particular area of real estate brokerage being
2 targeted, different subject matter and education objectives may be substituted with the prior written consent of the
3 Commission. All modified Update course materials shall be the joint property of the Commission and the education
4 provider or approved instructor approved to make such modifications, or as otherwise determined by written
5 agreement. Violation of the Commission's copyright with regard to these materials shall be grounds for disciplinary
6 action or other action as permitted by law.

7 [(e)](g) The Update Course shall be offered by education providers only as an in-person and synchronous distance-
8 learning course.

9
10 *History Note: Authority G.S. 93A-3; ~~93A-4.1~~; 93A-38.5;*

11 *Eff. ~~July 1, 2017~~; July 1, 2017;*

12 *Amended Eff. July 1, 2020.*

1 21 NCAC 58H .0404 is amended as published in 34:15 NCR 1355 as follows:

2
3 **21 NCAC 58H .0404 RENEWAL OF SPONSOR APPROVAL COURSE SCHEDULING**

4 ~~(a) Commission approval of all continuing education sponsors shall expire annually on June 30 following issuance~~
5 ~~of approval.~~

6 ~~(b) In order to ensure continuous sponsor approval, an approved sponsor shall file an electronic application for renewal~~
7 ~~of approval within the 45 days immediately preceding expiration of approval. The sponsor approval renewal~~
8 ~~application shall require the sponsor to set forth:~~

- 9 (1) ~~the legal name of sponsor and any assumed business name;~~
- 10 (2) ~~the sponsor number assigned by the Commission;~~
- 11 (3) ~~the sponsor's mailing address, telephone number, and email address;~~
- 12 (4) ~~the continuing education coordinator's legal name;~~
- 13 (5) ~~any criminal convictions or occupational licensure disciplinary action taken against any individual~~
14 ~~listed as owner(s) of the sponsor since last approval;~~
- 15 (6) ~~the name and course number of each continuing education elective course approved pursuant to~~
16 ~~Rule .0406 of this Section the applicant wishes to renew;~~
- 17 (7) ~~a certification that the continuing education coordinator has completed the Commission's video~~
18 ~~training pursuant to Rule .0403(b) of this Section;~~
- 19 (8) ~~a certification that its facilities and equipment are in compliance with all applicable local, state, and~~
20 ~~federal laws and regulations regarding health, safety, and welfare, including the Americans with~~
21 ~~Disabilities Act; and~~
- 22 (9) ~~the signature of the sponsor.~~

23 ~~(c) A continuing education sponsor also licensed or approved as a school may renew its continuing education sponsor~~
24 ~~approval on its school renewal form pursuant to Rule .0214 of this Subchapter.~~

25 ~~(d) Continuing education sponsors shall submit a fifty dollar (\$50.00) fee for each continuing education elective~~
26 ~~course the sponsor wishes to renew. No fee is required if the entity making application is a public school or is an~~
27 ~~agency of federal, state or local government.~~

28 ~~(e) Continuing education sponsors shall submit a one hundred dollar (\$100.00) materials fee if the sponsor wishes to~~
29 ~~renew approval to offer Update courses. No fee is required if the entity making application is a public real estate~~
30 ~~school or is an agency of federal, state, or local government.~~

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

35 (b) An education provider shall not offer, conduct, or allow a student to complete any continuing education course
36 [and offer continuing education credit] between June 11 and June 30, inclusive.

1 (c) An education provider offering a distance education Continuing Education course shall require students to
2 complete the course within 30 days of the date of registration or the date the student is provided the course materials
3 and permitted to begin work, whichever is the later date. [An education provider shall not offer, conduct, or allow a
4 student to complete any course for continuing education credit between June 11 and June 30, inclusive.]

5 (d) Education providers shall not utilize a scheduling system that allows students to enroll late for a course and then
6 complete their course work in a subsequently scheduled course. Late enrollment shall be permitted only if the enrolling
7 student can satisfy the minimum attendance requirement set forth in Rule .0207 of this Subchapter.

8 (e) Education providers shall notify the Commission of all scheduled course offerings no later than 10 days prior to
9 a scheduled course beginning date.

10 (f) The notice required by Paragraph (e) of this Rule shall include:

11 (1) the education provider name;

12 (2) the education provider number; and

13 (3) for each scheduled course:

14 (A) the name and course number;

15 (B) the scheduled beginning and ending dates, if applicable;

16 (C) the course meeting days and times, including any scheduled lunch breaks; and

17 (D) the name of the instructor and instructor number.

18 (g) If there is a change or cancellation within five days of the scheduled course date, then the education director shall
19 provide notice to the Commission within 24 hours of the change or cancellation.

20
21 *History Note: Authority G.S. 93A-3; ~~93A-4.1~~; 93A-38.5;*

22 *Eff. July 1, 2017;*

23 *Amended Eff. July 1, 2020; July 1, 2018.*

1 21 NCAC 58H .0405 - .0414 are repealed as published in 34:15 NCR 1356 as follows:

2

3 **21 NCAC 58H .0405 DENIAL OR WITHDRAWAL OF SPONSOR APPROVAL**

4 **21 NCAC 58H .0406 APPROVAL AND RENEWAL OF ELECTIVE COURSE**

5 **21 NCAC 58H .0407 CONTINUING EDUCATION ELECTIVE COURSE REQUIREMENTS**

6 **21 NCAC 58H .0408 COMMISSION CREATED UPDATE COURSES**

7 **21 NCAC 58H .0409 RECORDS AND COMMISSION REVIEW**

8 **21 NCAC 58H .0410 CONTINUING EDUCATION COURSE SCHEDULING AND NOTIFICATION**

9 **21 NCAC 58H .0411 CONTINUING EDUCATION COURSE ATTENDANCE**

10 **21 NCAC 58H .0412 CONTINUING EDUCATION ROSTER REPORTS AND CERTIFICATES**

11 **21 NCAC 58H .0413 CONTINUING EDUCATION COURSE COST, CANCELLATION, AND**
12 **REFUNDS**

13 **21 NCAC 58H .0414 ADVERTISING**

14

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

16 *Eff. July 1, 2017;*

17 *Repealed Eff. July 1, 2020.*

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