

## SUBCHAPTER 58H - REAL ESTATE EDUCATION

### SECTION .0100 – GENERAL

#### 21 NCAC 58H .0101 DEFINITIONS

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

- (1) "Assessment" means a quiz or evaluation that tests a student's mastery of the learning objective.
- (2) "Blended learning" means any combination of distance education, synchronous distance learning, and in-person methods of instruction.
- (3) "Branch location" means any location in addition to the principal address of an education provider that offers Prelicensing or Postlicensing Courses.
- (4) "Continuing education" means a continuing education elective or Update Course.
- (5) "Distance education" means a method of instruction accomplished through the use of media whereby teacher and student are separated by distance and time.
- (6) "End-of-course examination" means an examination administered at the conclusion of a course that tests students' knowledge and mastery of all course subjects mandated by the Commission prescribed course syllabus.
- (7) "Instructional hour" means 50 minutes of instruction and 10 minutes of break time.
- (8) "Instructor development program" means courses of instruction designed to assist real estate instructors in the performance of Prelicensing, Postlicensing, or continuing education instructor duties or in the development of teaching skills.
- (9) "Learning objective" means a statement of what a student will be able to do after completing a unit or course. A learning objective shall be structured in accordance with Bloom's Taxonomy.
- (10) "License Examination Performance Record" means the percentage of an instructor's or education provider's students who, within 30 days of completing a Prelicensing course pursuant to 21 NCAC 58H .0207(a), take and pass the license examination, as defined in 21 NCAC 58A .0402, on their first attempt.
- (11) "Postlicensing course" means any one of the courses comprising the 90 hour Postlicensing education program pursuant to G.S. 93A-4(a1) and 21 NCAC 58A .1902.
- (12) "Prelicensing course" means a single course consisting of at least 75 hours of instruction on subjects prescribed by the Commission pursuant to G.S. 93A-4(a).
- (13) "Public education provider" means any proprietary business or trade school licensed by the State Board of Community Colleges under G.S. 115D-90 or approved by the Board of Governors of the University of North Carolina that conducts approved real estate courses.
- (14) "Syllabus" means a document that includes each topic and subtopic addressed during the course and for each topic and subtopic describes the scope and depth of coverage, timing, and references to course materials, and also demonstrates opportunities for student interactions throughout the course, such as discussion boards, chat areas, group activities, and quizzes.
- (15) "Synchronous distance learning" means the instructor and students are separated only by distance and not time, allowing for real-time monitoring of student participation.
- (16) "Update Courses" means the General Update Course and the Broker-in-Charge Update Course.
- (17) "Unit" means a segment of distance education that is based upon a topic or subtopic in the course syllabus that lasts no longer than one hour.

*History Note:* Authority G.S. 93A-4; 93A-32; 93A-33; 93A-38.5;  
Eff. July 1, 2017;  
Amended Eff. January 1, 2021; July 1, 2020.

### SECTION .0200 - REAL ESTATE EDUCATION PROVIDERS

#### 21 NCAC 58H .0201 APPLICABILITY

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

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

*Amended Eff. July 1, 2020.*

**21 NCAC 58H .0202 APPLICATION FOR EDUCATION PROVIDER CERTIFICATION**

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

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

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

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

(f) An application from an individual or entity with an ownership interest of 10 percent or greater in a certified education provider that has been limited, denied, withdrawn, or terminated pursuant to Rule .0210 of this Section shall be denied if filed within one year from the effective date of the limitation, denial, withdrawal, or termination.

*History Note: Authority G.S. 93A-4; 93A-34; 93A-35;  
Eff. July 1, 2017;  
Amended Eff. July 1, 2023; July 1, 2020.*

**21 NCAC 58H .0203 EDUCATION DIRECTOR**

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

- (1) supervise all education provider operations related to the conduct of offering Prelicensing, Postlicensing, and Continuing Education courses;
- (2) ensure that each approved instructor meets the requirements of Rule .0302 of this Subchapter;

- (3) ensure that each continuing education elective course instructor meets the requirements of Rule .0402(a)(5) of this Subchapter;
  - (4) ensure each course utilizes course materials pursuant to Rule .0205 of this Section;
  - (5) sign course completion certificates;
  - (6) submit to the Commission all required fees, rosters, reports, and other information;
  - (7) submit to the Commission the name and the instructor number of each course instructor within 10 days of employment;
  - (8) ensure compliance with all statutory and rule requirements governing the certification and operation of the education provider;
  - (9) take steps to protect the security and integrity of course examinations at all times; and
  - (10) act as the education provider's liaison to the Commission.
- (b) Public education providers shall designate one permanent employee to serve as the education director.
- (c) The education director shall approve a guest lecturer prior to the guest lecturer teaching a course session. Education directors shall ensure that all guest lecturers possess experience related to the particular subject area the guest lecturer is teaching. Guest lecturers may be utilized to teach collectively up to one-fourth of any Prelicensing or Postlicensing course.
- (d) The education director shall ensure all instructors that teach Prelicensing or Postlicensing courses by methods other than distance education are observed at least once annually for a minimum of one hour of live uninterrupted instruction by either the education director or a Commission-approved Prelicensing or Postlicensing instructor present in the classroom. Education directors who are also instructors may, upon written request to the Commission, be evaluated by a Commission monitor. The evaluation shall be based on the instructor's teaching abilities pursuant to Rule .0304 of this Subchapter. The instructor shall receive the written evaluation of his or her instructional performance within 30 days of observation.
- (e) The education director for any education provider shall view the Commission's Education Director video electronically within 30 days of initial designation and annually within 45 days immediately preceding expiration of education provider certification.
- (f) Education providers shall notify the Commission within 10 days of any change in education director during the certification period.
- (g) The education director shall admit any Commission authorized representative to monitor any class or provide access to a distance education course without prior notice. Such representatives shall not be required to register or pay any fee and shall not be reported as having completed the course.
- (h) An education director shall dismiss a student from the course who is found to have cheated in any manner on a course examination and shall not award a passing grade or any partial completion of the course. The education director shall report the cheating incident in writing to the Commission within 10 days.

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

## **21 NCAC 58H .0204 POLICIES AND PROCEDURES DISCLOSURE**

- (a) An education provider shall publish a Policies and Procedures Disclosure for prospective students.
- (b) In addition to the information required by G.S. 93A-34(c)(5), an education provider's Policies and Procedures Disclosure shall include:
- (1) the name and address of the Commission, along with a statement that any complaints concerning the education provider or its instructors should be directed to the Commission;
  - (2) a statement that the education provider shall not discriminate in its admissions policy or practice against any person on the basis of age, sex, race, color, national origin, familial status, handicap status, or religion;
  - (3) the education provider's most recent annual License Examination Performance Record and the Annual Summary Report data as published by the Commission;
  - (4) the all-inclusive tuition and fees for each particular course;
  - (5) a written course cancellation and refund policy;
  - (6) a list of all course and reference materials required;
  - (7) the course completion requirements pursuant to Rule .0207 of this Section and 21 NCAC 58A .1705;

- (8) a statement referring the student to the Commission's website for the education provider's pass rate; and
  - (9) a signed certification acknowledging the student's receipt of the Policies and Procedures Disclosure prior to payment of any portion of tuition or registration fee.
- (c) In addition to the information required in Paragraph (b) of this Rule and G.S. 93A-34(c)(5), an education provider offering distance education, synchronous distance learning, or blended learning courses shall include:
- (1) a list of hardware and software or other equipment necessary to offer and complete the course;
  - (2) the contact information for technical support; and
  - (3) a description of how the end-of-course examination shall be administered to the student.

*History Note:* Authority G.S. 93A-4; 93A-33; 93A-34;  
Eff. July 1, 2017;  
Amended Eff. July 1, 2025; January 1, 2021; July 1, 2020.

#### **21 NCAC 58H .0205 COURSE MATERIALS**

- (a) All courses shall have course materials that cover current North Carolina real estate related laws, rules, and practices. The nature and depth of subject matter coverage shall be consistent with the competency and instructional levels prescribed by the syllabus for the course for which approval is sought.
- (b) Postlicensing courses shall utilize the current edition of the North Carolina Real Estate Manual. The North Carolina Real Estate Manual may be purchased on the Commission's website in electronic format for twenty five dollars (\$25.00) per license year and as a print publication for fifty dollars (\$50.00).
- (c) Education providers shall verify each student has the course materials no later than the first class session.

*History Note:* Authority G.S. 93A-4(d); 93A-33; 93A-34;  
Eff. July 1, 2017;  
Amended Eff. January 1, 2021; July 1, 2020.

#### **21 NCAC 58H .0206 ADVERTISING AND RECRUITMENT ACTIVITIES**

- (a) Any education provider utilizing its License Examination Performance Record or Annual Summary Report for advertising or promotional purposes shall only use the most recent annual License Examination Performance Record or Annual Summary Report as published on the Commission's website in a manner that is not misleading or false.
- (b) Education providers shall not make or publish, by way of advertising or otherwise, any false or misleading statement regarding employment opportunities that may be available as a result of completion of a course offered by that education provider or acquisition of a real estate license.
- (c) Education providers shall not use endorsements or recommendations of any person or organization for advertising or otherwise unless such person or organization has consented in writing to the use of the endorsement or recommendation. In no case shall any person or organization be compensated for an endorsement or recommendation.
- (d) Education providers shall not offer Postlicensing courses only for brokers affiliated with a particular real estate broker, firm, franchise, or association.
- (e) Education providers may offer and advertise courses in addition to those approved by the Commission pursuant to this Subchapter provided that references to such courses are not made or published in a manner that implies approval by the Commission.
- (f) Instructional time and materials shall be utilized for instructional purposes only.
- (g) All Continuing Education course advertisements and promotional materials shall specify the number of Continuing Education credit hours to be awarded by the Commission for the course.
- (h) The education provider name shall be used in all publications and advertising.

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

#### **21 NCAC 58H .0207 COURSE COMPLETION CERTIFICATES AND REPORTS**

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

- (1) in synchronous distance learning and in-person courses attend at least 80 percent of all scheduled instructional hours or in distance education completes all units and assessments; and
  - (2) obtains a grade of at least a 75 percent on the end-of-course examination.
- (b) For each Postlicensing course taught, an education provider shall provide a course completion certificate within 180 days of enrollment that is signed by the education director to each student that:
  - (1) in synchronous distance learning and in-person courses attend at least 90 percent of all scheduled instructional hours or in distance education completes all units and assessments; and
  - (2) obtains a grade of at least a 75 percent on the end-of-course examination.
- (c) The end-of-course examination shall be proctored and students shall not use textbooks or other materials on the end-of-course examination. End-of-course examinations administered in a distance education, blended learning, or synchronous distance learning course shall include proctoring or other security measures designed to verify the identity of the student taking the examination and ensure that students are not using textbooks or other materials on the end-of-course examination.
- (d) For each continuing education course taught, an education provider shall provide a course completion certificate signed by the education director to each student that meets the requirements of 21 NCAC 58A .1705.
- (e) The course completion certificate shall identify the course, date of completion, student, and instructor.
- (f) An education director shall submit a Course Completion Report within seven calendar days of any student completing any real estate course pursuant to the education provider's Policies and Procedures Disclosure. The Course Completion Report shall include:
  - (1) each student's legal name;
  - (2) each student's email address and telephone number;
  - (3) each student's unique identification number, if reporting a Prelicensing course;
  - (4) each student's real estate broker license number, if applicable;
  - (5) the course completion date;
  - (6) the education provider's name and number;
  - (7) the course number; and
  - (8) the instructor's name and number.
- (g) For each Prelicensing or Postlicensing course taught, an education director shall submit a Summary Report no later than the fifth day of the month. The Summary Report shall contain the previous month's data. The Summary Report shall include the:
  - (1) name of the instructor(s);
  - (2) title of course(s);
  - (3) number of students who paid tuition in each course and did not receive a refund;
  - (4) number of students who met all course requirements pursuant to Paragraph (a) and (b) of this Rule; and
  - (5) number of students who satisfied Subparagraphs (a)(1) and (b)(1) of this Rule but did not satisfy Subparagraphs (a)(2) and (b)(2) of this Rule.
- (h) Education providers shall electronically submit the per student fee prescribed by G.S. 93A-4(a2) and G.S. 93A-38.5(d). No fee shall be required for public education providers or an agency of federal, state, or local government.

*History Note: Authority G.S. 93A-4(d); 93A-33; 93A-34;  
 Eff. July 1, 2017;  
 Amended Eff. January 1, 2021; July 1, 2020.*

## **21 NCAC 58H .0208 EDUCATION PROVIDER RECORDS**

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

- (1) enrollment and attendance records;
- (2) each student's end-of-course examination with grade and graded answer sheet;
- (3) a master copy of each end-of-course examination with its answer key, course title, course dates and name of instructor;
- (4) all instructor evaluations pursuant to Rule .0203(d) of this Section;
- (5) advertisements;
- (6) ARELLO or IDECC certifications;
- (7) bulletins, catalogues, Policies and Procedures Disclosure, and other official publications;
- (8) course schedules;

- (9) student course materials;
- (10) signed certifications pursuant to Rule .0204(b)(6) of this Section; and
- (11) statements of consent pursuant to Rule .0206(c) of this Section.

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

## **21 NCAC 58H .0209 EXPIRATION AND RENEWAL OF EDUCATION PROVIDER CERTIFICATION**

- (a) All education provider and public education provider certifications shall expire annually on June 30 following certification.
- (b) An education provider or public education provider seeking renewal of its certification shall submit an electronic application which shall include the following information:
  - (1) the education provider or public education provider's:
    - (A) name;
    - (B) number;
    - (C) mailing address;
    - (D) telephone number; and
    - (E) website address, if applicable; and
  - (2) the education director's name and signature;
  - (3) all approved real estate courses offered;
  - (4) a copy of the education provider's Policies and Procedures Disclosure, if applicable; and
  - (5) a certification that the course meets the requirements of this Subchapter.
- (c) Public education providers shall not be charged any fees to renew the education provider certification or course renewal.
- (d) The education provider certification renewal fee shall be one hundred dollars (\$100.00) for each education provider location.
- (e) The renewal fee for an education provider to offer a Prelicensing or Postlicensing course at any of its locations during the licensed period shall be twenty-five dollars (\$25.00) per Prelicensing or Postlicensing course.
- (f) The renewal fee for an education provider to renew an approved continuing education elective course shall be fifty dollars (\$50.00) per elective course.
- (g) The materials fee for an education provider to renew an Update course approval shall be one hundred dollars (\$100.00).
- (h) If an education provider or public education provider certification has expired, the education provider shall submit an application for original certification pursuant to Rule .0202 of this Subchapter.
- (i) Commission approval of all continuing education courses shall expire on June 30. In order to obtain approval for an expired continuing education course, an education provider shall submit an original application pursuant to Rule .0401 of this Subchapter.
- (j) If an education provider transfers an aggregate of 50 percent or more of the ownership interest, the education provider shall notify the Commission in writing within 10 days of the transfer.
- (k) On or before July 1, 2021, all education providers shall modify approved courses to comply with this Subchapter.

*History Note: Authority G.S. 93A-3(f); 93A-4; 93A-33; 93A-34(b); 93A-35(b); 93A-36; 93A-38.5(d);  
Eff. July 1, 2017;  
Amended Eff. January 1, 2022; January 1, 2021; July 1, 2020; July 1, 2019.*

## **21 NCAC 58H .0210 LIMITATION, DENIAL, WITHDRAWAL, OR TERMINATION OF EDUCATION PROVIDER CERTIFICATION**

- (a) The Commission may limit, deny, or withdraw certification of an education provider or suspend, revoke, or deny renewal of the certification of an education provider upon finding that an education provider:
  - (1) was found by a court or government agency of competent jurisdiction to have violated any state or federal law;
  - (2) made any false statements or presented any false, incomplete, or incorrect information in connection with an application;

- (3) failed to provide or provided false, incomplete, or incorrect information in connection with any report the education provider is required to submit to the Commission;
  - (4) presented to its students or prospective students false or misleading information relating to its instructional program, to the instructional programs of other institutions, or related to employment opportunities;
  - (5) collected money from students but refused or failed to provide the promised instruction;
  - (6) failed to submit the per student fee as required by G.S. 93A-4(a2) or 93A-38.5(e).
  - (7) refused at any time to permit authorized representatives of the Commission to inspect the education provider's facilities or audit its courses;
  - (8) or education director violated the rules of this Subchapter or was disciplined by the Commission under G.S. 93A-6;
  - (9) obtained or used, or attempted to obtain or use, in any manner or form, North Carolina real estate license examination questions;
  - (10) failed to provide to the Commission, within 30 days of the Commission's request during an investigation or application process, a written plan describing the changes the education provider made or intends to make in its instructional program including instructors, course materials, methods of student evaluation, and completion standards to improve the performance of the education provider's students on the license examination;
  - (11) provided the Commission a fee that was dishonored by a bank or returned for insufficient funds;
  - (12) has had its Certificate of Authority revoked by the NC Secretary of State pursuant to G.S. 55-15-30;
  - (13) has been subject to a revenue suspension or suspended by the NC Secretary of State pursuant to G.S. 105-230;
  - (14) has been administratively dissolved by the NC Secretary of State pursuant to G.S. 57D-6-06;
  - (15) failed to utilize course materials pursuant to Rule .0205 of this Section;
  - (16) failed to submit reports pursuant to Rule .0207 of this Section;
  - (17) provided false, incomplete, or misleading information relating to real estate licensing, education matters, or the broker's education needs or license status;
  - (18) discriminated in its admissions policy or practice against any person on the basis of age, sex, race, color, national origin, familial status, handicap status, or religion; or
  - (19) refused or failed to comply with the provisions of this Subchapter.
- (b) A broker shall be subject to discipline pursuant to G.S. 93A-6 if the broker engages in dishonest, fraudulent, or improper conduct in connection with the operations of an education provider if that broker:
- (1) has an ownership interest in the education provider;
  - (2) is the education director; or
  - (3) is an instructor for an education provider.
- (c) If an education provider's annual License Examination Performance Record fails to exceed 40 percent in each of the previous two license years and the education provider was certified by the Commission during the entire two years, the Commission shall limit the education provider's certification such that the education provider shall not offer prelicensing or postlicensing courses. Said limitation shall be effective July 1<sup>st</sup> of the calendar year following the Commission's determination.
- The education provider shall be eligible to have the limitation removed one year after the limitation is imposed provided that the education provider has:
- (1) provided a written plan describing the changes the education provider has made or intends to make in its instructional program to improve the performance of the students on the license examination;
  - (2) consulted with a designated Commission staff member to review the written plan and needs for improvement; and
  - (3) employed an instructor with no limitations to teach prelicensing and postlicensing courses.
- (d) A limited education provider is eligible to renew its certification; however, a renewal shall not remove the limitations provided under Paragraph (c) of this Rule.
- (e) When ownership of a certified education provider is transferred and the education provider ceases to operate as the certified entity, the certification is not transferable and shall terminate on the effective date of the transfer. All courses shall be completed by the effective date of the transfer. The transferring owner shall report course completion(s) to the Commission. The new entity shall obtain an original certification for each location where the education provider will conduct courses as required by G.S. 93A-34 and Rule .0202 of this Section prior to

advertising courses, registering students, accepting tuition, conducting courses, or otherwise engaging in any education provider operations.

*History Note:* Authority G.S. 93A-4(d); 93A-34(c); 93A-35(c); 93A-38;  
Eff. July 1, 2017;  
Amended Eff. July 1, 2022; July 1, 2021; July 1, 2020.

<b>21 NCAC 58H .0211</b>	<b>PRELICENSING AND POSTLICENSING ROSTER REPORTING</b>
<b>21 NCAC 58H .0212</b>	<b>SCHOOL RECORDS</b>
<b>21 NCAC 58H .0213</b>	<b>EVALUATIONS OF INSTRUCTOR PERFORMANCE</b>
<b>21 NCAC 58H .0214</b>	<b>EXPIRATION AND RENEWAL OF A SCHOOL APPROVAL OR LICENSE</b>
<b>21 NCAC 58H .0215</b>	<b>DENIAL, WITHDRAWAL, OR TERMINATION OF SCHOOL APPROVAL OR LICENSE</b>

*History Note:* Authority G.S. 93A-4; 93A-33; 93A-34; 93A-35; 93A-36; 93A-38;  
Eff. July 1, 2017;  
Amended Eff. July 1, 2019; July 1, 2018;  
Repealed Eff. July 1, 2020.

**21 NCAC 58H .0216 LIMITED EDUCATION PROVIDER PETITION FOR RECONSIDERATION**

- (a) An education provider may submit a written petition to reconsider the determination made pursuant to Rule .0210(c) of this Section. The petition shall be accompanied by any documentary evidence that contradicts the Commission's determination pursuant to Rule .0210(c) of this Section.
- (b) The petition pursuant to Paragraph (a) of this Rule shall be submitted to the Commission within 60 days from the date of receipt of notification of the certification limitation or the Commission's determination shall be final.
- (c) The Commission shall review a petition pursuant to Paragraph (b) of this Rule and any response submitted in writing by Commission staff and enter a final determination within 90 days from the date of receipt of such petition.

*History Note:* Authority G.S. 93A-3(c); 93A-4(d); 93A-38;  
Eff. July 1, 2023.

**SECTION .0300 – APPROVED INSTRUCTORS**

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

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

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

**21 NCAC 58H .0302 APPLICATION AND CRITERIA FOR INSTRUCTOR APPROVAL**

- (a) An individual seeking original instructor approval shall submit an application on a form available on the Commission's website that shall require the instructor applicant to indicate the course(s) for which approval is being sought and set forth the instructor applicant's:
- (1) legal name, address, email address, and telephone number;
  - (2) real estate license number and instructor number, if any, assigned by Commission;
  - (3) criminal and occupational licensing history, including any disciplinary actions;
  - (4) education background, including specific real estate education;
  - (5) experience in the real estate business;
  - (6) real estate teaching experience, if any;



- (7) signed Consent to Service of Process and Pleadings for nonresident applicants; and
  - (8) signature.
- (b) An instructor applicant shall demonstrate that the instructor applicant possesses good reputation and character pursuant to G.S. 93A-34(c)(9) and has:
- (1) a North Carolina real estate broker license that is not on provisional status;
  - (2) completed continuing education sufficient to activate a license under 21 NCAC 58A .1703;
  - (3) completed 60 semester hours of college-level education at an institution accredited by any college accrediting body recognized by the U.S. Department of Education;
  - (4) completed the New Instructor Seminar within the previous six months; and
  - (5) within the previous seven years has either:
    - (A) two years full-time experience in real estate brokerage with at least one year in North Carolina;
    - (B) three years of instructor experience at a secondary or post-secondary level;
    - (C) real estate Prelicensing or Postlicensing instructor approval in another jurisdiction; or
    - (D) qualifications found to be equivalent by the Commission, including a current North Carolina law license and three years' full time experience in commercial or residential real estate transactions or representation of real estate brokers or firms.
- (c) In order to complete the New Instructor Seminar, a broker shall:
- (1) attend at least ninety percent of all scheduled hours; and
  - (2) demonstrate the ability to teach a 15-minute block of a single Prelicensing topic in a manner consistent with the course materials.
- (d) Prior to teaching any Update course, an approved instructor shall take the Commission's annual Update Instructor Seminar for the current license period and attend at least 90 percent of all scheduled hours. The Update Instructor Seminar shall not be used to meet the requirement in Rule .0306(b)(4) of this Section.

*History Note:* Authority G.S. 93A-3(f); 93A-4; 93A-10; 93A-33; 93A-34;  
 Eff. July 1, 2017;  
 Amended Eff. July 1, 2023; July 1, 2020; July 1, 2019.

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

- (a) The Commission may limit, 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 failed to provide to the Commission, within 30 days of the Commission's request during an investigation or application process, 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;
  - (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;
  - (7) has been found by a court or government agency of competent jurisdiction to have violated any state or federal regulation prohibiting discrimination;
  - (8) has obtained, used, or attempted to obtain or use, in any manner or form, North Carolina real estate license examination questions except that the instructor or instructor applicant may sit for their own initial examination for licensure;
  - (9) has failed to take steps to protect the security of end-of-course examinations;
  - (10) failed to take any corrective action set out in the plan described in Subparagraph (a)(5) of this Rule or as otherwise requested by the Commission;

- (11) engaged in any other improper, fraudulent, or dishonest conduct;
  - (12) failed to utilize course materials pursuant to Rule .0205 of this Subchapter;
  - (13) has taught or conducted a course in any manner that discriminated against any person on the basis of age, sex, race, color, national origin, familial status, handicap status, or religion; or
  - (14) failed to comply with any other provisions of this Subchapter.
- (b) If an instructor's annual License Examination Performance Record fails to exceed 40 percent in each of the previous two license years and the instructor was approved by the Commission during the entire previous two years, the Commission shall limit the instructor's approval such that the instructor shall not teach prelicensing or postlicensing courses. Said limitation shall be effective July 1<sup>st</sup> of the calendar year following the Commission's determination.
- The instructor shall be eligible to have the limitation removed one year after the limitation is imposed provided that the instructor has:
- (1) provided 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 students on the license examination;
  - (2) consulted with a designated Commission staff member to review the written plan and needs for improvement; and
  - (3) attended the Commission's New Instructor Seminar.
- (c) A limited instructor is eligible to renew an instructor approval; however, a renewal shall not remove the limitations provided under Paragraph (b) of this Rule.

*History Note:* Authority G.S. 93A-4; 93A-33; 93A-34;  
 Eff. July 1, 2017;  
 Amended Eff. July 1, 2022; July 1, 2021; July 1, 2020.

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

- (a) All instructors shall ensure that class sessions are conducted at the scheduled time and for the full amount of time that is scheduled or required. Instructors shall conduct courses in accordance with the Commission's rules, and any applicable course syllabi, instructor guide, or course plan. Instructors shall conduct classes demonstrating the ability to:
- (1) state student learning objectives at the beginning of the course and present accurate and relevant information;
  - (2) communicate correct grammar and vocabulary;
  - (3) utilize a variety of instructional techniques that require students to analyze and apply course content, including teacher-centered approaches, such as lecture and demonstration, and student-centered approaches, such as lecture discussion, reading, group problem solving, case studies, and scenarios;
  - (4) utilize instructional aids, such as:
    - (A) whiteboards;
    - (B) sample forms and contracts;
    - (C) pictures;
    - (D) charts; and
    - (E) videos.
  - (5) utilize assessment tools, such as:
    - (A) in-class or homework assignments, and
    - (B) quizzes and midterm examinations for Prelicensing and Postlicensing courses.
  - (6) avoid criticism of any other person, agency, or organization;
  - (7) identify key concepts and correct student misconceptions; and
  - (8) maintain control of the class.
- (b) Instructors shall not obtain, use, or attempt to obtain or use, in any manner or form, North Carolina real estate license examination questions.

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

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

- (a) Upon request of the Commission during an investigation, an education provider or approved instructor shall submit a digital video recording depicting an instructor teaching a specified course topic.
- (b) Any digital video recording submitted to the Commission shall:
  - (1) have been made within 12 months of the date of submission;
  - (2) be recorded either on a digital video disc (DVD), USB drive, or similar medium;
  - (3) be unedited;
  - (4) display a visible date and time stamp during the entire video recording;
  - (5) include a label identifying the instructor, the course title, subject being taught, and dates of the video instruction;
  - (6) include student materials used in the production of the video recording;
  - (7) have visual and sound quality to allow reviewers to see and hear the instructor; and
  - (8) show at least a portion of the students present in a live audience.
- (c) The deadline for any digital video recording requested during an investigation shall be 30 days after the date of the next scheduled course, but no later than 120 days after the Commission's request.

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

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

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

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

#### **21 NCAC 58H .0307 LIMITED INSTRUCTOR PETITION FOR RECONSIDERATION**

- (a) An instructor may submit a written petition to reconsider the determination made pursuant to Rule .0303(b) of this Section. The petition shall be accompanied by any documentary evidence that contradicts the Commission's determination pursuant to Rule .0303(b) of this Section.
- (b) The petition pursuant to Paragraph (a) of this Rule shall be submitted to the Commission within 60 days from the date of receipt of notification of the approval limitation or the Commission's determination shall be final.
- (c) The Commission shall review a petition pursuant to Paragraph (b) of this Rule and any response submitted in writing by Commission staff and enter a final determination within 90 days from the date of receipt of such petition.

*History Note:* Authority G.S. 93A-3(c); 93A-4(d);  
Eff. July 1, 2023.

### **SECTION .0400 - REAL ESTATE COURSES**

## **21 NCAC 58H .0401      APPROVAL OF A REAL ESTATE EDUCATION COURSE**

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

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

- (1) the title of the proposed course;
- (2) the education provider's legal name, address, and telephone number;
- (3) the education director's legal name and signature;
- (4) the education provider's number;
- (5) the credit hours awarded for completing the course;
- (6) the subject matter of the course;
- (7) the identity of the course owner;
- (8) the written permission of the course owner, if other than the applicant;
- (9) the identity of prospective instructors;
- (10) a description of the method by which the education provider will proctor the end-of-course examination for Prelicensing and Postlicensing courses;
- (11) a description of the mechanism used for verification of possession of required course materials; and
- (12) a copy of the course guide, which shall include:
  - (A) course objectives;
  - (B) learning objectives for each topic;
  - (C) a course syllabus;
  - (D) instructional methods and aids to be employed; and
  - (E) all course materials that will be provided to students.

(c) An applicant seeking approval to offer a distance education course shall submit an application for original approval pursuant to Paragraph (b) of this Rule as well as:

- (1) a full copy of the course on the medium to be utilized for instruction;
- (2) a description of the method by which the education provider will verify and record student attendance;
- (3) a list of hardware and software or other equipment necessary to both offer and complete the course;
- (4) the contact information for the technical support service for the course;
- (5) all hardware and software necessary to review the submitted course at the expense of the applicant; and
- (6) an outline demonstrating the course meets the minimum course hours measured by a reading speed of 225 words per minute and the actual duration of audio and video files.

(d) An applicant seeking approval to offer a synchronous distance learning course shall submit an application for original approval pursuant to Paragraph (b) of this Rule as well as:

- (1) a description of the method by which the education provider will verify and record student attendance;
- (2) a list of hardware and software or other equipment necessary to both offer and complete the course; and
- (3) the contact information for the technical support service for the course.

(e) An applicant seeking approval to offer a blended learning course shall submit an application for original approval pursuant to Paragraph (b) of this Rule as well as the additional information pursuant to Paragraphs (c) and (d) of this Rule, as applicable, for each instructional method.

(f) An application pursuant to Paragraph (c) of this Rule shall not be approved by the Commission if:

- (1) the course cannot be reviewed in its entirety; or
- (2) the course does not meet the minimum course hours pursuant to G.S. 93A-4 and 21 NCAC 58A .1702 measured by a reading speed of 225 words per minute and the actual duration of audio and video files.

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

- (1) title of the course;
- (2) applicant's legal name, address, and telephone number;

- (3) applicant's education director's legal name;
  - (4) applicant's education provider number;
  - (5) identity of the course owner;
  - (6) written permission of the course owner, if other than the applicant;
  - (7) identity of prospective instructors;
  - (8) certification that the originally approved course will not be altered;
  - (9) a description of the mechanism used for verification of possession of required course materials;
  - (10) a description of the method by which the education provider will proctor the end-of-course examination for Prelicensing and Postlicensing courses;
  - (11) a description of the method by which the education provider will verify and record student attendance;
  - (12) education director's signature; and
  - (13) for synchronous distance learning courses:
    - (A) a list of hardware and software or other equipment necessary to both offer and complete the course; and
    - (B) the contact information for the technical support service for the course.
- (h) An education provider shall submit a one hundred dollar (\$100.00) fee for each application submitted pursuant to Paragraph (g) of this Rule for any continuing education course. The application shall be deemed approved ten business days after the Commission has received the application and fee, unless the Commission notifies the applicant otherwise.
- (i) An education provider shall submit a forty dollar (\$40.00) fee per Prelicensing or Postlicensing course offered at any of its branch locations. No fee shall be required for public education providers or an agency of federal, state, or local government.
- (j) An education provider shall submit a one hundred dollar (\$100.00) fee per elective course. No fee shall be required for public education providers or an agency of federal, state, or local government.

*History Note:* Authority G.S. 93A-3(c); 93A-4; 93A-33; 93A-34; 93A-38.5;  
 Eff. July 1, 2017;  
 Amended Eff. August 1, 2021; January 1, 2021; July 1, 2020.

## **21 NCAC 58H .0402 CONTINUING EDUCATION ELECTIVE COURSE REQUIREMENTS**

(a) Continuing education elective courses shall:

- (1) cover subject matter related to real estate brokerage practice and offer knowledge or skills that will enable brokers to better serve real estate consumers and the public interest;
- (2) consist of at least four hours of instruction;
- (3) offer four continuing education credit hours;
- (4) include handout materials for students that provide the information to be presented in the course; and
- (5) be taught only by an instructor who possesses at least one of the following:
  - (A) a baccalaureate or higher degree in a field related to the subject matter of the course;
  - (B) three years' full-time work experience within the previous 10 years that is related to the subject matter of the course;
  - (C) three years' full-time experience within the previous 10 years teaching the subject matter of the course; or
  - (D) education or experience or both found by the education director to be equivalent to one of the above standards.

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

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

## **21 NCAC 58H .0403 COMMISSION CREATED UPDATE COURSES**

- (a) The Commission shall annually develop Update courses and shall produce instructor and student materials for use by education providers.
- (b) An education provider shall submit a one hundred dollar (\$100.00) materials fee to offer the Update course.
- (c) An education provider seeking approval to offer a modified Update course pursuant to Paragraph (f) of this Rule shall also submit the written permission of each of the course owners, if other than the applicant.
- (d) Education providers shall use the Commission-developed course materials to conduct Update courses. Education providers shall provide a copy of the course materials to each broker taking an Update course.
- (e) All Update course materials developed by the Commission are the sole property of the Commission and are subject to the protection of copyright laws. Violation of the Commission's copyright with regard to these materials shall be grounds for disciplinary action or other action as permissible by law.
- (f) With advance approval from the Commission, education providers and approved instructors may make modifications to the Update course when the Update course is being promoted to and conducted for a group of brokers that specialize in a particular area of real estate brokerage. Such modifications shall relate to the same general subject matter addressed in the prescribed Update course and the Update course as modified shall achieve the same educational objectives as the unmodified Update course. Where certain subject matter addressed in the prescribed Update course is not directly applicable to the group of brokers who specialize in the particular area of real estate brokerage being targeted, different subject matter and education objectives may be substituted with the prior written consent of the Commission. All modified Update course materials shall be the joint property of the Commission and the education provider or approved instructor approved to make such modifications, or as otherwise determined by written agreement. Violation of the Commission's copyright with regard to these materials shall be grounds for disciplinary action or other action as permitted by law.
- (g) The Update Course shall be offered by education providers only as an in-person and synchronous distance-learning course.

*History Note: Authority G.S. 93A-3; 93A-38.5;  
Eff. July 1, 2017;  
Amended Eff. July 1, 2020.*

## **21 NCAC 58H .0404 COURSE SCHEDULING**

- (a) Continuing Education courses shall be scheduled and conducted in a manner that limits class sessions to a maximum of eight instructional hours in any given day. The maximum permissible class session without a break shall be 90 minutes. Courses scheduled for more than four instructional hours in any given day shall include a meal break of at least one hour.
- (b) An education provider shall not offer, conduct, or allow a student to complete any continuing education course between June 11 and June 30, inclusive.
- (c) An education provider offering a distance education Continuing Education course shall require students to complete the course within 30 days of the date of registration or the date the student is provided the course materials and permitted to begin work, whichever is the later date.
- (d) Education providers shall not utilize a scheduling system that allows students to enroll late for a course and then complete their course work in a subsequently scheduled course. Late enrollment shall be permitted only if the enrolling student can satisfy the minimum attendance requirement set forth in Rule .0207 of this Subchapter.
- (e) Education providers shall notify the Commission of all scheduled course offerings no later than 10 days prior to a scheduled course beginning date.
- (f) The notice required by Paragraph (e) of this Rule shall include:
  - (1) the education provider name;
  - (2) the education provider number; and
  - (3) for each scheduled course:
    - (A) the name and course number;
    - (B) the scheduled beginning and ending dates, if applicable;
    - (C) the course meeting days and times, including any scheduled lunch breaks; and
    - (D) the name of the instructor and instructor number.
- (g) If there is a change or cancellation within five days of the scheduled course date, then the education director shall provide notice to the Commission within 24 hours of the change or cancellation.

*History Note: Authority G.S. 93A-3; 93A-38.5;  
Eff. July 1, 2017;*

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

<b>21 NCAC 58H .0405</b>	<b>DENIAL OR WITHDRAWAL OF SPONSOR APPROVAL</b>
<b>21 NCAC 58H .0406</b>	<b>APPROVAL AND RENEWAL OF ELECTIVE COURSE</b>
<b>21 NCAC 58H .0407</b>	<b>CONTINUING EDUCATION ELECTIVE COURSE REQUIREMENTS</b>
<b>21 NCAC 58H .0408</b>	<b>COMMISSION CREATED UPDATE COURSES</b>
<b>21 NCAC 58H .0409</b>	<b>RECORDS AND COMMISSION REVIEW</b>
<b>21 NCAC 58H .0410</b>	<b>CONTINUING EDUCATION COURSE SCHEDULING AND NOTIFICATION</b>
<b>21 NCAC 58H .0411</b>	<b>CONTINUING EDUCATION COURSE ATTENDANCE</b>
<b>21 NCAC 58H .0412</b>	<b>CONTINUING EDUCATION ROSTER REPORTS AND CERTIFICATES</b>
<b>21 NCAC 58H .0413</b>	<b>CONTINUING EDUCATION COURSE COST, CANCELLATION, AND REFUNDS</b>
<b>21 NCAC 58H .0414</b>	<b>ADVERTISING</b>

*History Note:* Authority G.S. 93A-3(c); 93A-4.1; 93A-6(a)(15);  
Eff. July 1, 2017;  
Repealed Eff. July 1, 2020.

**21 NCAC 58H .0415 DISTANCE EDUCATION COURSES**

(a) At the beginning of a course, distance education courses shall include an orientation that:

- (1) explains the course syllabus;
- (2) identifies all required materials and resources, if any;
- (3) states the maximum time a student is allowed to complete the course; and
- (4) instructs students on how to navigate within the course.

(b) Distance education courses shall include a navigation menu within the course platform that allows students to access the:

- (1) instructor's name and contact information;
- (2) course syllabus and schedule;
- (3) course materials, if any;
- (4) Policies and Procedures Disclosure pursuant to Rule .0204 of this Section; and
- (5) contact information for the course's technical support.

(c) Distance education courses shall be divided into units and students shall complete an assessment for each unit prior to beginning the subsequent unit.

*History Note:* Authority G.S. 93A-3(c); 93A-4; 93A-33; 93A-34; 93A-38.5;  
Eff. January 1, 2021.