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2 Eff. July 1, 1994;  
3 Amended Eff. July 1, 2014; [~~July 1, 2014,~~] April 1, 2006; July 1, 2000.

1 21 NCAC 58E .0202 is amended with changes as published in 28:15 NCR 1747 as follows:

2

3 **21 NCAC 58E .0202 NATURE AND SCOPE OF APPROVAL**

4 ~~Approval of update course instructors shall be accomplished separate from the approval of update course sponsors.~~

5 ~~Approval of an update course instructor authorizes the instructor to~~ Update course instructors shall be approved by

6 ~~the Commission in a separate process from approval for update course sponsors. Approved update course~~

7 ~~instructors may~~ teach the ~~update course~~ General Update Course or Broker-In-Charge Update Course for any

8 approved update course ~~sponsor; sponsor~~ ~~[se]~~ for as long as his or her approval is on active ~~[status;]~~ status. ~~however,~~

9 ~~an~~ An approved update course instructor may not independently conduct an update course unless the instructor has

10 also obtained approval as an update course sponsor. An instructor ~~must~~ shall obtain written approval from the

11 Commission prior to teaching an update course and prior to representing to any sponsor or other party that he or she

12 is approved or may be approved as an update course instructor.

13

14 *History Note: Authority G.S. 93A-3(c); ~~93A-4A~~; 93A-4.1*

15 *Eff. July 1, 1994;*

16 *Amended Eff. July 1, 2014; July 1, 2000.*



1 **21 NCAC 58E .0203** is amended with changes as published in 28:15 NCR 1747 as follows:

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3 **21 NCAC 58E .0203 APPLICATION AND CRITERIA FOR ORIGINAL APPROVAL**

4 (a) A person seeking original initial approval as an update course instructor must make application on a form  
5 provided by the Commission. An applicant who is not a resident of North Carolina shall also file with the  
6 application a consent to service of process and pleadings. No application fee is required. All required information  
7 regarding the applicant's qualifications must shall be submitted.

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

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

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

18 (d) The applicant must shall possess good teaching skills as demonstrated on a video recording portraying the  
19 instructor teaching a live audience. The applicant must shall submit the video recording for Commission review  
20 on either a digital video disc (DVD) or a VHS formatted videocassette. (DVD). The video recording must be 45-60  
21 minutes in length and must shall depict a continuous block of instruction on a single real estate or directly related  
22 topic. The video recording must shall be unedited, must show at least a portion of the audience, and must have  
23 visual and sound quality sufficient to enable reviewers to clearly see and hear the instructor. The video  
24 recording must shall have been recorded within the previous one calendar year. The video  
25 recording must shall demonstrate that the instructor possesses the teaching skills described in Rule .0509 of this  
26 Subchapter.

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

34 (↔) (f) An applicant shall be exempt from qualifying under Paragraphs (c) and (d) of this Rule if he or she is a  
35 Commission-approved real estate preclicensing instructor who has satisfied all requirements for an unconditional  
36 approval or possesses a current North Carolina real estate broker license, a current continuing education record, and

1 a current designation as a Distinguished Real Estate Instructor (DREI) granted by the Real Estate Educators  
2 Association.

3

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

5 *Eff. July 1, 1994;*

6 *Amended Eff. July 1, 2014; January 1, 2008; April 1, 2004; July 1, 2003; September 1, 2002; July*  
7 *1, 1996; July 1, 1995.*

1 21 NCAC 58E .0204 is amended with changes as published in 28:15 NCR 1747 as follows:

2  
3 **21 NCAC 58E .0204 ACTIVE AND INACTIVE STATUS; RENEWAL OF APPROVAL**

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

12 (b) If an instructor whose approval is on active status is unable to take the Update Instructor Seminar on any of the  
13 scheduled seminar dates as shown on the Commission's website at [www.ncrec.gov](http://www.ncrec.gov) ~~between July 1 and August 31~~  
14 before September 1 of any year due to a personal hardship such as a personal or family illness or a business conflict,  
15 the instructor may request and obtain from the Commission an extension of time to take the seminar on  
16 a ~~subsequently scheduled~~ seminar date following the September 1 ~~deadline,~~ deadline. The instructor shall not  
17 complete the course later than December 1 of that year. ~~provided that the course must be taken not later than the~~  
18 following December 1. If an extension of time is granted, the instructor's approval shall remain on active status  
19 during the extension period.

20 (a) ~~(b)(c)~~ (c) Commission approval of update course instructors expires on the third December 31 following issuance  
21 of approval. ~~In order to assure continuous approval, approved~~ Approved instructors ~~must shall~~ file applications for  
22 renewal of approval on a form provided by the Commission [on its website at www.ncrec.gov](http://www.ncrec.gov) on or  
23 before the December 1 immediately preceding expiration of their approval. The form shall request information  
24 pertaining to the applicant's qualifications under Rule .0203(c) of this Section. In order to renew their  
25 approval, Applicants applicants must satisfy the criteria for original approval, with the exception of the requirement  
26 in Rule .0203(d) of this Section, ~~in order to renew their approval,~~ and their approval ~~must~~ shall be on active status  
27 as described in ~~paragraph~~ Paragraph (a) of this Rule. Applicants for renewal of approval whose approval is on  
28 inactive status ~~must~~ shall also take the Commission's annual Update Instructor Seminar for the real estate license  
29 year in which the applicant's renewal of approval would be effective.

30 (b) ~~(c)~~ (d) In order to reinstate an expired instructor approval, the former instructor must file an application on a  
31 form provided by the Commission and ~~must shall~~ satisfy the criteria for original approval set forth in Rule .0203(b)  
32 and (c) of this Section. If the applicant's prior instructor approval was on inactive status at the time the approval  
33 expired, the applicant must additionally take the Commission's annual Update Instructor Seminar for the real estate  
34 license year in which the applicant's reinstated approval would be effective. If the applicant's prior instructor  
35 approval has been expired for more than one year, the applicant must also satisfy the criteria for original approval  
36 set forth in Rule .0203(d) of this Section.

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

1 **21 NCAC 58E .0304** is amended with changes as published in 28:15 NCR 1748 as follows:

2  
3 **21 NCAC 58E .0304 CRITERIA FOR ELECTIVE COURSE APPROVAL**

4 (a) The following requirements ~~must shall~~ be satisfied in order to obtain approval of a proposed elective course:

- 5 (1) The applicant ~~must shall~~ submit ~~all information the application form required by the Commission~~  
6 and pay the application fee, ~~[fee]~~ ~~both of which are [set forth]~~ ~~required~~ in Rule .0303 of this  
7 Section, including any additional application fee set forth in Subparagraph (a)(12) herein if  
8 applicable;
- 9 (2) The applicant ~~must shall~~ satisfy the requirements of Section .0400 of this Subchapter relating to  
10 the qualifications or eligibility of course sponsors;
- 11 (3) The subject matter of the course ~~must shall~~ satisfy the elective course subject matter requirements  
12 set forth in Rule .0305 of this Section and all information to be presented in the course ~~must shall~~  
13 be current and accurate;
- 14 (4) The course ~~must shall~~ involve a minimum of four classroom hours of instruction on acceptable  
15 subject ~~matter.~~ matter, as defined in Rule .0305 of this Section. A classroom hour consists of 50  
16 minutes of instruction and 10 minutes of break time;
- 17 (5) The applicant and the continuing education coordinator required by Rule .0405 of this  
18 Subchapter ~~must shall~~ be truthful, honest and of high integrity. In this regard, To do this, the  
19 Commission may consider the reputation and character of any owner, officer and director of any  
20 corporation, association or organization applying for sponsor approval;
- 21 (6) The proposed instructor(s) for the course ~~must shall~~ possess the qualifications described in Rule  
22 .0306 of this Section;
- 23 (7) The instructional delivery methods to be utilized in the course ~~must shall~~ either involve live  
24 instruction in a traditional classroom setting or comply with the requirements described in Rule  
25 .0310 of this Section;
- 26 (8) The applicant ~~must shall~~ submit an instructor guide that includes:
- 27 (A) a course outline describing the subject matter and topics to be taught in sufficient detail to  
28 permit an evaluation by the Commission of the depth and accuracy of the subject matter  
29 and topics to be covered;
- 30 (B) the amount of time to be devoted to each major topic and to breaks;
- 31 (C) the learning objective(s) for each major topic; and
- 32 (D) the instructional methods and instructional aids that will be utilized in the course.
- 33 (9) The proposed time allotments shown in the instructor guide ~~must shall~~ be appropriate for the  
34 proposed subject matter to be taught. Unless the applicant can demonstrate to the satisfaction  
35 of the Commission that straight lecture is the most effective instructional method for the course,  
36 the instructor guide must provide for the use of an appropriate a variety of instructional methods  
37 and instructional aids intended to enhance student participation, attentiveness, and learning.

1 Examples of instructional methods that may be appropriate include, but are not limited to,  
2 instructor-led class discussion, role-playing, and in-class individual or group work assignments.  
3 Examples of instructional aids that may be appropriate include, but are not limited to, PowerPoint  
4 slides, overhead transparencies, video recordings, and information from  
5 the ~~internet~~ Internet displayed on a large screen;

6 (10) The course ~~must shall~~ include handout materials for students that provide, in narrative or text  
7 form, all the information to be presented in the course. This requirement shall not be satisfied by  
8 using only copies of PowerPoint slides or a detailed course outline. All information included in  
9 the student materials ~~must shall~~ be ~~current, up-to-date, accurate, without error,~~ explanatory of  
10 topics covered, consistent with course learning objectives, grammatically correct, ~~logically~~  
11 ~~and organized, and presented in an easy to read format.~~ ~~organized.~~ The scope and depth of  
12 information presented ~~must shall~~ be appropriate in view of course learning objectives and subject  
13 matter time allotments, and the information presented must, except for instruction on changes in  
14 laws, rules, or practices, include ~~substantial~~ coverage of subject matter at a cognitive level higher  
15 than that expected of entry-level real estate ~~licensees~~ brokers. The quality of reproduced student  
16 materials ~~must shall~~ be generally comparable to that commonly seen in education materials  
17 produced by professional publishers. These standards for student materials also apply, to the  
18 extent they are relevant, to student materials other than paper materials such as material to be  
19 viewed by computer that are provided for use by students in distance education courses; ~~and~~

20 (11) If an applicant proposes to use copyrighted materials in the course, such materials ~~must shall~~ be  
21 used in a form approved by the copyright holder. If any copyrighted material is to be duplicated  
22 by the applicant for use in the course, the sponsor must have the specific permission of the  
23 copyright ~~holder.~~ holder; and

24 (12) When an applicant resubmits an elective course approval application after a previous application  
25 for the same course has been twice reviewed and found unsatisfactory by the Commission, the  
26 resubmitted application shall be treated as an original application for approval and shall be subject  
27 to the application fee prescribed in Rule .0303 of this ~~Section; and~~ Section.

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

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

32  
33 *History Note: Authority G.S. 93A-3(c); 93A-4.1;*

34 *Eff. July 1, 1994;*

35 *Amended Eff. July 1, 2014; July 1, 2010; April 1, 2004; July 1, 2000; July 1, 1996; July 1, 1995.*

1 21 NCAC 58E .0408 is amended with changes as published in 28:15 NCR 1749 as follows:

2

3 **21 NCAC 58E .0408 CHANGE IN SPONSOR OWNERSHIP**

4 ~~The approval granted to a course sponsor may be transferred to a new or different legal entity only with the advance~~  
5 ~~approval of the Commission. In the event the ownership of an entity approved as a course sponsor is to be sold or~~  
6 ~~otherwise changed, the approved sponsor must request Commission approval of the ownership change. The Commission~~  
7 ~~will then advise the sponsor if the change is acceptable or if the proposed new sponsor must apply for original approval.~~  
8 ~~If the ownership change will result in no additional person being added as owner, officer or director, then the approval~~  
9 ~~granted to the sponsor may be transferred to the new legal entity. However, if any additional person is to be added as~~  
10 ~~owner, officer or director, then the approval granted to the sponsor may not be transferred.~~

11 When ownership of an approved course sponsor is transferred to a different legal entity, the sponsor approval is not  
12 transferable and terminates on the effective date of the transfer. The sponsor owner transferring ownership shall not  
13 conduct any course after the effective date of the transfer. The entity acquiring sponsor ownership **must** **shall** obtain an  
14 original course sponsor approval as required by G.S. 93A-4.1 and Rules .0103, .0303 and .0402 of this Subchapter prior  
15 to advertising courses, registering students, accepting tuition, conducting courses or otherwise engaging in any sponsor  
16 activity.

17

18 *History Note: Authority G.S. 93A-3(c); 93A-4A; 93A-4.1*

19 *Eff. July 1, 2014; July 1, 1994.*

1 **21 NCAC 58E .0601 - .0604** are repealed as published in 28:15 NCR 1749 as follows:  
2

3 **SECTION .0600 – BROKER-IN-CHARGE ANNUAL REVIEW**  
4

5 **21 NCAC 58E .0601 PURPOSE AND APPLICABILITY**  
6

7 **21 NCAC 58E .0602 COURSE DESCRIPTION**  
8

9 **21 NCAC 58E .0603 AUTHORITY TO CONDUCT COURSE**  
10

11 **21 NCAC 58E .0604 COURSE OPERATIONAL REQUIREMENTS**  
12

13 *History Note: Authority G.S. 93A-2; 93A-3(c); 93A-4.1; 93A-4.2;*  
14 *Eff. July 1, 2010;*  
15 *Repealed Eff. July 1, 2014.*  
16