

1 21 NCAC 58A .0106 is amended with changes as published in 39:14 NCR 932 as follows:

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3 **21 NCAC 58A .0106 DELIVERY OF INSTRUMENTS**

4 (a) Except as provided in Paragraph (b) of this Rule, every broker shall deliver a copy of any written agency
5 agreement, contract, offer, lease, rental agreement, option, or other related transaction document to their customer or
6 client within three days of the broker's receipt of the executed document. A broker shall also deliver a copy of said
7 documents within three days of receipt of a request by the customer or client.

8 (b) A broker ~~may~~ shall be relieved of the duty to deliver copies of leases or rental agreements to a property owner
9 pursuant to Paragraph (a) of this Rule if the broker:

- 10 (1) obtains the prior written authority of the property owner to enter into and retain copies of leases or
11 rental agreements on behalf of the property owner;
- 12 (2) executes the lease or rental agreement on a pre-printed form, the material terms of which may not
13 be changed by the broker without prior approval by the property owner, except as may be required
14 by law; and
- 15 (3) delivers to the property owner an accounting within 45 days following the date of execution of the
16 lease or rental agreement that identifies:
- 17 (A) the leased property;
- 18 (B) the name, phone number, and home address of each tenant; and
- 19 (C) the rental rates and rents collected.

20 (c) Paragraph (b) of this Rule notwithstanding, upon the request of a property owner, a broker shall deliver a copy of
21 any lease or rental agreement within five days.

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23 *History Note: Authority G.S. 93A-3(c);*
24 *Eff. February 1, 1976;*
25 *Readopted Eff. September 30, 1977;*
26 *Amended Eff. July 1, 2017; July 1, 2005; July 1, 2001; October 1, 2000; May 1, 1990; July 1, 1989;*
27 *February 1, 1989;*
28 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018;*
29 *Amended Eff. July 1, 2025; July 1, 2018.*

1 21 NCAC 58A .0502 is amended with changes as published in 39:14 NCR 932 as follows:

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3 **21 NCAC 58A .0502 FIRM LICENSING**

4 (a) Every business entity other than a sole proprietorship shall apply for and obtain from the Commission a firm
5 license prior to engaging in business as a real estate broker. A business entity shall not be permitted to apply for or
6 obtain a firm license when a principal of the firm has a pending disciplinary case where probable cause has been found
7 by the Commission. For purposes of this Rule, the term "principal," when it refers to a person or entity, means any
8 person or entity owning 10 percent or more of the business entity, or who is an officer, director, manager, member,
9 partner, or who holds any other comparable position.

10 (b) An entity that changes its business form ~~other than by conversion~~ in a manner not described in G.S. 55 Article
11 11A shall submit a new firm license application upon making the change and obtain a new firm license. An entity that
12 converts to a different business entity in conformity with and pursuant to applicable North Carolina General Statutes
13 shall not be required to apply for a new license. However, such converted entity shall provide the information required
14 by this Rule in writing to the Commission within 10 days of the conversion and shall include the duplicate license fee
15 pursuant to Rule .0101(c) of this Subchapter.

16 (c) Firm license application forms shall be available on the Commission's website or upon request to the Commission
17 and shall require the applicant to set forth:

- 18 (1) the legal name of the entity;
- 19 (2) the name under which the entity will do business;
- 20 (3) the type of business entity;
- 21 (4) the address of its principal office;
- 22 (5) the entity's NC Secretary of State Identification Number if it is required to be registered with the
23 Office of the NC Secretary of State;
- 24 (6) each federally insured depository institution lawfully doing business in this State where the entity's
25 trust account(s) will be held, if applicable;
- 26 (7) the name, real estate license number, and signature of the proposed qualifying broker for the firm;
- 27 (8) the address of and name of the proposed broker-in-charge for each office as defined in Rule .0110(a)
28 of this Subchapter, along with a completed broker-in-charge designation form described in Rule
29 .0110(f) of this Subchapter for each proposed broker-in-charge;
- 30 (9) any past criminal conviction of and any pending criminal charge against any principal in the
31 company or any proposed broker-in-charge;
- 32 (10) any past revocation, suspension, or denial of a business or professional license of any principal in
33 the company or any proposed broker-in-charge;
- 34 (11) any pending or previous professional license disciplinary action against the firm, its principals, or
35 any proposed broker-in-charge;

36 ~~(11)-(12)~~if a general partnership, a description of the applicant entity, including a copy of its written
37 partnership agreement or if no written agreement exists, a written description of the rights and duties

1 of the partners, and the name of each partner. If a partner is an entity rather than a natural person,
2 the name of each officer, partner, or manager of that entity, or any entity therein;
3 ~~(12)-(13)~~if a limited liability company, a description of the applicant entity, including a copy of its written
4 operating agreement or if no written agreement exists, a written description of the rights and duties
5 of the managers, and the name of each manager. If a manager is an entity rather than a natural
6 person, the name of each officer, partner, or manager of that entity, or any entity therein;
7 ~~(13)-(14)~~if a business entity other than a corporation, limited liability company, or partnership, a description
8 of the organization of the applicant entity, including a copy of its organizational documents
9 evidencing its authority to engage in real estate brokerage;
10 ~~(14)-(15)~~if a foreign business entity, a Certificate of Authority to transact business in North Carolina issued
11 by the NC Secretary of State and an executed consent to service of process and pleadings; and
12 ~~(15)-(16)~~any other information required by this Rule.

13 (d) When the authority of a business entity to engage in the real estate business is unclear in the application or in law,
14 the Commission shall require the applicant to declare in the firm license application that the applicant's organizational
15 documents authorize the firm to engage in the real estate business and to submit organizational documents, addresses
16 of affiliated persons, and similar information. ~~For purposes of this Rule, the term "principal," when it refers to a person
17 or entity, means any person or entity owning 10 percent or more of the business entity, or who is an officer, director,
18 manager, member, partner, or who holds any other comparable position.~~

19 (e) After filing a firm license application with the Commission, the entity shall be licensed provided that it:

- 20 (1) has one principal holding a broker license on active status in good standing who will serve as the
21 qualifying ~~broker; as defined by this Rule;~~ and
- 22 (2) employs and is directed by personnel licensed as a broker in accordance with this Chapter.

23 The qualifying broker of a partnership of any kind shall be a general partner of the partnership; the qualifying broker
24 of a limited liability company shall be a manager of the company; and the qualifying broker of a corporation shall be
25 an officer of the corporation. A licensed business entity may serve as the qualifying broker of another licensed business
26 entity if the qualifying broker-entity has as its qualifying broker a natural person who is licensed as a broker. The
27 natural person who is qualifying broker shall assure to the Commission the performance of the qualifying broker's
28 duties with regard to both entities. A provisional broker may not serve as a qualifying broker.

29 (f) The licensing of a business entity shall not be construed to extend to the licensing of its partners, managers,
30 members, directors, officers, employees or other persons acting for the entity in their individual capacities regardless
31 of whether they are engaged in furthering the business of the licensed entity.

32 (g) The qualifying broker of a business entity shall assume responsibility for:

- 33 (1) designating and assuring that there is at all times a broker-in-charge for each office and branch office
34 of the entity as "office" and "branch office" are defined in Rule .0110(a) of this Subchapter;
- 35 (2) renewing the real estate broker license of the entity;

- 1 (3) retaining the firm's current pocket card at the firm and producing it as proof of firm licensure upon
2 request and maintaining a photocopy of the firm license certificate and pocket card at each branch
3 office thereof;
- 4 (4) notifying the Commission of any change of business address or legal or trade name of the entity and
5 the registration of any assumed business name adopted by the entity for its use;
- 6 (5) notifying the Commission in writing of any change of his or her status as qualifying broker within
7 10 days following the change;
- 8 (6) securing and preserving the transaction and trust account records of the firm whenever there is a
9 change of broker-in-charge at the firm or any office thereof and notifying the Commission if the
10 trust account records are out of balance or have not been reconciled as required by Rule .0117 of
11 this Subchapter;
- 12 (7) retaining and preserving the transaction and trust account records of the firm upon termination of
13 his or her status as qualifying broker until a new qualifying broker has been designated with the
14 Commission or, if no new qualifying broker is designated, for the period of time records are required
15 to be retained by Rule .0108 of this Subchapter;
- 16 (8) notifying the Commission if, upon the termination of his or her status as qualifying broker, the firm's
17 transaction and trust account records cannot be retained or preserved or if the trust account records
18 are out of balance or have not been reconciled as required by Rule .0117 of this Subchapter; and
- 19 (9) notifying the Commission regarding any revenue suspension, revocation of Certificate of Authority,
20 or administrative dissolution of the entity by the NC Secretary of State within 10 days of the
21 suspension, revocation, or dissolution.

22 (h) Every licensed business entity and every entity applying for licensure shall conform to all the requirements
23 imposed upon it by the North Carolina General Statutes for its continued existence and authority to do business in
24 North Carolina. Failure to conform to such requirements shall be grounds for disciplinary action or denial of the
25 entity's application for licensure.

26 (i) Upon receipt of notice from an entity or agency of this State that a licensed entity has ceased to exist or that its
27 authority to engage in business in this State has been terminated by operation of law, the Commission shall cancel the
28 license of the entity.

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30 *History Note: Authority G.S. ~~55-11A-04~~; 93A-3(c); 93A-4;*
31 *Eff. February 1, 1976;*
32 *Readopted Eff. September 30, 1977;*
33 *Amended Eff. July 1, 2017; July 1, 2015; July 1, 2014; July 1, 2009; January 1, 2008; April 1, 2006;*
34 *July 1, 2005; April 1, 2004; July 1, 2003; October 1, 2000; August 1, 1998; January 1, 1997; July*
35 *1, 1994; May 1, 1990;*
36 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. ~~May 1, 2018.~~*
37 *May 1, 2018;*

1 21 NCAC 58H .0204 is amended with changes as published in 39:14 NCR 934 as follows:

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

4 (a) An education provider shall publish ~~to prospective students and provide to all students upon enrollment~~ a Policies
5 and Procedures ~~Disclosure~~. Disclosure for prospective students.

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

- 8 (1) the name and address of the Commission, along with a statement that any complaints concerning
9 the education provider or its instructors should be directed to the Commission;
- 10 (2) a statement that the education provider shall not discriminate in its admissions policy or practice
11 against any person on the basis of age, sex, race, color, national origin, familial status, handicap
12 status, or religion;
- 13 (3) the education provider's most recent annual License Examination Performance Record and the
14 Annual Summary Report data as published by the Commission;
- 15 (4) the all-inclusive tuition and fees for each particular course;
- 16 (5) a written course cancellation and refund policy;
- 17 (6) a list of all course and reference materials required;
- 18 (7) the course completion requirements pursuant to Rule .0207 of this Section and 21 NCAC 58A .1705;
19 ~~and~~
- 20 ~~(8) a statement referring the student to the Commission's website for the education provider's pass rate;~~
21 ~~and~~
- 22 ~~(8)(9) a signed certification acknowledging the student's receipt of the Policies and Procedures Disclosure~~
23 ~~prior to payment of any portion of tuition or registration fee without the right to a full refund. fee.~~

24 (c) In addition to the information required in Paragraph (b) of this Rule and G.S. 93A-34(c)(5), an education provider
25 offering distance education, synchronous distance learning, or blended learning courses shall include:

- 26 (1) a list of hardware and software or other equipment necessary to offer and complete the course;
- 27 (2) the contact information for technical support; and
- 28 (3) a description of how the end-of-course examination shall be administered to the student.

29
30 *History Note: Authority G.S. 93A-4; 93A-33; 93A-34;*
31 *Eff. July 1, 2017;*
32 *Amended Eff. July 1, 2025; January 1, 2021; July 1, 2020.*

1 21 NCAC 58H .0206 is amended with changes as published in 39:14 NCR 934 as follows:

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3 **21 NCAC 58H .0206 ADVERTISING AND RECRUITMENT ACTIVITIES**

4 ~~(a) Any education provider utilizing its License Examination Performance Record or Annual Summary Report for~~
5 ~~advertising or promotional purposes shall only use the most recent annual License Examination Performance Record~~
6 ~~or Annual Summary Report as published on the Commission's website in a manner that is not misleading or false. An~~
7 ~~education provider or instructor shall not advertise or otherwise make available any License Examination Performance~~
8 ~~Record or license examination pass rates or completion rates, nor reference or publish the pass rates of other education~~
9 ~~providers or instructors except as published on the Commission's website or as provided by this Subchapter.~~

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

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

16 (d) Education providers shall not offer Postlicensing courses only for brokers affiliated with a particular real estate
17 broker, firm, franchise, or association.

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

21 (f) ~~[Instructional time and materials shall be utilized]~~ Education providers shall utilize instructional hours and
22 materials for instructional purposes only. For purposes of this Rule, instructional purpose means any combination of
23 distance education, synchronous distance learning, and in-person methods of real estate instruction on course topics
24 or materials.

25 (g) All Continuing Education course advertisements and promotional materials shall specify the number of
26 Continuing Education credit hours to be awarded by the Commission for the course.

27 (h) The education ~~provider~~ provider's name shall be used in all publications and advertising.

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29 *History Note: Authority G.S. 93A-4; 93A-33;*
30 *Eff. July 1, 2017;*
31 *Amended Eff. July 1, 2025; July 1, 2020.*

1 21 NCAC 58H .0209 is amended with changes as published in 39:14 NCR 935 as follows:

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3 **21 NCAC 58H .0209 ~~EXPIRATION AND RENEWAL~~ RENEWAL AND EXPIRATION OF**
4 **EDUCATION PROVIDER CERTIFICATION**

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

7 (b) An education provider or public education provider seeking renewal of its certification shall submit an electronic
8 application which shall include the following information:

9 (1) the education provider or public education provider's:

10 (A) name;

11 (B) education provider number;

12 (C) mailing address;

13 (D) telephone number; and

14 (E) website address, if applicable; and

15 (2) the education director's name and signature;

16 (3) all approved real estate courses offered;

17 (4) a copy of the education provider's Policies and Procedures Disclosure, if applicable; and

18 (5) a certification statement that ~~the course meets all courses meet~~ the requirements of this Subchapter.

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

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

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

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

27 ~~(g) The materials fee for an education provider to renew an Update course approval shall be one hundred dollars~~
28 ~~(\$100.00).~~

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

31 ~~(i)~~(f) Commission approval of all continuing education courses shall expire on June 30. In order to obtain approval
32 for an expired continuing education course, an education provider shall submit an original application pursuant to
33 Rule .0401 of this Subchapter.

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

36 ~~(k) On or before July 1, 2021, all education providers shall modify approved courses to comply with this Subchapter.~~

1 *History Note:* *Authority G.S. 93A-3(f); 93A-4; 93A-33; 93A-34(b); 93A-35(b); 93A-36; 93A-38.5(d);*
2 *Eff. July 1, 2017;*
3 *Amended Eff. July 1, 2025; January 1, 2022; January 1, 2021; July 1, 2020; July 1, 2019.*

1 21 NCAC 58H .0302 is amended with changes as published in 39:14 NCR 935 as follows:

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3 **21 NCAC 58H .0302 APPLICATION AND CRITERIA FOR INSTRUCTOR APPROVAL**

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

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

15 (b) An instructor applicant shall ~~demonstrate that the instructor applicant possesses good reputation and character~~
16 ~~pursuant to G.S. 93A-34(e)(9) and has:~~ have:

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

30 (6) [pass] passed an instructor approval examination created by the Commission and based on the North
31 Carolina License Law and Commission Rules prior to registering for the New Instructor Seminar.

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) Prior to teaching any Update course, an approved instructor shall ~~take complete~~ the Commission's annual Update
37 Instructor Seminar pursuant to Paragraph (c) of this Rule for the current license period. ~~period and attend at least 90~~

1 ~~percent of all scheduled hours.~~The Update Instructor Seminar shall not be used to meet the requirement in Rule
2 .0306(b)(4) of this Section.

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

5 *Eff. July 1, 2017;*

6 *Amended Eff. July 1, 2025; July 1, 2023; July 1, 2020; July 1, 2019.*

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1 21 NCAC 58H .0416 is adopted with changes as published in 39:14 NCR 936 as follows:

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3 **21 NCAC 58H .0416 RENEWAL AND EXPIRATION OF COURSE APPROVAL**

4 (a) Approval of real estate education courses shall expire annually on June 30 following initial course approval.

5 (b) An education provider or public education provider seeking to renew a course approval shall ~~certify that they are~~
6 be the owner of the course material or, if not the course owner, submit written ~~permission~~ authorization from the
7 course owner to use the course materials. Written ~~permission authorization of the course owner~~ shall be signed and
8 dated by the course owner no earlier than six months prior to the submission of the course renewal.

9 (c) The fee for an education provider to renew a course approval shall be:

10 (1) twenty-five dollars (\$25.00) per Prelicensing or Postlicensing Course;

11 (2) fifty dollars (\$50.00) per continuing education elective course; and

12 (3) one hundred dollars (\$100.00) materials fee to offer the Update Course.

13 (d) An education provider or public education provider shall submit an application for original course approval
14 pursuant to Rule .0401 of this Subchapter if the course approval:

15 (1) fails to renew pursuant to this Rule; or

16 (2) has renewed twice since the initial course approval.

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18 *History Note: Authority G.S. 93A-3(f); 93A-4; 93A-33; 93A-35; 93A-38.5(d);*

19 *Eff. July 1, 2025.*