

**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 1st 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;
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