



Real Estate Licensing in North Carolina

Published by the North Carolina
Real Estate Commission

May 2011



This booklet contains:

- Information on the Licensing Process and License Qualifications
- License Examination Information
- Application Form and Instructions

USING THIS BOOKLET

North Carolina's Real Estate License Structure

North Carolina operates a "broker only" real estate licensing system. For an overview of this system and the various license categories, see pages 3-4.

License Application Process and Qualification Requirements

The North Carolina Real Estate Commission licenses individuals and business entities as real estate brokers. This booklet is designed to guide all prospective applicants for *individual* real estate broker licensees through the license application process. **If you are interested in applying for an individual real estate license, you should read this booklet carefully, especially pages 3-11, and follow all instructions precisely.** Use the detailed Contents page to locate specific information you need. If you are interested in obtaining a *firm broker license for a business entity*, see the Commission's web site, www.ncrec.gov, for an application and instructions.

The License Examination

Pages 11-22 of this booklet contain essential information for all persons required to take the license examination. The booklet provides general information about the examination, examination fee, scheduling an examination, taking the examination and examination rules and procedures.

New Licensee Information

Information about license issuance and activation, postlicensing education, continuing education and license renewal begins on **page 22**.

Licensing by Reciprocity and License Reinstatement

Information about licensure by **reciprocity** (exempting examination based on reciprocal licensing arrangements with certain states) and **license reinstatement** begins on **page 24**.

North Carolina Real Estate License Law and Commission Rules

The North Carolina Real Estate License Law, Real Estate Commission Rules, Trust Account Guidelines and License Law and Rule Comments may be found at the Commission's website, www.ncrec.gov, as well as in the booklet *North Carolina Real Estate License Law and Commission Rules*, which can be ordered online at the Commission's website.

Contents Page

Use the Contents page to find information on specific topics.

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North Carolina Real Estate Commission
1313 Navaho Drive, P.O. Box 17100
Raleigh, North Carolina 27619
Phone 919/875-3700

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INTRODUCTION

This booklet has been prepared and published by the North Carolina Real Estate Commission for the purpose of providing information to interested persons regarding the requirements and procedures for obtaining North Carolina real estate licenses. Although every effort has been made to consolidate into this single publication basic information concerning the major areas of interest to prospective real estate licensees, many questions may have been left unanswered. Therefore, persons who desire more detailed information regarding specific points of concern are advised to contact the Licensing Section at the Real Estate Commission Office.

This publication is required reading for anyone interested in obtaining a North Carolina real estate license. READ IT CAREFULLY!

Additional copies of this booklet are available without charge from the North Carolina Real Estate Commission.

Who Is Required to Have a Real Estate License in North Carolina

In general, any person or business entity who transacts real estate business (including time share transactions) for compensation as an agent for another must first obtain a real estate license issued by the North Carolina Real Estate Commission. The Real Estate Commission, an independent government agency of the State of North Carolina, is responsible for licensing and regulating all real estate agents in this state. Operating as a real estate agent in North Carolina without the proper license is a criminal offense. For information concerning North Carolina real estate licenses and the laws and rules governing real estate brokerage practice in North Carolina, go to the Commission's website at www.ncrec.gov.

License Categories

Effective April 1, 2006, North Carolina began issuing only **broker** licenses and eliminated the separate **salesperson** license. Existing salesperson licenses were converted to broker licenses. Although there is only one "type" of license, a **broker** license, there are several license categories as described below:

PROVISIONAL BROKER – This is the entry-level license category. Upon satisfying all the license qualification requirements (including, for most applicants, passing the license examination) most license applicants are initially issued a "**provisional broker**" license, which is technically a **broker license on "provisional" status**. A **provisional broker** may generally perform the same acts as a broker so long as he or she is supervised by a broker who is a designated **broker-in-**

charge, but provisional brokers cannot operate independently. Once licensed, a provisional broker must complete, within prescribed time periods, a postlicensing education program in order to terminate the "provisional" status of his or her license and to avoid license inactivation and possible eventual cancellation. [NOTE: Some applicants are eligible to directly obtain a broker license that is NOT on "provisional" status – see the section on "License Qualification Requirements."]

BROKER – A **provisional broker** who satisfies the postlicensing education requirements to terminate the "provisional" status of his or her license becomes a "**broker**" who is authorized to engage in brokerage in one of the two following capacities:

(1) Work for another broker who is a **broker-in-charge** or work for a licensed brokerage firm. (A broker requires less supervision by a broker-in-charge than a provisional broker.)

(2) Operate independently as a "sole proprietor;" *however*, if the broker-sole proprietor will engage in activities requiring him or her to also be designated as a **broker-in-charge** (described below under "BROKER-IN-CHARGE"), then he or she must also qualify as a **broker-in-charge**. (IMPORTANT NOTE: This means that *an independent broker-sole proprietor must also be a broker-in-charge to lawfully engage in most brokerage activities.*)

BROKER-IN-CHARGE – Each real estate office must have a **broker-in-charge** designated with the Real Estate Commission for the office and each broker-sole proprietor who will handle trust funds requiring deposit in a trust account, have other licensees affiliated with him or her, or advertise or promote his or her services in any manner (including distribution of business cards or listing property for sale or lease) must also first designate himself or herself as a **broker-in-charge**. To qualify to be a **broker-in-charge**, *a broker must have two (2) years full-time or part-time equivalent brokerage experience in any state within the previous five (5) years, or be found by the Commission to possess equivalent qualifications.* [See the Commission's website at www.ncrec.gov for more information on broker-in-charge requirements and responsibilities.]

FIRM – A business entity (corporation, limited liability company, partnership, etc.) must hold a real estate "firm" license in order to engage in real estate brokerage activities. A **firm** license is a broker license issued to a business entity. Sole proprietorships are exempt from the firm licensing requirement. A firm license application and instructions may be obtained by accessing the Commission's website at www.ncrec.gov.

LIMITED NONRESIDENT COMMERCIAL BROKER – A limited nonresidential commercial broker license may be issued to a broker or salesperson residing in a state other than North Carolina who holds an active real estate broker or salesperson license in the state where his/her primary place of real estate business is located. A person holding a limited nonresident commercial broker license may engage in transactions for compensation involving "com-

mercial real estate” in North Carolina, but must enter into a declaration of affiliation and a brokerage cooperation agreement with a resident North Carolina broker and must be supervised by the North Carolina broker while performing

commercial real estate brokerage services in North Carolina. An application form and instructions may be obtained by accessing the Commission’s website at www.ncrec.gov.

LICENSE QUALIFICATION REQUIREMENTS

To qualify for a real estate broker license, an applicant must:

- (1) Be at least 18 years of age;
- (2) Be a United States citizen, a non-citizen national or a qualified alien under federal law;
- (3) Have a social security number;
- (4) Satisfy one of the License Qualification Options listed below;
- (5) Pass the real estate license examination (Exceptions: Persons eligible for licensure by reciprocity and some license reinstatement applicants); and
- (6) Satisfy the Commission that they possess the requisite character to be entitled to licensure.

License Qualification Options

Applicants applying under license qualification options 1-4 below must also pass the North Carolina real estate license examination. Applicants qualifying under license qualification option 5 for a license by “reciprocity” are not required to take North Carolina’s real estate license examination.

All applicants must submit a properly completed “Application for Real Estate License” form and required enclosures in addition to the required documentation listed below, and all applicants must demonstrate to the satisfaction of the Real Estate Commission that they possess satisfactory moral character (see “Application Process” in this booklet).

Option #1 **Completion of the Prescribed** **75-Classroom Hour North** **Carolina Broker Prelicense** **Course**

An applicant (resident or nonresident) may qualify for the North Carolina real estate license examination by completing (passing), within three years prior to license application, a Commission-approved 75-classroom hour Broker Prelicense Course in North Carolina. [This course is not available online, on computer disk, by correspondence or by any other distance education method.]

Required Documentation:

Certificate of Course Completion (original) issued by the school for submission to the Commission. DO NOT submit a transcript, a grade report or a certificate provided by the school for display purposes.

Option #2 **Licensure as a Real Estate** **Salesperson or Broker in** **Another State**

An applicant (resident or nonresident) may qualify for the North Carolina real estate license examination based on holding a current real estate license in another state that has been on active status within one year prior to application. [See exceptions for Florida and Texas residents on page 6.] Upon passing the examination and demonstrating satisfactory moral character, *a person licensed as*

a salesperson in another state will be issued a North Carolina provisional broker license and a person licensed as a broker in another state will be issued a North Carolina broker license that is NOT on provisional status.

Required Documentation:

Certification of License History (original with raised or attached agency seal) from the licensing agency in the state in which the applicant is licensed. The certification must have been issued within the previous six months and must indicate the license history and any disciplinary action taken or complaints pending against the applicant. A copy of the applicant’s real estate license certificate or pocket identification card or a license history downloaded from a licensing agency website is not acceptable. Proof of education is not required.

Option #3 **Completion in Another State** **of a Real Estate Salesperson** **Prelicense Course of at Least** **75 Classroom Hours**

An applicant (resident or nonresident) seeking waiver of the 75-hour North Carolina broker prelicense course based on completion of salesperson prelicense education in another state may qualify to take the North Carolina real estate license examination if the completed prelicense education in the other state: (1) consisted of at least 75 classroom (or legitimately equivalent) hours of instruction [no partial credit granted]; (2) was completed within three years prior to

application and while the applicant was a resident of the other state; and (3) constituted the entire state-approved prelicense education program in that state.

Required Documentation:

Original course completion certificate or transcript showing course titles, dates and number of classroom hours, and evidence that the course was an approved salesperson course in the other state.

**Option #4
Education and/or Unlicensed
Experience in Real Estate Equiv-
alent to the Broker Prelicense
Course**

An applicant (resident or nonresident) for licensure by examination with substantial real estate education other than prelicensing courses and/or extensive real estate experience may, in rare instances, be found by the Commission to possess real estate education and/or experience equivalent to the broker prelicense course. Applicants bear the burden of satisfying the Commission that their education and/or experience justifies a course waiver. A substantial portion of the qualifying education and/or experience must have been during the previous three years.

Examples:

Provided below are a few examples of qualifications the Commission has found sufficient to justify waiver of the broker prelicense course:

- (1) Experience as a licensed attorney that focused primarily on handling real estate closings and related real estate matters in North Carolina for the three years immediately preceding application. (Licensure as an attorney without substantial real estate practice is not sufficient.)
- (2) Full-time, lawful experience selling new homes owned by a corporate homebuilder as a bonafide employee of the corporate homebuilder for three years immediately preceding application.
- (3) In rare instances, very substantial experience in personally buying, developing and selling real estate (for example, 10-15 transactions per year over an eight-year period immediately preceding application).

Note: Lawful, unlicensed experience in property management or experience in specialized real estate related fields such as appraisal, mortgage lending, investment, development or consulting will NOT, standing alone, be acceptable under this option.

Required Documentation:

For equivalent real estate education, course descriptions and copies of transcripts or certificates if available. Otherwise, list each course taken and provide dates and course descriptions. (Education documentation not required for attorneys.)

For equivalent real estate experience, provide a detailed description of all such experience including, for personal transactions, a list or summary of all sales, purchase and rental transactions showing for each transaction (or category of transaction) the type of property, transaction date, a description of the applicant’s role in the transaction and an indication of whether or not a real estate agent was involved in the transaction.

**Option #5
Licensure in Another State
With Which North Carolina has
Reciprocity
[Examination not required for
this option only.]**

An applicant who holds an active license in another state with which North Carolina has a reciprocal licensing arrangement may qualify for **licensure by reciprocity** (i.e., without examination) if they are a resident of the qualifying reciprocal state or have moved to North Carolina from the qualifying reciprocal state within 90 days prior to application. Upon demonstrating satisfactory moral character, an applicant licensed as a **salesperson** in the reciprocal state will be issued a North Carolina **provisional broker** license, and an applicant li-

censed as a **broker** in the reciprocal state will be issued a North Carolina **broker** license that is NOT on provisional status. A PERSON WHO HAS BEEN A NORTH CAROLINA RESIDENT FOR MORE THAN 90 DAYS CANNOT OBTAIN A NORTH CAROLINA LICENSE BY RECIPROCITY.

Note: See the section on “Licensing by Reciprocity” in this booklet for more information.

Licensing Nonresidents by Examination

Resident licensees of other jurisdictions with which North Carolina does NOT have a reciprocal licensing arrangement and residents of other jurisdictions who do not hold a real estate license may generally apply for a nonresi-

dent North Carolina real estate license by satisfying one of the above-described qualification options and passing the North Carolina real estate license examination. North Carolina law (G.S. 93A-9) provides that applications for licensure may be accepted from residents of other jurisdictions that offer similar licensing privileges to residents of North

Carolina. The North Carolina Real Estate Commission will accept applications for licensure by examination from residents of most other jurisdictions without any special restrictions. However, special requirements or restrictions may be imposed on applying residents of a jurisdiction that imposes special requirements or restrictions on North Carolina residents applying in that jurisdiction. As of the printing of this booklet, special restrictions apply to residents of the jurisdictions listed below.

Restrictions on Licensing Nonresidents by Examination

FLORIDA Residents — Due to restrictions applied by Florida to North Carolina residents applying for licensure in Florida, North Carolina will not recognize Florida real estate licensure, education or brokerage experience when a Florida resident applies for a North Carolina real estate license by examination. *To be found eligible to take the North Carolina single license examination, the Florida resident (whether a FL salesperson or broker or unlicensed) must either complete North Carolina's 75-hour real estate prelicensing course (only available in NC) or qualify based on qualifications other than licensure, education or brokerage experience in Florida (such as active licensure in a state other than Florida).* Upon passing the North Carolina license examination, the Florida resident would be issued a North Carolina “provisional broker” license and would have to satisfy the postlicensing education requirements to remove the “provisional” status of the provisional broker license within the prescribed time period by choosing one of the options available to nonresident licensees for this purpose (see “Postlicensing Education for Provisional Brokers”).

TEXAS Residents – Texas does not issue *salesperson* licenses to residents of North Carolina or other jurisdictions. Consequently, North Carolina will not issue a *provisional broker* license to a resident of Texas. A Texas resident who holds a broker license in Texas or another jurisdiction may, however, qualify for a North Carolina broker license (NOT on provisional status) by examination.

Consideration of Applicant's Character

Requirement to Demonstrate Good Character. Every applicant for a real estate license has the burden of proving that he or she is of good character and entitled to the high regard and confidence of the public. To enable the Commission to render its decision regarding an applicant's character at the earliest possible time, the applicant should submit with his or her application form all the information required in questions 14-16 on the online application or 16-18 on the paper application form relating to **criminal offenses** (including serious traffic offenses), **professional licensure disciplinary actions** and **liens/unpaid judgments**. *Full disclosure and explanation of every problem relating to these matters is expected and highly recommended!* Nondisclosure of such information will only increase an applicant's burden of proving his or her truthfulness, honesty and integrity.

Criminal Record Report Requirement. Every applicant, including those seeking to reinstate an expired, revoked or surrendered license, must obtain and submit with his or her application a **criminal record report** as described in the subsequent section on “Criminal Record Report Requirement” under “Application Process.”

What Is a “Character Issue?” *Any person who has a criminal record report showing a criminal conviction (including any serious traffic offense, especially DWI) or who answers (or should have answered) “Yes” to any one of questions 14-16 on the online application or 16-18 on the paper license application relating to criminal offenses, professional licensure disciplinary actions and liens/unpaid judgments is considered to have a “character issue,”* although it should be noted that the Commission may also consider any other information that reflects on an applicant's character and reputation.

Procedures for Applicants with Character Issues. *Consideration of an application involving any “character issue” takes place only **after** the applicant has passed the license examination or otherwise satisfied all license qualification requirements other than that of demonstrating good character.* At that point, an application involving a character issue is evaluated by the Commission's Executive Director and License Application Analyst and, if necessary, the Commission itself at the next monthly Commission meeting following the applicant's passing the examination, and the applicant is then notified in writing of the Commission's decision.

Applicants who have a “character issue” (see above definition) in connection with their application should allow the Commission 45 days after passing the license examination to complete its evaluation before inquiring about the status of their application. In evaluating an applicant who has a “character issue,” the Commission considers all information that may come to its attention regarding the applicant's character and reputation. An inquiry may be made by the Commission to obtain additional information about matters relating to an applicant's character. This may include further search of criminal and civil records and/or a credit report. The Commission also may request additional information from the applicant.

At any point during the process of considering character issues related to an applicant that the Commission determines the applicant possesses the requisite good character, the applicant's license will be promptly issued.

If the Commission determines that an applicant has NOT affirmatively demonstrated that he or she possesses the requisite truthfulness, honesty and integrity for licensure, then action will be deferred on the application. The applicant will be advised of his or her right to request a formal hearing before the Commission on this matter and that failure to request such a hearing within 60 days will constitute a waiver of the right to a hearing and will result in the application being denied. In some instances, the applicant may be offered the opportunity for an informal conference with a delegation of Commission members and staff to discuss the character issues in question

before a determination is made by the Commission. Also, in instances where an applicant has a pending criminal charge or other pending matter that relates to his or her character, the Commission may postpone further consideration of the application until the pending matter is resolved.

Applicant Check through National Real Estate License Disciplinary Data Base. Information on all applicants, including those seeking licensure by reciprocity or reinstatement, will be submitted to a national real estate license disciplinary action data bank operated by the Association of Real Estate License Law Officials to determine if the applicant has (1) had a real estate license revoked or suspended in another state or has been otherwise disciplined in another state; (2) had a criminal conviction or civil injunction imposed for engaging in real estate activity without the required license; or (3) had a real estate license denied due to matters relating to character.

APPLICATION PROCESS

Obtaining a License by Examination

Following is an overview of the process for obtaining a real estate license by examination:

- (1) Prospective applicant completes required real estate prelicense course or otherwise satisfies license qualification requirements.
- (2) License application, fee and required documentation filed with Commission.
- (3) Application reviewed to determine applicant's eligibility for the license examination.
 - (a) If the application is complete and the applicant is qualified, the Commission sends a notice of examination eligibility within 4-5 working days of application receipt and the applicant then contacts the testing service to pay the examination fee and to schedule taking the examination by computer.
 - (b) If the applicant is *not* qualified or if the application is *incomplete*, the application is canceled and is returned to the applicant along with the application fee.
- (4) Applicant takes the license examination.
- (5) If applicant *fails* the license examination, he or she may reschedule and retake the examination.
- (6) If applicant *passes* the license examination:
 - (a) If there are no issues relating to the applicant's character, his or her license is promptly issued and should be received in the mail within seven days of the examination date.
 - (b) If there is some issue relating to the applicant's character, the application is reviewed by Commission staff and may be referred to the Commission for further consideration as to whether the applicant has the good character

necessary for licensure. This process may become quite lengthy. See the preceding discussion of "Consideration of Applicant's Character" under "License Qualification Requirements."

Timeframe for Obtaining a License by Examination

To complete the entire application-examination-licensing process usually requires approximately three (3) weeks after application filing for qualified applicants who file complete applications, who schedule the examination promptly after receiving notice of application acceptance, who pass the examination on their first attempt and who have no character issues.

Completing the Application Form

Any person wishing to obtain an individual real estate license, whether by examination or on another basis must complete and file with the Real Estate Commission the Application for Real Estate License. Most applicants may choose to file an application **online** or to file a **paper** application using the application form contained in this booklet as described further below.

Online Application

To be eligible to apply using the online version of the Application for Real Estate License, an applicant must be a North Carolina resident applying for a broker license by examination and **must have completed the 75-hour broker prelicensing course on or after May 1, 2011**. If you are an applicant for a reciprocal license or if you are applying for license reinstatement, you are not currently eligible to complete the online application. You must complete the paper application contained within this booklet.

The online application is available through the Commission's website and an applicant may begin the application process prior to the completion of a prelicensing course. The applicant may also access his/her application as frequently as needed in order to add or amend information up to the point of submitting the completed application to the Commission for review.

The online application will not allow an applicant to enter his/her credit card payment until the applicant has completed the prelicensing course and the school has electronically reported the completion of the course. Once the applicant enters his/her payment for the license application fee, the application will enter the normal and customary review process and will no longer be accessible to the applicant. An applicant should allow ample time for application review as described in the previous section "Obtaining a License by Examination."

While the use of the Online Real Estate License Application is encouraged, it is not a requirement.

Accessing the Online Application. In order for an applicant to access the online application, he/she must go to the “Apply For A License” link on the Commission’s Homepage (www.ncrec.gov) and select “Online Application” and complete the application as below indicated:

- (1) Click on Create a *Login*
- (2) *Username* - Applicant’s Email Address is his/her username
- (3) *Password* - Create a unique password

CAUTIONARY NOTE: Every log-in will require the unique password created by the applicant and the online application will not allow an applicant to change the password. Therefore, the applicant must be certain to either choose a password that he/she can easily remember or record the password in a secure location for future use.

Obtaining a Criminal Background Check. Each applicant for a broker license must submit a criminal background report as indicated in the subsequent section “Criminal Background Report Requirement.” Please refer to this section for specific details. Online broker applicants should request and order this report through the actual online application. Once an applicant has created a login, the applicant will be given an option to “Apply for background check” or to access the “Application.” An applicant must choose the “Apply for background check” option and follow all applicable instructions to place an order for a criminal background check online with the appropriate agency. Once the criminal background report has been completed, the reporting agency will automatically attach the completed background report electronically to the applicant’s online broker application. Each applicant may also access a copy of his/her criminal background report from the reporting agency’s website once the report has been completed.

Completing the Online Application. Complete all required items as described below. Note that once an applicant has entered his/her personal information, he/she is considered officially “registered” in the system and may exit the application and return to the application any time up until the point of entering his/her payment and submitting the application to the Commission for review.

General Instructions:

- (1) Applicant must “save” updates each time any information has been updated.
- (2) Punctuation marks (including commas, single and double quotation marks, hyphens, etc.) are not accepted. If an applicant has a hyphenated last name, the applicant must enter both names leaving a space between the two names omitting the hyphen.
- (3) The online broker application cannot be accepted for review by the Commission until it is COM-

LETE, meaning that all required fields/items must be filled in per the instructions, the school must have electronically reported the completion of the applicant’s preclicensing course, the criminal background report must have been completed and electronically attached by the reporting company and the prescribed application fee must have been paid by credit card as further explained below.

Instructions for Selected Items:

Legal Name. Enter in Item #1 your true legal name, including your full first and middle names. Include any suffix (Jr, III, etc.) in the applicable space. Do **not** enter a nickname or an initial in any space. Your legal name is the name you were given at birth or subsequently acquired through marriage, court order or adoption, and should be the name that appears on your driver license (driver license may show middle initial rather than full middle name). If your current legal first and last names do not appear on your driver license, you should have your driver license reissued in your current legal name to avoid identification problems when you appear for your real estate license examination.

Address. There is a link within Item #2 that will allow you to locate your 9-digit zip code. Without this information, the online application system will not allow you to submit your application. You must enter your address exactly as provided by the USPS via the link.

Social Security Number. Providing your social security number is MANDATORY, not optional. The Commission is required by law to collect your social security number but also to protect the number from public access and improper disclosure. Your social security number is not “public information” and may only be disclosed as authorized by law. Additionally, the Commission requires each school to collect the last four digits of each student’s social security number no later than by the completion date of the student’s preclicensing course.

School, Instructor and Course Information. Item #9 will contain a drop down box in order to allow you to select the school where you completed the preclicensing course. You must also fill in the code number for your instructor and the course completion date. This information is provided to you on the course completion certificate issued to you by the school once you have passed the preclicensing course. If you enter an incorrect instructor code number, the online application will not allow you to submit your application for review. **Note:** If you did not complete a Broker Preclicensing Course in North Carolina, you are not eligible to complete the online application. You must submit a paper application.

First-time Exam Takers. If you have never previously taken the North Carolina real estate licensing examination and this will be your first time taking the examination, blacken the “Yes” circle in Item #10. Otherwise, blacken the “No” circle in Item #10.

License History. In item #11, you must indicate whether or not you have held a real estate license in NC or elsewhere. If you have, you must follow the additional directions in this section of the license application.

Places of Residence. In Item #12, list all places you have resided during the past seven (7) years, beginning with your current address working backwards in time. If you fail to account for your residency for any period of time within the past seven years, the online application system will not allow you to submit your application as your application will be considered incomplete.

Employment History. In Item #13, describe all employment for the past three (3) years, including self-employment or work as an independent contractor. List present employment first and indicate “None” for any period you were not employed. If you fail to account for your employment for any period of time within the past three years, the online application system will not allow you to submit your application as your application will be considered incomplete.

Criminal Offenses, Professional License Disciplinary Actions and Liens or Unpaid Judgments. The three questions asked by Items #14-16 relate to matters that may affect the Commission’s determination as to whether you possess the requisite “Character” for licensure. It is extremely important that you honestly answer these questions and provide the required explanations and documentation as required.

Note: If you check “Yes” to any of these questions, you will be provided with a drop down box with additional instructions and space to type in any necessary explanations. You may also attach additional documents as necessary.

Signature. By checking the box “I certify that I am the person shown above, and all the information is correct . . .” you are submitting an electronic signature. In submitting this electronic signature, you are agreeing to all of the terms outlined in the paragraph next to the box where you will place a “check.” Please carefully read this information prior to submitting an electronic signature.

Application Fee. Once you have completed the entire application, you will be able to pay the **\$30.00** application fee and submit the application to the Commission. The application fee for the online application is payable **ONLY** by credit card (Visa, MasterCard, and Discover).

Note: The credit card information will not be accepted if there are **INCOMPLETE** application fields. If you receive an error message indicating that your credit card cannot be accepted, you must first review all application fields to be sure that all fields have been properly and accurately completed. You must “save” all updates in order to properly update your application.

Exam Eligibility. If the application meets all of the Commission’s eligibility requirements, a Notice of Eligibility to take the real estate licensing examination will be issued via email. Each online broker applicant must adjust the permissions on his/her computer to allow the receipt of emails from the email address “LICAPPdonotreply.gov” in order to

receive the Notice of Eligibility via email. Additionally, the applicant will be mailed the Notice of Eligibility.

Paper Application

The paper application form contained in this booklet must be used to apply for a broker license by examination when an applicant does not (or cannot) use the online application option. This application form must also be used to apply for a license based on reciprocity or for reinstatement of an expired, cancelled, revoked or surrendered license.

Only an original application form from this booklet or the Commission office may be used to file a paper application. You may NOT use a COPY of this application form to file an application and the application may NOT be filed by FAX or EMAIL.

Applicants are cautioned to carefully read and follow the instructions on the application form and in this booklet. Failure to properly complete this form and submit all required attachments will result in cancellation and return of the application and delay in taking the license examination and/or obtaining a license. Several points to especially remember are noted below:

Print clearly using BLACK ink. Your application must be legible, so print clearly in black ink. Page 2 of the application must be scanned using an electronic scanner — thus it is very important that you place one letter or number in each box and skip a box between words, names, etc.

Legal Name. Enter in Item #2 your true legal name, including your full first and middle names. Include on the line with your last name any applicable suffix (Jr, III, etc.). Do **not** enter a nickname or an initial. Your legal name is the name you were given at birth or subsequently acquired through marriage, court order or adoption, and, should be the name that appears on your driver license (driver license may show middle initial rather than full middle name). If your current legal first and last names do not appear on your driver license, you should have your driver license reissued in your current legal name to avoid identification problems when you appear for your real estate license examination.

Social Security Number. Providing your social security number is **MANDATORY**, not optional. The Commission is required by law to collect your social security number but also to protect the number from public access and improper disclosure. Your social security number is not “public information” and may only be disclosed as authorized by law.

School, Instructor and Course Information. If you are applying to take the examination, enter the school code number, instructor code number and course completion date of your Broker Prelicense Course in Item #10. This information is on your course completion certificate. If you did not complete a Broker Prelicense Course in North Carolina, leave this item blank.

**THE COMMISSION DOES NOT ACCEPT CASH,
PERSONAL CHECKS OR COMPANY CHECKS FOR
THE APPLICATION FEE.**

First-time Exam Takers. If you have never previously taken the North Carolina real estate license examination and this will be your first time taking the examination, blacken the “Yes” circle in Item #11. Otherwise, blacken the “No” circle. If you are an applicant for a reciprocal license, or if you are applying for license reinstatement and you are not required to pass the examination, leave this item blank.

Places of Residence. In Item #14, list all places you have resided during the **past seven (7) years**, beginning with your current address and working backwards in time. If you fail to account for your residency for *any* period of time within the past seven years, your application will be considered incomplete and will be returned to you. Enclose an additional sheet if needed.

Employment History. In Item #15, describe all employment for the **past three (3) years**, including self-employment or work as an independent contractor. List present employment first and **indicate “None” for any period you were not employed.** Enclose an additional sheet if needed.

Criminal Offenses, Professional License Disciplinary Actions and Liens or Unpaid Judgments. The three questions asked by Items #16-18 relate to matters that may affect the Commission’s determination as to whether you possess the requisite “**Character**” for licensure. *It is extremely important that you honestly answer these questions and provide all the required explanations and documentation as described on the application form. Failure to disclose a matter relating to your character is a separate character issue that may be considered in addition to the underlying offense or issue. Failure to answer or provide all required information will result in your application being returned or in an application processing delay.*

Signature. Don’t forget to sign and date the application. When signing an application, the applicant certifies that all information provided in connection with the application is accurate and complete. Any omission, inaccuracy, or failure to make full disclosure in the application may be deemed sufficient reason to deny permission to take an examination, to deny license issuance, or to revoke a license after issuance.

Paper Application Enclosures

In addition to properly completing the application form, the applicant must enclose:

1. **Course Completion Certificate(s)** or other documentation of qualifications (See “License Qualification Options” under “License Qualification Requirements”);
2. **Application Fee.** The application fee for an original broker license is **\$30.00** (\$55 for reinstatement of a license expired for more than six months) and **must be paid by either cashiers check, certified check, or money order.** If two or more applications are submitted in the same envelope, separate checks or money orders must be submitted with each application.

Commission rules provide that once an application has been filed and processed by the Commission, the application fee may not be refunded.

3. **Criminal Record Report** as described in the instructions on the license application form and under “Criminal Record Report Requirement” below;
4. **Character Information.** All the required information described in a. - c. below when an applicant answers “Yes” (or should answer “Yes”) to the items on the application form relating to criminal offenses, professional license disciplinary actions or liens/judgments;
 - a. **Criminal Offenses:** Submit a *detailed written explanation in your own words* describing the circumstances surrounding each offense/pending charge and addressing why you think you should be licensed in spite of the offense(s). Also, submit a copy of the court judgment for any conviction (or arrest warrant or bill of indictment for any pending charge) not shown on your criminal record report.
 - b. **Professional License Disciplinary Action:** Submit a *detailed written explanation in your own words* describing the circumstances surrounding each action (or pending complaint) and addressing why you think you should be licensed in spite of the action. Also, submit a copy of the licensing agency’s order or pending complaint.
 - c. **Liens or Judgments:** Submit a *detailed written explanation in your own words* describing the circumstances surrounding each outstanding lien or unpaid judgment resulting from your failure to pay a debt, your efforts to pay the debt, the name of the judgment creditor or lien holder (i.e., the party you owe), the amount and date of the judgment and lien, and the current balance. Also, address why you think you should be licensed in spite of the outstanding lien(s) or judgment(s).
5. If applicable, a **certification of license history** (original) issued within the last six (6) months by the appropriate state licensing agency *for each state where you have held a real estate license within the past five (5) years*; and
6. All additional information required for nonresident applicants (See the “Nonresident Supplement to the Application for Real Estate License” in the back of this booklet).

Criminal Record Report Requirement

*You must obtain a criminal record report from the agency listed below and submit such report with your application. A report prepared by this agency **within the previous six months** is the only report acceptable to the Commission.*

Note: If you are filing an online broker application, the reporting agency will automatically attach an electronic version of your criminal background report to your online broker application once the criminal background report has been completed. If you are filing paper application, you must include a printed copy of your criminal background report along with the submission of your application.

Carolina Investigative Research, Inc. (CIR)
Telephone: (919) 460-7799
Website: www.cir-ncrec.com

The criminal record report must include the results from a search of criminal records in the state and/or county of each different place where you have resided during the past seven years and the search will be conducted for each different name you have used during that period. Please note that if you have resided outside of the United States for any period of time during the previous seven years, the background report must also include a search of criminal records for the particular countries where you may have resided. *CIR's report will show all felony and misdemeanor convictions (including most traffic convictions) on record for an applicant, not just those that occurred in the past seven years.* CIR is authorized by the Commission to collect from you all personal information necessary to conduct records searches and to charge a separate fee for (1) collecting and verifying personal data, (2) each state or county record searched and (3) each additional name for which a search is conducted. Thus, the cost of obtaining the criminal record report will vary depending on the number of different places you have resided and/or different names you have used during the past seven years. **NOTE:** The cost of a criminal records search in some other states (notably New York) may be substantial.

A criminal record report involving only a search of North Carolina records will typically be provided within 2-4 business days of placing the order. Most reports involving a search of out-of-state records will be provided in 5-7 business days. Searches of records in a few states will require more time. Most criminal record reports involving a search of records outside of the United States take 2-3 weeks to obtain. However, there are at least two countries (Canada and Australia) that may take a considerably longer time. If you have resided outside of the United States during the previous seven years, you are encouraged to order your criminal background report as soon as possible after registering for a prelicensing course.

Paper Application Filing

- Use the return envelope provided in this booklet.
- Do not fold the application form.
- Include all required enclosures.
- Note that EXTRA POSTAGE is required for all mailed applications, regardless of weight.

Updating Application Information

An applicant is required to notify the Commission if any information provided in connection with an application for a North Carolina real estate license changes.

LICENSE EXAMINATION – GENERAL INFORMATION

To qualify for a North Carolina real estate license, most applicants must pass the real estate license examination. The license examination tests the applicant's knowledge and understanding of subject matter that has been determined by an advisory committee of real estate practitioners and the Commission to be essential to practicing real estate brokerage in North Carolina in a manner that protects real estate consumers. The examination is an entry-level examination designed to determine if an applicant is minimally competent to practice real estate brokerage.

The only persons who are not required to pass the license examination are (1) residents of other states who are applying for nonresident North Carolina licenses by reciprocity (see the *LICENSING BY RECIPROCITY* section of this booklet) and (2) some applicants for license reinstatement (see *LICENSE REINSTATEMENT*)

How Examination is Administered

The real estate license examination is administered for the Commission by **PSI Services**, a professional testing service, under a contract with the Commission to schedule and administer the license examination for qualified license applicants. Applicants take the license examination by computer at specially equipped testing centers. Each applicant is seated at a semi-private workstation in a room dedicated to testing. The testing room accommodates a maximum of 12 test takers and is monitored by one or more examination proctors. The testing room may also be under video surveillance for purposes of examination security. The testing equipment is easy to use and does not require previous computer experience or typing skill. The applicant responds to the test questions that appear on the computer monitor by pressing a key on the computer keyboard to indicate his or her answer choice or by selecting an answer choice using a computer mouse. During the untimed tutorial that immediately precedes the license examination, applicants will have the opportunity to become comfortable using the computer.

Preparing for the Examination

The best preparation for the real estate license examination is to complete a Commission-approved real estate Broker Prelicense Course. A vast majority of applicants will have done this in order to qualify for the licensing examination. For applicants who are qualifying on a basis other than completing a North Carolina broker prelicense course, or who want to undertake additional study prior to taking the license examination, you may contact an approved prelicensing school to request information concerning current prelicense course textbooks or study materials. A list of approved prelicensing schools is provided on the Commission's website at *www.ncrec.gov*.

Examination Question Formats

All questions on the licensing examination are multiple-choice questions that require the applicant to choose the correct or best answer from the alternate answer choices provided. Two types of multiple-choice question formats are used on the licensing examination: (1) the "basic four-choice" format and (2) the "Roman numeral" format. These two formats are discussed and illustrated below.

The Basic Four-Choice Format: This basic or standard multiple-choice question format involves a question or incomplete statement that is followed by four possible numbered alternatives. Examples 1-3 below illustrate this format.

Example 1

The primary body of law governing the relationship between a seller of real estate and the broker with whom the seller lists his/her property is known as the

- (1) Statute of Frauds
- (2) Law of Conveyancing
- (3) Statute of Limitations
- (4) Law of Agency

Answer: 4

Example 2

A broker with ABC Realty listed an owner's property at \$150,000 and the property was subsequently sold by a salesperson with XYZ Realty for \$140,000. If the brokerage commission was 5% of the sale price and was to be divided equally between the two firms, and if the selling agent's share was 60% of his/her firm's share, how much did the salesperson earn on the sale?

- (1) \$1,400
- (2) \$2,100
- (3) \$3,500
- (4) \$4,200

Answer: 2

Example 3

All of the following are associated with the cost approach to estimating the value of an improved property EXCEPT

- (1) Replacement Cost
- (2) Depreciation
- (3) Net Operating Cost
- (4) Lot Value

Answer: 3

The Roman Numeral Format: The Roman numeral format is merely a variation of the basic four-choice format. This format involves a question or incomplete statement followed by two possible responses labeled with Roman numerals. These are followed by the four numbered alternative answer choices. Examples 1-2 below illustrate this format.

Example 1

A valid real estate sales contract must contain

- I. an adequate property description.
- II. the sale price of the property.

- (1) I only
- (2) II only
- (3) Both I and II
- (4) Neither I nor II

Answer 3

Example 2

Which of the following statements regarding condominiums is true?

- I. Unit ownership is transferred by deed.
- II. Unit owners are stockholders in the corporation that owns the condominium complex.

- (1) I only
- (2) II only
- (3) Both I and II
- (4) Neither I nor II

Answer 1

Examination Topics

Based on a comprehensive real estate licensee job analysis, an advisory committee of North Carolina real estate experts and the North Carolina Real Estate Commission determined the topics covered on the North Carolina real estate license examination. All these topics are covered in the Commission-approved real estate Broker Prelicense Course. The topics listed below are subject to testing:

1. REAL ESTATE LAW AND BROKERAGE PRACTICE

- A. Property Ownership and Interests**
Property Definitions and Classifications; Fixtures; Manufactured Homes (requirements for becoming real property); Freehold Estates; Severalty and Concurrent Property Ownership; Encumbrances (Liens, Easements, etc.); Riparian, Air and Subsurface Rights; Real Property Taxation and Special Assessments.
- B. Transfer of Title to Real Property**
Methods of Transferring Title; Deeds (Essential Elements, Types and Characteristics); Excise Tax; Title Examination; Title Insurance; Recordation of Property Interests; Property Description.
- C. Closing Real Estate Transactions**
Preliminaries to Closing; Items Required at Closing; Closing Procedures; Closing Statements; Real Estate Settlement Procedures Act (RESPA).
- D. Land Use Controls**
Public Land Use Controls (all types), especially Zoning (Concepts, Terminology, Authority, Purposes, and Procedures); Subdivision Statutes/Regulations; Protective Covenants; Interstate Land Sales Disclosure Act; Flood Hazard Area Regulations and Insurance.
- E. Brokerage Relationships - Law and Practice**
Basic Agency Concepts (Terminology, Classifications, Creation of Agency and Scope of Agent's Authority); Real Estate Agency Relationships; Duties and Liabilities of Principals and Real Estate Agents.
- F. Basic Contract Law**
Basic Concepts, Terminology, and Classifications; Legal Requirements for a Contract; Statute of Frauds; Discharge & Assignment of Contracts; Contract Remedies.
- G. Agency Contracts and Related Practices**
Earning a Real Estate Commission; Agency Contract Requirements and Types; Common Provisions and Completion of Standard Forms; Listing Practices; Residential Square Footage Guidelines, Procedures for Buyer's Agent; Cooperation among Brokers.
- H. Sales Contracts and Related Practices**
Use, Provisions and Completion of N.C. Standard Offer to Purchase and Contract Form, including Standard Addenda; Rights and Obligations of Parties; Offer, Acceptance and Counteroffer; Earnest Money; Installment Land Contracts; Options to Purchase.
- I. Landlord and Tenant Law**
Basic Concepts and Terminology; Nonfreehold Estates; Laws Protecting Residential Tenants.
- J. Leases and Property Management**
Types and Characteristics of Leases; Essential and

Common Lease Provisions; Rights of Parties; Property Management Contracts; Functions of Property Managers.

2. MISCELLANEOUS TOPICS RELATED TO REAL ESTATE

- A. Laws Prohibiting Discrimination**
Fair Housing (State and Federal Laws); Americans with Disabilities Act.
- B. Environmental Hazards, Laws and Regulations**
Hazardous Substances and Wastes (Lead-Based Paint, Asbestos, Radon, Oil and Chemicals) and Related Federal/State Laws; State Laws Protecting/Conserving Natural Resources, including N.C. Coastal Area Management Act.
- C. Residential Property Disclosure Statement**
N.C. Residential Property Disclosure Act
- D. Federal Income Tax Implications of Homeownership and Real Estate Investments**
Basic Terminology; Homeowner Deductions; Sale of Personal Residence; Operating Real Property for Business or Income-Producing Purposes; Sale of Business or Investment Real Estate; Installment Sales; Like-Kind Exchanges; Special Rules on Vacation Homes and Office in Home.
- E. Property Insurance**
Basic Concepts and Terminology; Homeowners' Policies.
- F. Residential Building Construction**
Basic Wood-Frame Construction Methods and Terminology; Architectural Styles; Heating/Air Conditioning Systems; Government Regulation.

3. N.C. REAL ESTATE LICENSE LAW, COMMISSION RULES AND TRUST ACCOUNT GUIDELINES

License Law Provisions Tested:

- Article 1 (All sections)
- Article 4 (Sections 93A-39 thru 93A-42, 93A-44, 93A-45, 93A-51, 93A-54, 93A-56, and 93A-58.)

All other provisions of the License Law will NOT be tested on the examination.

Commission Rule Provisions Tested:

- Subchapter 58A (Sections .0100, .0500, .1600, .1700, and 1900)
- Subchapter 58B (Sections .0400 thru .0600)

All other provisions of the Commission Rules will NOT be tested on the examinations.

A. Requirement for Licensure

Definitions; Activities Requiring a License; Exemptions.

B. The Real Estate Commission

Composition; Purpose and Powers.

C. General Licensing and Brokerage Provisions

Business Entities (Firms); License Renewal; Postlicensing Education, Continuing Education; Active and Inactive License Status; Expired License; Supervision of Provisional Brokers by Brokers; Payment of License Fees; Proof of Licensure; Change of Name or Address; Advertising; Delivery of Instruments; Retention of Records; Broker-in-Charge; Brokerage Fees and Compensation; Drafting Legal Instruments; Sales Contract Forms; Reporting Criminal Convictions; Agency Disclosure. (Agency Agreements covered under 1.G; Designated Agency covered under 1.E.)

D. Prohibited Acts

Disciplinary Actions (by Commission); Making False Promises; Improper Brokerage Commissions; Unworthiness and Incompetence; Improper, Fraudulent or Dishonest Dealing; Practice of Law; Other Prohibited Acts. (Misrepresentation and Omission and Conflict of Interest covered under 1.E.)

E. Handling and Accounting for Trust Funds

Definition of Trust Funds; Trust Accounts; Depositing Trust Funds; Use and Disbursement of Trust Funds; Recordkeeping and Accounting.

F. North Carolina Time Share Act

Project Registration; License Required (for time share brokers); Definitions; Public Offering Statement; Purchaser's Right to Cancel; Escrow Requirements; Handling and Accounting of Funds and Other Law/Rule provisions listed above.

4. REAL ESTATE FINANCE

A. Mortgages and Deeds of Trust

Basic Finance Concepts and Terminology; The Mortgage Note and the Mortgage (Deed of Trust) Instrument (Essential and Common Provisions); Loan Payment Plans; Rights of Parties; Mortgage Priorities; Sales of Properties with Existing Mortgages.

B. Financing Methods

Conventional and "Government" Mortgage Loans, including FHA, VA, Rural Development, Farm Service Agency, and N.C. Housing Finance Agency (Characteristics, Major Programs and Payment Plans, Qualification Requirements); Other Types of Mortgage Loans and Financing Methods.

C. Financing Practices and Legislation

Government Monetary Policy; Direct Sources of

Financing; The Secondary Mortgage Market; Loan Qualification Practices/Procedures; Federal Legislation (Truth-in-Lending Act and Others).

5. REAL ESTATE VALUATION (APPRAISAL)

A. Basic Valuation Concepts and Real Estate

Economics

Terminology; Concepts of Value; Forces and Factors Affecting Value; Economic Principles of Value; Regulation of Appraisals.

B. Methodology (Appraisal Methods)

The Valuation Process (in General); Uniform Residential Appraisal Report (URAR); Terminology, General Use, and Procedures associated with the Sales Comparison, Cost and Income Approaches; Comparative Market Analysis (CMA).

6. REAL ESTATE MATHEMATICS

A. Finance Calculations

Principal and Simple Interest; Monthly Loan Payment; Total Interest over Life of Loan; Debt Reduction; Loan Fees; Points; Discount; Yield; Loan Value; Loan-to-Value Ratio; Qualifying a Buyer.

B. Appraisal Calculations

Calculations related to Sales Comparison Approach and Income Capitalization Approach.

C. Miscellaneous Calculations

Brokerage Commissions; Sale Price/Rental Amount Needed to Provide Specified Net to Seller/Landlord; Profit/Loss on Sale of Real Estate; Equity; Area; Real Estate Taxes; Special Assessments; Calculation of Excise Tax; Federal Income Taxation of Home Ownership and Sale of Home.

D. Closing Statement Prorations/Calculations

Miscellaneous Prorations and Other Calculations; Separate Sellers' and Buyers' Closing Statement Problems.

E. Comprehensive Closing Exercise

This exercise provides applicants with complete details of a hypothetical closing and a "Closing Exercise Worksheet" for their use in performing multiple calculations necessary to answer four questions that are based on the closing information provided.

Examination Forms

The Real Estate Commission utilizes several different forms of the examination simultaneously and also changes these forms regularly. Thus, when more than one candidate is being tested at an exam center, it is likely that the candidates will be taking different forms of the examination. In addition, a candidate who fails the examination is given a different examination form when he/she retakes the examination. While each form of the examination contains mostly different individual questions, the topics tested are

the same on each form and each examination form is of equal difficulty.

Number and Value of Questions

Each examination form shall include 110 scored questions and may also include up to 15 additional pretest questions. *All scored questions have equal value.*

Pretest questions are included to gather performance data on new questions in order that the Commission can determine if the new questions are appropriate to be used as scored questions on future examinations. Results of pretest questions will be reported only to the Commission and will be excluded from scoring of the 110 questions that determine whether the candidate passes the examination. Pretest questions may appear in various sections of the exam, and candidates will not be able to distinguish pretest items from the questions that will be scored.

The examination is divided into six sections as shown below. The number of questions in each of the six examination sections may vary within the ranges shown below for any particular examination, but the total number of scored questions will always be 110.

Section	Number of Scored Questions
Real Estate Law and Brokerage Practice	40 - 48
Miscellaneous Topics Related to Real Estate	9 - 13
N.C. Real Estate License Law, Commission Rules and Trust Account Guidelines	9 - 13
Real Estate Finance	12 - 16
Real Estate Valuation (Appraisal)	8 - 12
Real Estate Mathematics	17 - 23
TOTAL	110

Passing Requirement: In order to pass the real estate licensing examination, applicants must attain a score of at least 75%, which means that 82 of the 110 scored questions must be answered correctly.

Helpful Hints

Pace yourself. Read each question very carefully, but do not spend too much time on any one question. The questions involving “Real Estate Mathematics” (last section of examination) will require more of an applicant’s time than other questions, so allow plenty of time for that section of the examination. If you are stumped by a particular question, mark it for later review and go on with your examination; then return to your marked “problem questions” after you have answered the other questions. If uncertain as to the correct answer, make an educated guess; a question left blank will be automatically scored as incorrect.

SCHEDULING AN EXAMINATION

Applying for Examination

As described in the earlier *APPLICATION PROCESS* section, a license applicant must first file an application to the North Carolina Real Estate Commission and be found qualified to take the examination.

IMPORTANT NOTE: See the *APPLICATION PROCESS* section at the beginning of this booklet.

Notice of Examination Eligibility Valid for 180 Days

If the Commission determines that you meet the qualification requirements, you will be issued a “Notice of Examination Eligibility” valid for 180 calendar days from the date it is issued. Your examination eligibility expiration date will be prominently indicated on the notice. **Your notice of examination eligibility is valid for taking the examination ONE time only (See the *Expedited Reapplication and Exam Rescheduling* subsection of this booklet for information about re-applying for a subsequent examination).**

If your application is complete, every effort will be made to mail your notice of examination eligibility to you within 5-7 business days after receipt of your application by the Commission. Remember that it may take 2-3 business days for your application to reach the Commission and 2-3 business days for the notice of examination eligibility to reach you. The amount of time required to process applications varies with the volume of applications, so please allow at least 10 business days after mailing your application to the Commission before you call to check on the status of your application.

To be scheduled for examination, you must contact PSI after receiving your notice of examination eligibility. (See the *Making an Examination Appointment* subsection of this booklet.) Walk-in testing is not available.

You should schedule your examination promptly after receiving your notice of examination eligibility. You must take the examination on or before a business day prior to the expiration of your 180-day period of examination eligibility. The 180-day period of examination eligibility will NOT be extended for any reason. **DO NOT DELAY SCHEDULING YOUR EXAMINATION UNTIL YOUR 180-DAY PERIOD IS NEARLY OVER.**

The 180-day period is intended to accommodate applicant preferences in scheduling examinations and emergencies that may arise soon after being scheduled for an examination. If you wait until the 180-day period is nearly over to schedule your examination, PSI may not be able to schedule you for examination on a date and at a location that is convenient for you, and you may even risk forfeiture of application and examination fees.

Examination Fee

A separate \$66 examination fee is required in addition to the \$30 license application fee. The \$66 examination fee is payable directly to PSI when the applicant contacts PSI to schedule his/her examination. Do NOT submit the \$66 fee to the Real Estate Commission. Payment may be made by credit card at the time you contact PSI by telephone or online to schedule your examination, or payment may be made to PSI in advance by mail. Once paid, this examination fee is nonrefundable. (See important payment instructions in the *Making an Examination Appointment* subsection of this booklet.)

Examination Center Locations

You may select an exam center subject to availability when you contact PSI to schedule an examination. PSI operates exam centers for administering the North Carolina real estate license examination in the following cities:

Asheville	Charlotte	Fayetteville	Greenville
Raleigh	Virginia Beach, VA	Wilmington	Winston-Salem

Tests are given only at these locations. Out-of-state testing is not permitted except at Virginia Beach, VA.

Days of Operation: PSI exam centers will operate on most weekdays and Saturdays (other than on holiday weekends) depending on demand. Examinations are administered in the mornings at all sites and in the afternoons at some sites depending on demand.

Making an Examination Appointment

Applicants have the option of scheduling an examination with PSI, using a VISA or MasterCard, either online or by telephone. The examination fee must be paid at the time of reservation. Examination fees are non-refundable and non-transferable, except as detailed in the *Postponing an Examination Appointment* subsection of this booklet. Applicants who cannot or do not wish to use a credit card to pay the examination fee may pay the fee by mail and then use the telephone or online systems to actually schedule the examination. Paying by mail will, however, require an additional one to two weeks for processing before the applicant can actually schedule an examination.

When scheduling by telephone or online, you may schedule your examination as early as two working days after you call if space is available at the exam center of your choice and you have not previously taken the examination. In almost all cases you will be able to take an examination at the exam center of your choice within 7 calendar days of calling PSI unless you request a later appointment or have previously taken the examination. (For scheduling a second or subsequent examination, see the *Expedited Reapplication and Exam Rescheduling* subsection of this booklet.)

Preparing to Contact PSI

When scheduling by telephone or online, you will need to do the following before you contact PSI:

1. Have your social security number available.
2. Have your VISA or MasterCard available.
3. Have your 'Notice of Examination Eligibility' available.
4. Have a calendar available and plan alternative exam appointment dates. PSI will make every effort to schedule the exam center location and date that is most convenient for you, but you may need a couple of alternative dates selected in advance.
5. Be sure you are ready to schedule your examination date when you contact PSI. Once paid (i.e., once your credit card is charged for the examination fee by PSI's online or telephone registration system), **an examination fee is NOT REFUNDABLE and credit for the fee may not be transferred to another person.**

Scheduling Online
www.psiexams.com

Contact the PSI website at www.psiexams.com and follow the instructions to pay the examination fee and schedule your examination.

Scheduling By Telephone
Call 1-800-733-9267
[1-800-RE-EXAMS]

You may schedule an examination by calling PSI at the above number 24 hours a day, 7 days a week and using PSI's automated voice response system. You should be able to follow the instructions to pay the nonrefundable examination fee and schedule your examination using the automated system.

If you need assistance of any kind from a customer services representative, call Monday through Friday, between 7:30 a.m. and 8:00 p.m. and Saturday, between 11:00 am and 5:00 pm, Eastern time. A PSI registrar will ask you for information on your "Notice of Examination Eligibility" form and will schedule your appointment.

After you have made your appointment, you may call PSI's automated response system again at any time to verify your examination appointment or to receive directions to the examination center.

Sending Examination Fee by Mail
(Scheduling by Telephone or Online)

If you would prefer to register and make your examination fee payment to PSI by cashier's check, money order or company check, you may do so by mail after you receive your Notice of Examination Eligibility from the Real Estate Commission.

Be sure to include all of the following with your written registration request to PSI, taking care to write clearly and legibly:

- Your name and social security number (applicant identification number) exactly as they appear on your Notice of Examination Eligibility;
- Your mailing address;
- Your daytime and evening phone numbers (with area code);
- A money order, company check or cashier's check payable to PSI in the amount of \$66 with your social security number (applicant identification number) from your "Notice of Examination Eligibility" printed clearly on your check or money order to assure that your payment is properly assigned.

Mail the required information and your examination fee payment to:

PSI Services
3210 East Tropicana Avenue
Las Vegas, Nevada 89121

CASH, PERSONAL CHECKS, MASTERCARD, OR VISA ARE NOT ACCEPTED BY MAIL.

Upon receipt of the required information and examination fee payment, PSI will send you a confirmation notice and you will be able to schedule your examination via PSI's automated telephone system (or online when that system is available). Be sure to allow at least two weeks for processing of your registration and fee. If you do not receive your confirmation notice from PSI within two weeks, call (800) 733-9267 to verify your status.

Special Examination Accommodations

Persons with a disability (physical or mental impairment) that substantially limits their ability to take the examination in the normal manner (by computer) or under normal testing conditions may request appropriate special accommodations in testing method or procedure. "Physical impairment" warranting special accommodation may be any of a broad range of physiological disorders or conditions. "Mental impairment" may be any of a broad range of mental or psychological disorders or conditions. Documentation of the disability in the form of a signed statement from an appropriate professional will be required in order to obtain the special accommodation. Also, the accommodation requested must be reasonable and appropriate for the particular disability. A few examples of special accommodations are: extended time (for a person with a learning disability); a large print paper and pencil examination for a visually impaired person; and additional breaks (for a person with low blood sugar levels).

Persons wanting to request a special examination accommodation based on a disability must do so on a "Request for Special Examination Accommodation" form available from the Commission Office. The completed request form should be filed, if possible, with the license application and must be received in the Commission Office at least 30 days prior to expiration of the applicant's examination eligibility period and before the applicant schedules a testing date with PSI. Upon receipt of the completed request form, the request will be promptly reviewed and the applicant will be contacted to discuss whether the requested accommodation can be provided.

TAKING THE LICENSE EXAMINATION

Reporting to Examination Center

Applicants will be advised by PSI of the time to report for their examination when they schedule a date with PSI to take their examination. PSI holds most examinations in the morning, but may schedule afternoon examinations at some

centers if demand makes this necessary. It is very important that applicants allow plenty of extra time to deal with traffic delays and still arrive at the center on time. Make a note of the reporting time and **DO NOT BE LATE!** Late arrival will result in forfeiture of both your application and examination fees. (See *Forfeiture of Fees* in the OTHER EXAMINATION INFORMATION section of this booklet.)

Exam Center Addresses and Directions

Note: The following directions are intended to supplement but not substitute for current street/road maps. Retail establishments cited as landmarks may be subject to change. If you are unfamiliar with the specific area and location of your test center, be sure to consult a reliable map.

ASHEVILLE

**1306 C Patton Avenue
Asheville, NC 28806**

From I-40 take exit 44, Smokey Park Highway (US 19/23), and turn left. Proceed north/east approx 3 miles. (The test center is in a multi-building complex between Haywood Rd and Druid). Turn right onto Haywood Rd at intersection of Patton (19/23) and Haywood Rd. (Swannanoa Cleaners on right.) Proceed approximately 0.2 miles and turn left onto Parkwood. Follow building numbers to 1306 –approximately the fifth building complex on right, past the BB&T bank.

From I-240 exit 3A to 19/23 (Patton Ave) and proceed south approx 2 miles. (The test center is in a multi-building complex between Druid and Haywood Rd.) Take a left onto Druid (Burger King is on the left), then first right. Continue past post office, proceed after the stop sign and take first left into parking lot of building #1306.

CHARLOTTE

**Tyvola Executive Park I
5701 Westpark Dr. #202
Charlotte, NC 28217**

From I-77S towards Columbia, exit Tyvola Road (Exit #5). Turn left at Tyvola Road. Make a right at Westpark Dr.

From I-77N, exit Tyvola Road (Exit #5). Bear right at Tyvola Road. Turn right at Westpark Dr.

FAYETTEVILLE

**3724 Sycamore Dairy Road, Suite 128
Arbor Alley Building
Fayetteville, NC 28303**

From the north, take I-95 South. Merge onto US 301/I-95 Business Route South towards Fayetteville/Fort Bragg/Pope AFB. Turn right onto NC-210/NC 24 Grove St. which becomes Rowan St. From Rowan St., turn right onto Bragg Blvd. Turn left onto Sycamore Dairy Road. The test center is on the right of the Arbor Alley strip mall on the north side (between Pricilia's and the ABC store).

From the south, take I-95 North to NC 24 West. NC 24 West becomes Bragg Blvd. (See above directions to test center from Bragg Blvd.)

From the northwest, take NC-87 South to NC-24 E/ Bragg Blvd. Continue on NC-24 E/Bragg Blvd beyond the intersection with Hwy 401 Bypass. Turn right onto Bargain Street and proceed to Sycamore Dairy Road.

From the southwest, take US 401 North and turn left onto 401 Bypass (Skibo Road). Continue on 401 Bypass/Skibo Road. Turn right onto Legend Ave; turn left onto Sycamore Dairy Road. The test center is on the left of the Arbor Alley strip mall on the north side (Between Pricilia's and the ABC store).

GREENVILLE, NC

**Charles Center
2404 South Charles Blvd., Suite B
Greenville, NC 27858**

From the south, proceed north on State Highway 11, and merge to the right onto Greenville Blvd SE (US264/ State 43). Turn right on Charles Blvd.

From the east, proceed west on US 264 and turn left onto Greenville Blvd SE. Turn left on Charles Blvd.

From the west, proceed east on US 264. Turn right on Memorial Drive. Turn left on Greenville Blvd. Turn right on Charles Blvd.

RALEIGH

**5711 Six Forks Road, Suite 208
Raleigh, NC 27609**

From I-440, exit Six Forks Road (Exit #8) and proceed north. Turn left on Loft Lane, then right into the first driveway.

VIRGINA BEACH, VA
Pembroke IV Building
291 Independence Blvd, Suite 140
Virginia Beach, VA 23462

From I-264, merge onto S. Independence Blvd/VA-225 N via Exit 17B toward Pembroke Area. Make a u-turn at Broad St. onto Independence Blvd/VA-225 S. The site is near the Pembroke Mall.

WILMINGTON
Judge's Road Business Park
311 Judge's Road, Suite 8D
Wilmington, NC 28405

When Interstate 40 ends, it merges with State Highway 132 (College Road). Exit Market Street (Highway 17) and proceed northeast toward Jacksonville, approximately 1 mile. Turn left at Judge's Road. As you approach Judge's Road Business Park, you will see a dozen brick buildings housing industrial units. Turn left into the Business Park and proceed to the third aisle. Turn right down the aisle for Building 8. Suite 8D is on the left. Overflow parking is available on the street.

WINSTON-SALEM
1540 Westbrook Plaza Drive, Suite 103
Winston-Salem, NC 27103

From Interstate 40, exit 189, Stratford Road and proceed north (left) approximately 100 yards. Turn left on Westbrook Plaza Drive. Turn left at the four-way stop, continuing on to Westbrook Plaza Drive. Continue straight after the next traffic light. The test center is approximately 1/4 mile past the light and on your left.

Required Identification and Signature

You must provide two (2) forms of identification at the exam center when you arrive to take your examination. Both must bear your signature. The primary form of identification must be valid (current), government issued, (i.e. driver's license, state identification card issued by North Carolina Department of Motor Vehicles, passport, or military ID) and must bear your legal name and photograph.

You must also provide a sample of your signature on the sign-in list when you check in to take your examination. Failure to provide required identification and signature at check-in will disqualify you from taking the examination.

NOTE: Your name as it appears on your two required forms of identification must be the same as the name under which you applied for your real estate license. No exceptions. If you recently changed your name, or if your last name includes a generation indicator (e.g., Jr., III), or is hyphenated or is a double last name, you should make sure well in advance that you are prepared to comply with this requirement. Proctors are not allowed to admit for testing any candidate whose required forms of identification are not consistent with the name on the license application.

If your primary photo ID (e.g., driver's license) shows a residence address in a state other than the one you provided on your license application, the proctor will report this to the Real Estate Commission for further inquiry in the event the state of residence was an issue in connection with your license qualifications.

Items to Bring and Prohibited Items

Applicants should wear *soft-sole (quiet) shoes*. In addition to required identification, applicants should also bring the following items to the exam center:

- A calculator (See important restrictions below).
- A coat, sweater, or wrap of some kind (even during summer months).

Note: PSI will provide scratch paper and pencils to license applicants taking the examination.

In the testing area you may have with you only your wallet, eye glasses (if needed), medications, personal hygiene items, a calculator, and the materials provided by the exam proctor. Any other items in your possession, including purses or pocketbooks, must be left in (or returned to) your car. PSI's examination proctor will not hold personal items for you while you take the examination and neither PSI nor the proctor will be responsible for items you leave in the waiting room at the exam center. Do not bring to the testing center any study materials or notes of any kind, briefcases, bookbags, backpacks, totebags, large purses or pocketbooks, scratch paper, tape recorders or players (including MP3 players), pagers, PDAs, cellular telephones, cameras or any other electronic communication, recording or photographing device.

Calculators: Calculators may be used in taking the examination if they are silent, hand-held, and either battery- or solar-powered. Calculators that would permit an applicant to enter and retrieve words by use of a keypad or an alphabet keyboard (that sometimes doubles as a numeric and function keyboard) are NOT permitted. No computer of any type is permitted. Applicants may not share calculators. Persons using battery-powered calculators should make cer-

tain that their calculators contain fresh batteries or should bring an extra set of batteries. No additional testing time will be allowed for calculator malfunction. Your calculator must be checked and approved by the examination proctor before you take it into the testing area.

Examination Rules

- You may not enter the testing area until you have completed check-in and been directed to your assigned seat by the examination proctor.
- You may not smoke, eat, or drink beverages in the testing center. After testing begins, you may take breaks, not to exceed 10 minutes per break, in the designated break area or to use the restroom. However, **ONLY ONE MALE AND ONE FEMALE CANDIDATE** will be allowed to take a restroom break at the same time. Smoking is prohibited in all buildings where PSI operates testing centers, and you may **NOT** leave the building to take a smoke break. While on break you must stay in the designated break area (or restroom) and you may not leave the testing area until the end of testing.
- You may not use telephones or communicate in any manner for any purpose with any person other than the exam proctor during the entire period of testing or while on break.
- You must be as quiet as possible throughout the examination. You must not disrupt the quiet and orderly administration of an examination in any manner.
- Cheating or attempting to cheat on the examination by any means, including both giving and receiving assistance, is prohibited.
- The examination questions are the confidential and exclusive property of the Real Estate Commission. Therefore, you may not remove from the exam center any notes about examination questions and you may not communicate examination questions to other persons, including instructors.
- All materials provided by the proctor for your use in taking the examination (for example, Closing Exercise Worksheet, scratch paper and pencils) must be returned to the proctor immediately upon completion of the examination. The same is true for any examination materials provided for use by a candidate receiving a special accommodation.

Possession of any prohibited items or violation of any of the above examination rules or procedures shall be grounds for dismissal from the examination, invalidation of examination scores, and/or denial of a real estate license.

Check-in Procedures and Examination Tutorial

Applicants should report to the Test Center thirty (30) minutes before the scheduled examination and check in with the test center proctor. The proctor will confirm each applicant's appointment, review the applicant's identification and any other required documents and will photograph him/her for security purposes. The proctor will also check to make sure the applicant has not brought any prohibited items to the test center.

After check-in, applicants will have an opportunity to take a tutorial on the PC on which the examination will be administered. The examination proctor will answer questions at this time, but applicants should be aware that the proctors are not familiar with the content of the examination or with the state's licensing requirements. *The applicant is responsible for knowing that he/she is supposed to take the North Carolina Real Estate Licensing Examination rather than any other test that may be offered at the test center.* The time spent on the tutorial will not reduce the examination time. Once applicants are familiar with the PC, they may begin the examination.

Examination Time

Check-in and the introductory tutorial may take as much as 30 minutes. The time allowed to take the examination is four (4) hours, including any breaks. Applicants who fail the examination will be allowed an additional hour to review their examination on the computer immediately after they receive their examination results. Thus, to be sure you have enough time for the examination review in the event you fail your examination, you should plan on spending up to six (6) hours at the exam center.

Immediate Examination Results

When you complete the examination, your pass/fail results will be reported to you immediately on the computer terminal. If you do not pass the examination, you will also be advised of your results for each section of the exam and will be given the opportunity to immediately review your examination as described below. When you leave the exam center, you will be provided with a written score report.

Examination Review by Failing Applicants

An applicant who fails an examination may review his/her examination at the testing center immediately following completion of the examination and receipt of the examination results. Applicants who pass an examination may not review their examination. This will be the only opportunity for a failing applicant to review his/her examination. *An ap-*

plicant eligible for examination review who does not review the examination at the testing center immediately following completion of the examination will be deemed to have waived the right to review the examination. **One hour** will be allowed for the review. Applicants will first be given an opportunity to review the questions they answered incorrectly by comparing their responses to the correct responses, and then, if time remains, they may review questions they answered correctly. By analyzing their performance and identifying their weaknesses, it is hoped that applicants will be better prepared to pass any future examination.

License Issuance for Passing Applicants

Licenses are not issued at the exam centers or by PSI. Your examination results will be reported to the Real Estate Commission, and licenses will be issued by the Commission to persons who passed the examination and possess the requisite “Character” for licensure (see the discussion of “Character” under *LICENSE QUALIFICATION REQUIREMENTS*).

Applicants passing the examination should expect to receive their license certificates within approximately 10 days following their examination date IF THERE ARE NO CHARACTER ISSUES ASSOCIATED WITH THE APPLICATION. Please do not call the Commission Office concerning license issuance until at least 10 calendar days after the examination date (45 days if there are character issues to be considered).

OTHER EXAMINATION INFORMATION

Postponing or Rescheduling an Examination Appointment

To postpone and/or reschedule your examination appointment, you must contact PSI and request to change your appointment at least two full working days before your scheduled exam. You may contact PSI by telephone (800-733-9267), fax (818-247-3853) or email (NCRE@psionline.com). **Applicants who attempt to postpone or reschedule a scheduled examination without proper notice will forfeit both the license application fee and the examination fee.** You should be aware of the remainder of your 180-day period of examination eligibility and you must reschedule and take the examination during that time.

Excused Absences

Under certain limited circumstances you may be excused from a scheduled examination for which you did not give PSI the required two-days advance notice of cancellation. You may be excused for missing a scheduled examination and rescheduled for a future date without having to file another license application and pay all required fees only if your absence was the direct result of an emergency situation or condition that was beyond your control and that you could not have reasonably foreseen. You must send your request for excused absence in writing to PSI promptly following your absence from your scheduled exam. Your request must set forth the reason for your absence and must include documentation verifying such reason (e.g. statement from physician). Your request for an excused absence will be denied if you cannot be rescheduled and examined prior to expiration of your 180-day period of examination eligibility. Written requests for an excused absence from an examination must be mailed to:

**PSI Services
3210 East Tropicana Avenue
Las Vegas, Nevada 89121**

Forfeiture of Fees

Your scheduled appointment to take the examination will be canceled, you will not be able to take the examination, your license application will be canceled, and you will forfeit both the license application fee paid to the Commission and the examination fee paid to PSI if you do any of the following:

- Fail to give PSI at least two full working days’ notice of your desire to postpone and/or reschedule your scheduled examination appointment;
- Fail to schedule and take the examination on or before the last business day prior to the expiration of your 180-day period of examination eligibility;
- Arrive at the PSI exam center more than 30 minutes after the official reporting time provided by PSI when you schedule your examination;
- Fail to appear at the exam center for your scheduled examination appointment; or
- Fail to present proper identification and required signature upon arrival for a scheduled examination. (See the *Required Identification and Signature* subsection of this booklet.)

Expedited Reapplication and Exam Rescheduling for Previously Scheduled Applicants for Examination

Applicants who fail the licensing examination will not be allowed to retake the examination for at least 10 calendar days. When using the expedited reapplication and rescheduling system described below, the applicant will be limited to selecting an examination date that falls at least 10 days after the applicant's most recent testing date.

Most applicants who either fail the examination or fail to take their scheduled examination within their 180-day period of eligibility may utilize an expedited ("one-stop") reapplication and examination rescheduling procedure that conveniently allows them to reapply for licensure and to schedule another examination by contacting PSI by telephone or online through PSI's website. *Eligible applicants may simply contact PSI, verify their eligibility for the "one-stop" procedure, pay by credit card a comprehensive reapplication/rescheduling fee of \$96 (\$30 application fee plus \$66 examination fee), and immediately schedule another examination for a date that falls at least 10 days after the applicant's most recent testing date.* (PSI will remit \$30 of the \$96 fee to the Commission.) This procedure will save eligible applicants the trouble of filing another paper application and will expedite their ability to schedule a subsequent examination. [Note: For eligible applicants seeking to reinstate a previously held license, the comprehensive "one-stop" reapplication/rescheduling fee is \$121 (\$55 application fee plus \$66 examination fee)].

To know if you are eligible for this "one-stop" procedure, look at the date your examination eligibility expires as shown on your "Notice of Examination Eligibility." This date will be 180 days from the date your last paper application was processed by the Commission. You may use the "one-stop" reapplication and examination rescheduling procedure at any time prior to the expiration date shown on your "Notice of Examination Eligibility". Each time you use the "one stop" reapplication procedure and pay the required fees you will receive an additional 180 days from the day you use the "one stop" system to schedule and take the licensing examination.

You must wait until the day after you fail the examination (or fail to appear for a scheduled examination) to contact PSI and utilize the "one-stop" procedure. Should you contact PSI to use the "one-stop" procedure after the eligibility expiration date shown on your "Notice of Examination Eligibility" has passed, PSI will not allow you to use that procedure and will instruct you to file another application with the Commission.

If you use the "one-stop" procedure, you must still contact the Commission to update all information submitted with your last paper application to reflect recent changes, especially changes related to:

- Criminal charges or convictions
- Professional license charges, disciplinary actions or denials
- Liens or judgments.

Applicants Who Must Refile an Application with the Commission

If the eligibility expiration date shown on your "Notice of Examination Eligibility" (180 days from the date your application was processed by the Commission) has already passed and you do not pass or do not take the examination prior to expiration of your 180-day examination eligibility period, then you must file another paper application with the Commission and receive a new "Notice of Examination Eligibility" before you can contact PSI and schedule another examination. This is required in order that the Commission may have reasonably current information regarding the applicant. The applicant's qualifications will be reassessed when the subsequent application is filed.

Emergency Exam Center Closing

If severe weather or another emergency forces the closing of a PSI Exam center on your scheduled testing date, your examination will be rescheduled. PSI personnel will attempt to contact you in this situation; however, you may check the status of your testing schedule by calling (800) 733-9267 or by checking PSI's website at www.psiexams.com. Every effort will be made to reschedule your examination at a convenient time as soon as possible.

NEW LICENSEE INFORMATION

Issuance of Licenses

After an applicant has satisfied the qualification requirements, passed the license examination (if required), and satisfied the Commission that he or she is of good character (See "Consideration of Applicant's Character" under "License Qualification Requirements"), the applicant will be deemed qualified for licensure. Persons who have satisfied the requirements for licensure will be sent a **license certificate** and **license pocket card** to the address shown on the application form.

Applicants passing the license examination should expect to receive their license certificates and pocket cards within approximately seven (7) days after their license examination, *if there are no character issues.*

Note: If any application raises character issues requiring special consideration, final action on the license application will be delayed. (See section on "Consideration of Applicant's Character" under "License Qualification Requirements.")

It is unlawful for any person to engage in the business of a real estate broker until the date his or her license is issued by the Commission. The issuance date is displayed on the license certificate issued to each broker.

Initial Licenses Are Inactive Provisional Broker Licenses

All applicants who qualified for licensure by examination are issued a “provisional broker” license (technically a broker license on “provisional” status) as defined in the “Introduction” section of this booklet. [EXCEPTION: An applicant licensed by examination who qualified based on broker licensure in another jurisdiction is issued a broker license that is NOT on provisional status.] A “provisional broker” must be supervised by a “Broker-in-Charge” at all times when engaging in real estate brokerage activities. A provisional broker must satisfy the postlicensing education requirement described below in order to terminate the provisional status of his or her broker license.

Activation of Initial Inactive Provisional Broker License

A provisional broker license is initially placed on **inactive** status. Before the provisional broker can begin work in the real estate business, the provisional broker and his or her broker-in-charge must file a “Notification of Provisional Broker Supervision” form with the Commission Office to have the provisional broker license placed on **active** status. This may be accomplished by accessing the Commission’s website at www.ncrec.gov and utilizing the interactive online form.

Requirement for Active Status and Notification of Changes in Employment or Address

Any broker license, whether on “provisional” status or not, must be on “active” status at all times when the broker is performing real estate brokerage activities. To remain on “active” status, a licensee must satisfy in a timely manner both the postlicensing and continuing education requirements described below. Also, a licensee must notify the Commission within 10 days of any change in employment status (including a change in broker-in-charge) or in business or residence address.

License Renewal

All real estate licenses expire on the next June 30 following the date of issuance unless they are renewed by that date. This is true even if the license was issued in May or June. License renewal notices (post cards) are sent to licensees each year in May (included with new licenses issued in late May or June). Licensees should then renew their licenses either (1) **online** through the Commission’s website at www.ncrec.gov using a credit card or (2) by returning the renewal notice and renewal fee to the Commission so that the Commission *receives* the returned renewal notice and fee not later than June 30. **The annual license renewal fee is \$40.** *Licensees are strongly en-*

couraged to renew ONLINE through the Commission’s website! Licensees are responsible for renewing their licenses in a timely manner even if they did not receive a renewal notice due to a business and/or residence address change or other reason.

Renewal notices for **active** brokers are sent to their *business* address (the address of the broker-in-charge of the office with which they are affiliated). Renewal notices for **inactive** brokers are sent to their *residence* address on file with the Commission. No person may engage in real estate brokerage activities after his/her license has expired.

A new **license pocket card** is sent to brokers each year upon the renewal of their licenses. This card verifies renewal, but does not show whether the license is on active or inactive status. Whenever there is a change in active or inactive status, a separate notice is sent to the licensee.

Postlicensing Education for Provisional Brokers

All new provisional brokers must satisfy the postlicensing education requirement of **90 classroom hours of postlicensing education within three (3) years of the date of initial licensure.** The postlicensing education is divided into three 30-hour postlicensing courses titled as follows: *Broker Relationships and Responsibilities, Contracts and Closing, and Selected Topics.* Provisional brokers must complete at least one of the three courses during each of the first three one-year periods following the date of initial licensure and all three courses within three years of initial licensure. A provisional broker may elect to complete all three courses during the first or second year after initial licensure.

Upon completing all three postlicensing courses, the provisional status of the broker license will be terminated by the Commission. [Approved schools will report course completion to the Commission, so licensees do not need to report course completion or request termination of provisional status.] If a provisional broker fails to complete a postlicensing course by the end of either the first or second year after initial licensure, his or her license will be placed on inactive status until he or she remedies the education deficiency and requests reactivation of his or her license. *If a provisional broker fails to complete all three postlicensing courses by the end of the third year after initial licensure, his or her license will be CANCELED!* To reinstate a canceled license, the former licensee will then have to comply with Commission requirements for reinstatement of such license.

The postlicensing courses are only available as in-class courses through Commission-approved North Carolina schools. Because of the “hands-on” nature of the instruction required in these courses, they are not available online, by correspondence or by any other distance education method. As noted below, however, some resident and most nonresident provisional brokers may have additional options for satisfying some or all of the postlicensing education requirement.

Postlicensing Course Waiver Based on “Equivalent Education/Experience”

A vast majority of provisional brokers, especially **resident** provisional brokers, must take the postlicensing courses. However, it is possible for some provisional brokers, especially those with *substantial* (i.e., several years) brokerage experience in another jurisdiction or substantial experience as a real estate attorney, to obtain a waiver of one or more of the postlicensing courses based on their “equivalent” experience. The specific course(s) waived would depend on the type of experience (e.g., residential sales, commercial brokerage, etc.). Provisional brokers, especially those who are **nonresidents** and do NOT have a North Carolina business or delivery address, may also be able to obtain “equivalent” credit for some postlicensing and continuing education courses taken in another jurisdiction. **Nonresident** provisional brokers may also have their “provisional” status removed (i.e., have all postlicensing education waived) if they obtain a broker license in another jurisdiction. Provisional brokers who think they may possess qualifications justifying a waiver may request from the Commission office a copy of the Commission’s “*Instructions for Requesting a Waiver of Postlicensing Education*” which contains examples of possible grounds for a waiver and directions for making a request.

Distinguishing Postlicensing Education and Continuing Education

Postlicensing education should not be confused with **continuing** education. Postlicensing education is a one-time requirement that must be completed within the prescribed period of time after initial licensure. Continuing education must be completed on an ongoing basis each annual license period beginning with the first full annual license period after initial licensure.

Continuing Education

The continuing education requirement is eight (8) hours per license period, including the mandatory Real Estate Update Course (4 hours) plus one 4-hour elective course. Licensees are generally required to satisfy the continuing education requirement each annual license period (July - June) in order to renew their licenses on active status. There is however, a **limited exception for new licensees**. *A newly licensed broker licensed by examination, reciprocity or reinstatement does not have to obtain CE during the license period he/she is originally licensed and only has to satisfy the 8-hour annual CE requirement prior to his/her second license renewal in order to renew his/her license on active status.*

A **nonresident** licensee who does NOT have a North Carolina business or delivery address and who also holds a license in his/her resident jurisdiction may satisfy the continuing education requirement by maintaining the license in the other jurisdiction on active status and certifying such license

status at the time of renewing his/her North Carolina license. On the other hand, a **nonresident who has a North Carolina business or delivery address** does NOT have this option and must take the Real Estate Update mandatory CE course in North Carolina and either take a North Carolina elective course or obtain equivalent elective course credit for a CE course(s) taken in another jurisdiction.

LICENSING BY RECIPROCITY

Under the authority granted the Real Estate Commission by Section 93A-9 of the Real Estate License Law, the Commission has agreed to “Reciprocal Licensing Arrangements” with the licensing authorities in several other jurisdictions whereby resident real estate licensees in such jurisdictions (and some licensees of such jurisdictions who recently moved to North Carolina) may qualify for North Carolina real estate licenses *without being required to pass the North Carolina real estate license examination*. Similarly, resident North Carolina real estate licensees can qualify for licensure in these other states without taking a license examination in those states.

Licensing by reciprocity (i.e., license examination waiver) is only available for resident licensees of a jurisdiction with which North Carolina has a reciprocal licensing arrangement, regardless of the amount of brokerage experience such a licensee may possess.

Basic Qualification Requirements for Licensure by Reciprocity

The basic general qualification requirements under North Carolina’s reciprocal licensing arrangements typically require that an applicant for licensure by reciprocity must either: (1) Be a resident licensee of a jurisdiction with which North Carolina has a reciprocal licensing arrangement (a “qualifying” jurisdiction), or (2) hold a license in a qualifying reciprocal jurisdiction and have moved from the “qualifying” reciprocal jurisdiction to North Carolina within not more than 90 days prior to submitting an application for a North Carolina license. **A NORTH CAROLINA RESIDENT CANNOT OBTAIN A NORTH CAROLINA LICENSE BY RECIPROCITY IF HE/SHE HAS LIVED IN NORTH CAROLINA FOR MORE THAN 90 DAYS.**

A reciprocal license applicant must also have obtained his/her license in the “qualifying” jurisdiction by passing the appropriate real estate license examination in that jurisdiction or another jurisdiction with which North Carolina has reciprocity. All applicants must be found to possess the requisite character for licensing.

Note that in addition to these basic general requirements, there may be other unique specific requirements applicable under the various reciprocal agreements. The most significant of these deal with NC resident licensees applying for a license in certain reciprocal jurisdictions and are noted under the list of reciprocal jurisdictions shown below.

Reciprocal Jurisdictions

Listed below are those jurisdictions (as of the printing of this booklet) with which the North Carolina Real Estate Commission has reciprocal licensing arrangements providing for waiver of the license examination:

Arkansas	Louisiana	Tennessee
Connecticut	Mississippi	West Virginia
Georgia	Nebraska	
Iowa	South Carolina	

Special Requirements/Provisions

South Carolina, Tennessee and West Virginia: NC resident brokers (not provisional) applying for a broker license by reciprocity in any of these states must satisfy that state's requirement with regard to brokerage experience prior to licensure. Typically, the requirement is for either two or three years of brokerage experience.

Tennessee and Alabama: Both jurisdictions require that NC resident brokers applying for a TN or AL license provide proof of errors and omissions insurance coverage.

Nebraska: NC resident licensees applying for a NE license by reciprocity must complete a three-hour course on NE law, rules and agency prior to licensure. (Course is available by correspondence.)

License Equivalency

A “salesperson” (or comparable level of licensee) in a qualifying reciprocal jurisdiction may obtain a North Carolina “provisional broker” license by reciprocity, and vice-versa. Similarly, a broker in a qualifying reciprocal jurisdiction may obtain a North Carolina broker license that is NOT on provisional status by reciprocity, and vice-versa.

Application Requirements for Reciprocal License

NOTE: Most reciprocal license applications are returned because they are incomplete. Read carefully the application form completion and enclosure requirements in the “APPLICATION PROCESS” section of this booklet.

In general, licensees with currently active, resident licenses in qualifying reciprocal jurisdictions (or who have moved to North Carolina from the “qualifying” reciprocal jurisdiction within 90 days) who wish to obtain North Carolina real estate licenses by reciprocity must complete and submit the following forms and information:

1. **Application for Real Estate License** (Form is in center of this booklet). *This form and all required attachments must*

be submitted by all applicants. See the “APPLICATION PROCESS” section of this booklet.

2. **Application Fee.** A cashier's check, certified check or money order for the thirty dollar (\$30) application fee must accompany the application.

3. **Nonresident Supplement to Real Estate License Application** (Form is in back of this booklet – not required if applicant is a North Carolina resident). *NOTE: The nonresident supplement form must be filed in addition to the license application form in the center of this booklet.* The nonresident supplement has three purposes: (1) It appoints the North Carolina Real Estate Commission to receive service on the applicant in any proceeding against the applicant arising under any laws of this state. (2) It provides the Commission information as to the manner in which a BROKER applicant intends to operate as a real estate licensee in North Carolina - as an independent broker, as a broker affiliated with a firm, as the sole proprietor of a firm, or as some other business entity. (This information is important because of the requirement that firms which are engaged in real estate brokerage in North Carolina must obtain separate real estate licenses.) (3) Finally, the form requires information to support the applicant's claim of residency in a qualifying jurisdiction.

4. **Notification of Provisional Broker Supervision Form** [provisional broker applicants only]. (Form is in back of this booklet). Reciprocal licenses issued to nonresidents are only issued on “active” status. This means that a nonresident provisional broker license applicant by reciprocity must have a North Carolina supervising broker (broker-in-charge) before the provisional broker can be issued a license by reciprocity. [North Carolina residents for less than 90 days applying for provisional broker licensure by reciprocity may also submit the supervision form with their application and be issued a license on active status, or they may omit the supervision form and they will be issued a license on inactive status and then have to activate that license before engaging in real estate practice.]

5. **Certification of License History.** This must be an *original official certification of license history* issued by the real estate licensing agency in the applicant's qualifying reciprocal jurisdiction using the standard form that agency uses for this purpose. A certification of license history must be submitted for each jurisdiction in which the applicant has held a license within the past five years. The certification must set forth the current status of the applicant's license (active, inactive, expired, etc.), the date the applicant was licensed, a record of any disciplinary actions taken or pending against the applicant, and any other information relevant to the applicant's license history. *This certification must have been issued by the applicant's qualifying reciprocal jurisdiction within six months prior to the date of license application.* [NOTE: Only an *original* official certification of license history is acceptable. A copy of a certification of license history or the applicant's real estate license or pocket identification card is NOT acceptable.]

ATTENTION: Some jurisdictions require several weeks to fill orders for a certification of license history. You must obtain and provide all required certifications of license history before your license application will be accepted. NO EXCEPTIONS.

6. **Criminal Record Report.** See the instructions on the license application form and in the “Criminal Record Report Requirement” paragraph under the “APPLICATION PROCESS” section elsewhere in this booklet.

7. **Character Information.** All explanatory information required of persons who answer “Yes” to the items on the license application relating to criminal offenses, professional license disciplinary action or liens/judgments. See the “APPLICATION PROCESS” section of this booklet.

Procedures and License Issuance – Reciprocal Licensing

Properly completed applications for licensure by reciprocity will normally be processed within approximately 7-10 days of receipt by the Commission, *if there are no character issues that require extra time for review by the Commission.* Note, however, that broker applications often take longer if the broker will be operating in North Carolina as a firm and must also obtain a separate real estate firm license. In addition, each nonresident provisional broker applicant for licensure by reciprocity must submit a properly completed “Activation Form” (Form 2.08) along with the application. Also, where an applying broker must be designated as a broker-in-charge who will serve as the supervising broker of a provisional broker who is concurrently applying for licensure by reciprocity, the applications of both may require longer for processing. Finally, if there is a character issue that must be considered in connection with an application, action on that application will usually require more time, up to 45 days if consideration by the Commission at its next regular meeting is needed.

Upon finding that a reciprocal license applicant is fully qualified, including a determination that he or she possesses the requisite character for a North Carolina real estate license, a nonresident applicant will be issued a nonresident North Carolina real estate license and a North Carolina resident applicant (who moved to North Carolina within 90 days prior to making application) will be issued a resident North Carolina real estate license. A nonresident licensee by reciprocity will receive all licensing privileges granted to resident real estate licensees subject to any restrictions imposed by the reciprocal licensing arrangement with the licensee’s qualifying jurisdiction.

Postlicensing Education and Continuing Education Requirements

Very Important Notice: See the sections on “Postlicensing Education for Provisional Brokers” and “Continuing Education” under “NEW LICENSEE INFORMATION” that ap-

pear immediately preceding the section on “LICENSING BY RECIPROCITY.” *While there are some special policies regarding postlicensing education and continuing education for non-resident licensees with no North Carolina business or delivery address, there are no special exceptions to postlicensing and continuing education requirements for reciprocal licensees. Licensees are treated the same for postlicensing and continuing education purposes regardless of whether their license was issued by reciprocity or by examination.*

Conversion of Reciprocal Nonresident License to Resident License

All of North Carolina’s current reciprocal licensing arrangements except the arrangement with **Alabama** provide for the conversion of a nonresident license issued by reciprocity to a resident license without any additional education or examination should the licensee move to the state that issued the nonresident reciprocal license. A NC licensee who obtains an AL reciprocal license may not convert the AL license to a “resident” license without first satisfying AL’s examination requirements.

North Carolina Licensees Wanting a Reciprocal License in Another Jurisdiction

North Carolina licensees interested in obtaining a license by reciprocity in a jurisdiction with which North Carolina has a reciprocal licensing arrangement are advised to contact the real estate licensing agency in the jurisdiction to which they will be applying for complete details regarding that jurisdiction’s qualification requirements. The addresses and telephone numbers for all real estate licensing agencies anywhere in the world may be found by accessing the website of the Association of Real Estate License Law Officials (ARELLO) at www.arello.org.

LICENSE REINSTATEMENT

General Requirements

License Expired Six Months Or Less

Persons whose licenses have been **expired for six months or less** may reinstate their licenses by simply paying the \$55 license reinstatement fee not later than December 31 of the year the license expired. (Licenses always expire on June 30.) No license application is required and the former licensee does not have to meet any education or examination requirements to reinstate his/her license. The former licensee will be reinstated with his/her previous license number and will retain the previous license issuance date for his/her original license. Note, however, that *license status (active or inactive)* upon reinstatement will depend on the licensee’s

former and reinstated license category (broker or provisional broker), continuing education (CE) record and, for a provisional broker, postlicensing education record and whether or not he/she is affiliating with a broker-in-charge at the time of reinstatement.

License Expired for More Than Six Months or Canceled, Revoked or Surrendered for Any Period of Time

A person whose license has been **expired** for more than six months or whose license has been **canceled, revoked or surrendered** for any period of time must meet the following requirements:

(1) **Application.** Complete and file the Application for Real Estate License form contained in this booklet (including the required criminal record report, documentation of qualifying education/experience and/or licensure in another state, and the “Nonresident Supplement” to the license application if applicable);

(2) **Fee.** Pay the \$55 license reinstatement fee by certified check, cashier’s check or money order (\$30 for reinstatement of a revoked or surrendered license);

(3) **Education and/or Examination.** Demonstrate to the satisfaction of the Commission that he/she possesses the current knowledge of and competence in real estate brokerage necessary to act in a manner that safeguards the public interest (see “*License Reinstatement Alternatives for Demonstrating Current Knowledge of Real Estate Brokerage*” in this section), and

(4) **Character.** Satisfy the Commission that he/she possesses the *requisite character for licensing*. (See the section in this booklet on “Consideration of Applicant’s Character” under “License Qualification Requirements.”)

The former licensee who meets all appropriate requirements for license reinstatement will be reinstated with his/her previous license number, but will be assigned a new license issuance date which will be the date of reinstatement. License status at reinstatement will depend on the licensee’s former and reinstated license category (broker or provisional broker), how he/she qualified for reinstatement and, for a provisional broker, whether or not he/she is affiliating with a broker-in-charge at the time of reinstatement.

Important Note: Reinstatement applicants frequently request to be excused from demonstrating current knowledge of real estate brokerage, citing reasons such as failure to receive license renewal notices, extenuating personal circumstances that caused them to forget to renew their licenses, failure of other persons to renew their licenses for them, continued payment of the privilege license tax to the N. C. Department of Revenue, and/or continued payment of trade association/MLS dues as alleviating factors. *A licensee has an affirmative obligation to renew his/her license every June and assertions of the above factors will not aid an applicant in*

obtaining license reinstatement. Only an applicant’s education and experience qualifications will be considered in determining whether the applicant possesses the requisite current knowledge of real estate brokerage.

License Reinstatement Alternatives For Demonstrating Current Knowledge of Real Estate Brokerage

The Commission has approved the alternatives described below regarding demonstration of current knowledge of and competence in real estate brokerage when a former licensee requests reinstatement of a license **expired** for more than six (6) months or **canceled, revoked or surrendered** for any period of time, regardless of whether the license was originally issued by examination or reciprocity.

Former Brokers (Non-Provisional)

A former **broker (non-provisional)** seeking reinstatement of a license **expired for more than six months or revoked or surrendered for any period of time** must demonstrate current knowledge of real estate brokerage as described below.

Broker (Non-Provisional) License Expired For More Than Six Months But Not More Than Two Years (or Revoked or Surrendered for Any Period of Two Years or Less)

Alternatives for Demonstrating Current Knowledge of Real Estate Brokerage:

- (1) Complete one 30-hour postlicensing course (applicant’s choice), including passing the course exam, within six months prior to application; OR
- (2) Pass the current license examination; OR
- (3) Possess an active broker license in another state.

Upon satisfying one of the above alternatives and all other requirements described in the “General Requirements” section, the non-provisional broker license will be reinstated on “active” status with a new license issuance date. CE will first need to be completed prior to the second license renewal following reinstatement.

Broker (Non-Provisional) License Expired, Revoked or Surrendered For More Than Two Years But Not More Than Five Years

Alternatives for Demonstrating Current Knowledge of Real Estate Brokerage:

- (1) Complete all three 30-hour postlicensing courses (including passing the course exams) within three years prior to application; OR
- (2) Pass the current license examination; OR

- (3) Possess an active broker license in another state.

Upon satisfying one of the above alternatives and all other requirements described in the “General Requirements” section, the non-provisional broker license will be reinstated on “active” status with a new license issuance date. CE will first need to be completed prior to the second license renewal following reinstatement.

Broker (Non-Provisional) License Expired, Revoked or Surrendered For More Than Five Years

Applicants must satisfy all requirements for original licensure. This includes completing the 75-hour broker prelicensing course (or demonstrating qualifications sufficient for course waiver, such as a license in another state) AND passing the license examination (license examination not required if applicant holds an active broker license in a state with which North Carolina has licensing reciprocity). [See the section of this booklet on “License Qualification Requirements” for further details.]

Upon satisfying the requirements for original licensure, the applicant will be issued a “**provisional broker**” license (on “inactive” status pending affiliation with a broker-in-charge) and then must complete the 90-hour postlicensing education requirement in the same manner as required for a “new” licensee. CE will first need to be completed prior to the second license renewal following reinstatement. [NOTE: If the applicant possesses an active **broker** license in another state AND passes the license examination (or qualifies based on reciprocity), then the applicant will be reinstated as a “**broker (non-provisional)**” on “active” status and will not need to complete the postlicensing educational requirement after licensure .]

Former Provisional Brokers and Salespersons

A former **provisional broker** seeking reinstatement of a license **expired for more than six months or canceled, revoked or surrendered for any period of time** must demonstrate current knowledge of real estate brokerage as described below.

Provisional Broker License Expired for More Than Six Months But Not More Than Five Years (or Canceled, Revoked or Surrendered for Any Period of Five Years or Less)

Alternatives for Demonstrating Current Knowledge of Real Estate Brokerage:

- (1) Complete any of the three 30-hour postlicensing courses not taken within three years prior to filing

the reinstatement application (all three 30-hour courses for former salespersons and for former provisional brokers on “PBT” status who failed to complete the 24-hour *Broker Transition Course* prior to April 1, 2008). Upon satisfying alternative (1) and all other requirements described in the “General Requirements” section, the applicant will be reinstated as a **broker (non-provisional)** on “active” status. In other words, the “provisional” status of the old license will be removed because the applicant has now completed the entire postlicensing education requirement. CE will first need to be completed prior to the second license renewal following reinstatement.

- (2) Satisfy all requirements for original licensure as described below for provisional brokers with a license expired, canceled, revoked or surrendered for more than five years.

Provisional Broker License Expired, Canceled, Revoked or Surrendered for More Than Five Years

Applicants must satisfy all requirements for original licensure. This includes completing the 75-hour broker prelicensing course (or demonstrating qualifications sufficient for course waiver, such as a license in another state) AND passing the license examination. [See the section of this booklet on “License Qualification Requirements” for further details.] NOTE: The license examination will be waived ONLY for applicants with an active **broker** license in a state with which North Carolina has licensing reciprocity – no examination waiver is allowed for provisional broker reinstatement purposes based on a **salesperson** license in a reciprocal state.

Upon satisfying the requirements for original licensure, the applicant will be issued a “**provisional broker**” license (on “inactive” status pending affiliation with a broker-in-charge) and then must complete the 90-hour postlicensing education requirement in the same manner as is required for a “new” licensee. CE will first need to be completed prior to the second license renewal following reinstatement. An applicant qualifying for reinstatement who holds a **broker** license in another state will be issued a “**non-provisional broker**” license on “active” status and will not need to complete the postlicensing education requirement after licensure

Additional Alternative for Any License Reinstatement Applicant with Extraordinary Education and/or Experience Qualifications

Any former licensee desiring license reinstatement may, in lieu of demonstrating current knowledge of and competence in real estate brokerage under one of the alternatives

described above, request in connection with a license reinstatement application that the Commission consider his/her particular real estate education/experience qualifications to be equivalent to a stated alternative applicable to his/her situation. Any such requests will be evaluated on an individual basis. Any former licensee considering this alternative is cautioned that any real estate education/experience forming the basis for such special request must be *recent and substantial, and must clearly demonstrate the individual's current knowledge of real estate brokerage (as opposed to some related field)*. The applicant should include with the application a detailed description of all real estate or related experience and real estate education since license expiration.

Possible Disciplinary Action for Unlawful Activity

Brokerage experience acquired unlawfully while a license is expired, revoked or surrendered will not be recognized for the purpose of demonstrating current knowledge of real estate brokerage in connection with a license reinstatement application. Moreover, an inquiry regarding such activity may be conducted by the Commission's Legal Division and the person involved may be subject to disciplinary action.