

# Real Estate Licensing in North Carolina

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#### This booklet contains:

- Information on the Licensing Process and License Qualifications
- Instructions for Filing an Application
- License Examination Information

Scan the code below to access the Commission website from your mobile devices.



#### **USING THIS BOOKLET**

#### North Carolina's 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 licenses through the license application process. **If you are interested in applying for an individual real estate broker license, you should read this booklet carefully and follow all instructions precisely.** Use the detailed Contents page to locate specific information you need.

To request a firm license for a business entity (e.g., LLC, corporation, or partnership), complete and submit <u>Firm Application (form REC 1.72)</u>. The electronic application is also accessible on the Commission's website, (<u>www.ncrec.gov</u>) under *Forms\ Application Forms*.

To request a Limited Nonresident Commercial Broker License, complete and submit a <u>Nonresident Commercial License Application</u>. The application form and instructions for this license are provided on the Commission's website (<u>www.ncrec.gov</u>) under *Forms\ Application Forms*.

#### The License Examination

Pages 15-29 contain essential information for all persons required to take the license examination. General information is provided about the examination composition, fee, and scheduling plus rules and procedures pertaining to the actual taking of the examination.

#### **New Licensee Information**

Information about license issuance and activation, Postlicensing education, Continuing Education, and license renewal begins on page 29.

#### License Reinstatement

Information about license reinstatement is on page 31.

#### North Carolina Real Estate License Law and Commission Rules

The North Carolina Real Estate License Law and Commission Rules, also includes <u>License Law and Rules</u> <u>Comments</u> may be found on the Commission's website, <u>www.ncrec.gov</u>.

#### **Contents Page**

Use the Contents page to find information on specific topics.

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#### **INTRODUCTION**

The North Carolina Real Estate Commission has prepared this publication for the purpose of providing information to interested persons regarding the requirements and procedures for obtaining a North Carolina real estate license. 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, some questions may be left unanswered. Therefore, persons who desire more detailed information are advised to contact the Education and Licensing Division at 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 brokerage business (including time share transactions) for compensation as an agent for others must first obtain a real estate license issued by the North Carolina Real Estate Commission, even those actively licensed in other states or jurisdictions. The Real Estate Commission, an independent government agency of the State of North Carolina, is responsible for licensing and regulating all real estate brokers in this state. Operating as a real estate broker in North Carolina (NC) without the proper license is a criminal offense. The types of real estate licenses issued in NC are discussed below. For more information concerning NC real estate licenses and the laws and rules governing real estate brokerage practice in North Carolina, visit the Commission's website at <a href="https://www.ncrec.gov">www.ncrec.gov</a>.

#### North Carolina is a Broker Only State with 4 Different License Statuses **Broker-in-Charge Provisional Broker-in-Charge Broker Eligible Broker** 2 years of full-time **Pass Prelicensing** Must first obtain **Complete 90 hours** brokerage Course + End-of-**BIC-Eligible status** of Postlicensing experience within Course Exam Complete Three 30-hour last 5 years **Order Background** application to be courses via **Complete 12-hour** designated as Report certified Education **Broker-in-Charge** Pass 2-section **Broker-in-Charge Providers** course Comprehensive Within 18 months Complete Exam of initial licensure application for 80 National **BIC-Eligibility** 60 State

#### LICENSE CATEGORIES / STATUS LEVELS

Following are the categories and status levels of real estate broker licenses in North Carolina.

#### **Broker License (For Individuals):**

#### **Provisional Broker Status:**

This is the entry-level license status for an individual broker license. Upon satisfying all the license qualification requirements (including passing the license examination) most license applicants are initially issued an inactive **broker license on provisional status** and are called Provisional Brokers or PBs. A Provisional Broker must be under the supervision of a **Broker-in-Charge** to be on active status and legally provide brokerage services. To remove provisional status, a **Provisional Broker** must complete the 90-hour NC Postlicensing education program within 18 months of the date of initial licensure. (See <u>Commission Rule 58A .1902</u> info on page 30.).

#### **Broker Status:**

This is the primary license status for a broker license. One generally becomes a broker by first becoming a Provisional Broker and then satisfying the Postlicensing education requirements to remove the provisional status of the license. A non-provisional or "full" broker can engage in brokerage EITHER as an affiliated broker of a Broker-in-Charge (BIC) of a real estate brokerage company (firm or sole proprietorship) OR independently as a sole proprietor or an entity. An independent broker-sole proprietor must be a Broker-in-Charge to lawfully engage in most brokerage activities.

#### **BIC Eligible Status:**

This status is granted to a broker who has...

- satisfied the BIC Eligible qualification requirements noted in Commission Rule 58A .0110(e);
- submitted a Request for BIC Eligible Status and/or BIC Designation form (REC 2.25); and
- successfully completed the Commission's 12-hour Broker-in-Charge Course within one year prior to or within 120 days after submitting form REC 2.25.

#### **Broker-in-Charge Designation:**

A broker with BIC Eligible status may be designated as a Broker-in-Charge (BIC). Most real estate firms or sole proprietorships must have a BIC for each office. A BIC is responsible for:

- (1) assuring that all brokers affiliated with the BIC at that office are maintaining current, active licenses and up-to-date information in Commission records;
- (2) notifying the Commission of company name or address changes;
- (3) advertising by or in the name of the company at that office;
- (4) maintaining any company trust/escrow account(s);
- (5) retaining all transactional records;
- (6) supervising affiliated Provisional Brokers;
- (7) ensuring that all affiliated brokers adhere to agency agreement and disclosure requirements; and
- (8) notifying the Commission in writing that they are no longer serving as BIC of a particular office within 10 days following any such change.

[Visit the Commission's website (<u>www.ncrec.gov</u>) for more information on Broker-in-Charge requirements and responsibilities.]

#### Firm License (for Entities):

This license is issued to a legally established business entity that is authorized by the NC Secretary of State to conduct business in North Carolina, such as a corporation, limited liability company, limited partnership, general partnership, association, or joint business venture. To obtain a firm license, the entity will need one of the owners/managers/officers to hold an active NC broker license and serve as the Qualifying Broker (QB). Responsibilities of the QB are noted in Commission Rule 58A .0502(g). The Firm Application (Form REC 1.72) includes instructions for this license and is also accessible under Forms\Application Forms on the Commission's website (www.ncrec.gov).

#### **Limited Nonresident Commercial License (for Individuals):**

A limited nonresident commercial broker license (LNCL) is a license issued to a person who:

- does NOT live or have any home, business, or delivery address in North Carolina (NC);
- has an active real estate broker or salesperson license in another state;
- wants to enter NC to engage in a commercial transaction as an affiliated agent of their out-of-state brokerage company; and
- must enter into a Declaration of Affiliation and a Brokerage Cooperation Agreement with a resident NC broker who will be responsible for supervising the nonresident.

This restricted license permits the nonresident to enter NC to engage only in "commercial real estate transactions" as defined in Commission Rule 58A .1802(1).

If the LNCL broker obtains **any** home, business, or delivery address in North Carolina, the individual must apply for and obtain an unrestricted NC broker license in order to engage in brokerage within NC. The Nonresident Commercial License <u>application</u> (Form REC 1.78) includes instructions and is also accessible on the Commission's website (<u>www.ncrec.gov</u>) under *Forms\Application Forms*.

#### 4 Easy Steps to the Licensing Process STEP 2 STEP 3 STEP 4 STEP 1 **Background** License License **Prelicensing** Check **Application Examination** Course Online application **Before license** Take approved **Schedule testing** application can at NCREC.gov **Prelicensing** appointment with be submitted **Pairs with PRE** Course **Pearson VUE** Order online at course info & Offered through Score 75 on both NCRECCHECK.com background report certified Education **National section Background check** \$100 application **Providers** AND state section vendor provides fee Pass End-of-Within same 180report to NCREC Receive Notice of **Course Exam** day Exam Eligibility **Exam Eligibility** Period

#### **LICENSE QUALIFICATION REQUIREMENTS**

To qualify for an individual 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, or have a lawful presence in the U.S. and be authorized to work in the U.S. in the real estate brokerage field. [Note: A holder of a U.S. Permanent Resident Card ("Green Card") is a "qualified alien." Work authorization in the U.S. for most other aliens (including DACA) requires a U.S. immigration visa (rather than a visitor visa) and/or an Employment Authorization Document from the U.S. Citizenship and Immigration Service that permits work in the real estate brokerage field.];
- 3) Have a Social Security Number;
- 4) Satisfy one of the Education Qualification Options listed below;
- 5) File a complete application with \$100 application fee;
- 6) Pass the two-part real estate license examination (Exceptions: Persons eligible to bypass the license examination, or to take only the State section of the examination under qualification option #4 below, and some license reinstatement applicants); and
- 7) Satisfy the Commission that the applicant possesses the requisite character for licensure.

#### **Education Requirement**

License applicants must successfully complete the *North Carolina Broker Prelicensing Course* containing at least 75 instructional hours with a mandatory end-of-course examination provided by a Commission-certified Education Provider. An applicant may also apply based on education and/or real estate brokerage experience that the Commission finds equivalent to such a course [see Options 2-4 below].

#### **Education Qualification Options**

Shown below are four (4) options for satisfying the education requirement. Option 1 is the requirement to successfully complete the *North Carolina Broker Prelicensing Course*, which will be the required qualification method for a vast majority of license applicants. Options 2-4 are options for demonstrating "equivalent real estate education and/or experience."

**NOTE:** Passing the real estate license examination is required for most applicants. Applicants applying under Education Qualifications Options 1-3 below must pass both the National and State sections of the North Carolina real estate license examination. Applicants qualifying under Education Qualification Option 4 may choose to take only the State section of the NC real estate license examination or to bypass the examination.

• OPTION 1: COMPLETION OF THE NORTH CAROLINA BROKER PRELICENSING COURSE, containing at least 75 instructional hours and an end-of-course examination

An applicant (resident or nonresident) may qualify to take the North Carolina real estate license examination by successfully completing, within three (3) years prior to license application, a Commission-approved *North Carolina Broker Prelicensing Course*. This course is only provided by Commission-certified Education Providers authorized to offer a Prelicensing course.

#### **Required Documentation**

Commission-certified Education Providers will electronically report all successful completions of the *North Carolina Broker Prelicensing Course* automatically to the Commission to be paired with online license applications.

## • OPTION 2: COMPLETION IN ANOTHER STATE OF AN EQUIVALENT REAL ESTATE SALESPERSON PRELICENSING COURSE

An applicant may seek a waiver of the *North Carolina Broker Prelicensing Course* based on completion of equivalent salesperson prelicensing education in another state.

Per <u>Commission Rule 58A .0304</u>, to qualify for such a waiver, the completed prelicensing education in the other state MUST:

- 1) have consisted of at least 75 hours of instruction [no partial credit granted];
- 2) have been completed within one (1) year prior to North Carolina license application and while the applicant was a resident of the other state; and
- 3) be parallel to the topics and timings described in the Commission's Prelicensing course syllabus.

#### **Required Documentation**

A course completion certificate or transcript evidencing the successful completion of a prelicensing education program that meets the requirements stated in <u>Rule 58A .0304</u>.

#### OPTION 3: BACCALUREATE OR HIGHER DEGREE FROM ACCREDITED INSTITUTION

Per Commission Rule 58A .0304, an applicant can qualify for a waiver of the North Carolina Broker Prelicensing Course, if the applicant has a baccalaureate or higher degree in the field of real estate, real estate brokerage, real estate finance, real estate development, or a law degree conferred on the applicant from any college or university accredited by a college accrediting body recognized by the U. S. Department of Education.

#### **Required Documentation**

A transcript and copy of the degree evidencing the successful completion of a baccalaureate or higher degree that meets the requirements stated in Commission Rule 58A .0304.

## • OPTION 4: CURRENT LICENSURE AS A REAL ESTATE SALESPERSON OR BROKER IN ANOTHER STATE

Applicants applying under this option are not required to pass the *North Carolina Broker Prelicensing Course* or retake the National section of the license examination.

An applicant who holds a current (unexpired) real estate license in another state (or U.S. territory or Canadian jurisdiction) that has been on active status sometime within the previous three (3) years may:

#### Either A

- 1) Submit an application with fee, including current criminal record report and official certification(s) of licensure from the other jurisdiction(s),
- 2) pass the State section of the NC license examination, and
- 3) be issued a North Carolina real estate license equivalent to the license held in the qualifying state (assuming NC requisite character requirements are met). IF the NC license issued is on provisional status, the new PB will be subject to the NC Postlicensing education requirement;

#### Or B

- 1) Submit a license application with fee, including criminal record report and official certification(s) of licensure from the other jurisdiction(s),
- 2) waive taking the State section of the NC license examination, and
- 3) be issued a North Carolina broker license on Provisional Broker status (assuming requisite character requirements are met) and be subject to the Postlicensing education\* requirement, regardless of their license level in the qualifying state.

\*NOTE: Any new NC licensee who applied for an NC license based on current licensure in another jurisdiction AND who opted out of the NC State section of the license examination is NOT eligible for any waiver of NC Postlicensing education per Commission Rule 58A.1905. Information about Postlicensing requirements is located on page 30.

#### **Required Documentation**

An **official** Certification of Licensure is required from the licensing agency in the state or jurisdiction in which the applicant is currently licensed. The certification **must** have been issued within the six (6) months immediately preceding the NC application and must indicate the license (and status) history and any disciplinary action taken or complaints pending against the applicant. We will **not** accept a copy of the applicant's real estate license certificate, pocket identification card, or screenshots of a regulatory agency website. Proof of education is not required.

**NOTE:** In order for an applicant to qualify for NC licensure based on Option 4, the certification of licensure from that state's licensing agency **must** show that the applicant still holds the license in the other jurisdiction at the time of application to NC, and that if the license in the other jurisdiction is now on inactive status, it was on active status at some point within the three (3) year period prior to application to NC. See <u>Commission Rule 58A .0511</u>.

### **APPLICATION PROCESS**

#### Overview

- Successfully complete the *North Carolina Broker Prelicensing Course* or one of the other Education Qualification Options.
- Submit a complete license application, including appropriate nonrefundable fee and all required documentation.
- Your application is processed by Commission staff.
  - If you do not qualify for licensure based on one of the four (4) education qualification options previously discussed, your application will be canceled and returned to you.
  - If your application is incomplete, the application will be returned to you for proper completion.
  - Note that the application fee is nonrefundable. Commission rules provide that once an application has been processed by the Commission, the application fee may not be refunded, so review your information carefully before submission.
- Unless you are exempt from the license examination requirement based on Education Qualification
  Option 4, a *Notice of Exam Eligibility* will be emailed to you within 5-7 days after application receipt.
  NOTE: Add "LICAPPdonotreply@ncrec.gov" as a safe e-mail address in your anti-spam filter in order
  to receive the Notice.
- You contact the testing service to pay the examination fee and to schedule an appointment to take the license examination.
- When you PASS required sections of the NC license examination (or if you are exempt from the license examination requirement based on Education Qualification Option 4):

- If there are no issues relating to character, your NC license will be promptly issued. NCREC will send a notification e-mail containing your new license number, and you should receive your frameable license certificate in the mail within 7-10 business days after your last examination date.
- If there is an issue relating to character, your application will be reviewed by Commission staff and may be referred to the Commission for further consideration. This process may become quite lengthy. (See *Consideration of Applicant's Character.*)

#### OR

If you FAIL one or both sections of the license examination, you may reschedule and retake the necessary examination sections (as described under *The License Examination*).

NOTE: The \$100 license application fee paid to the Commission PLUS the separate examination fee paid to Pearson VUE will be collected each time an applicant takes one or both sections of the license examination.

#### Timeframe for Obtaining a License

If a qualified applicant files a complete application, schedules and takes the examination promptly after receiving *Notice of Exam Eligibility*, passes the examination on the first attempt, and has no character issues, the entire application-examination-licensing process may be completed in as little as ten (10) business days. The process may be slowed by many factors, such as filing an incomplete application or not passing the required examination section(s) on the first attempt. However, the main factor that slows the process is the character review process. (See Consideration of Applicant's Character.)

Watch this video, Overview of the Licensing Process.

### The Online Application Form

ALL persons applying for a broker license, including those applying by examination, based on licensure in another jurisdiction, or for reinstatement of an expired license, must apply online. The online application, Application for Real Estate License, is available through the Commission's website (<a href="www.ncrec.gov">www.ncrec.gov</a>). General information regarding the application is provided below, along with special instructions for each item. You may begin to complete (but not submit) the application prior to completion of the North Carolina Broker Prelicensing Course.

#### To access the online application system:

Scroll to the bottom of the Commission's homepage (<u>www.ncrec.gov</u>) and click on "<u>Apply Here</u>". Please take time to view the video, <u>Real Estate Licensing Requirements</u>, before starting your application. To begin a new online application:

- 1. Click on "Create a Login." The New Applicant Registration Information will appear.
- 2. Enter your FULL first, middle, and last names. Do **not** use punctuation. Do **not** enter nicknames or initials in any field. [See instructions regarding "Full Legal Name" on page 10.]
- 3. Click on the drop-down list to select a suffix (if applicable).
- 4. Enter your street address. Do **not** use punctuation.
- 5. Enter your City and State. Do **not** use punctuation.
- 6. Enter you 9-digit zip code. A link to the US Postal Service (USPS) website will enable 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.
- 7. Enter your Social Security Number. Do **not** enter dashes.
- 8. Enter your E-mail Address (twice).
- 9. Click on "Next"
- 10. You will be prompted to create a Password. Be sure to make a note of your password for future use.

**NOTE:** Once you complete the New Applicant Registration Process, you are considered officially registered in the system. You may exit the application and return to it at any time, until you enter your payment and submit the application to the Commission for review. Your application USER NAME will be your e-mail address. Be sure to make a note of which e-mail you use.

When you login to the online application, you may choose to "Apply for background check" and to access the "Application."

- Selecting "Apply for background check" will enable you to place an order for the required criminal record report. Additional fees will apply. When the criminal record report is complete, the reporting agency will e-mail a copy to you for your personal records and will link the completed background report electronically to your online broker application that the Real Estate Commission can access once you submit your license application.
- Selecting "Application" will take you to the comprehensive application. Instructions for specific items are provided below.

The online application program will not allow you to enter credit card payment and finalize your application until

- 1. you have completed the North Carolina Broker Prelicensing Course by passing the end-of-exam,
- 2. the Education Provider has electronically reported your successful completion of the Course, and
- 3. you have obtained a criminal record report as described on page 12.

Once you enter your payment for the license application fee, the application will enter the normal and customary Commission staff review process and you will no longer be able to access it.

**NOTE:** The credit card information will not be accepted if there are INCOMPLETE application fields, or if your course completion has not been reported by your Education Provider, or if you have not obtained your criminal record report. If you receive an error message indicating that your credit card cannot be accepted, you should first review all application fields to be sure that all fields have been properly and accurately completed. Remember to "save" all updates in order to properly update your application.

#### **Special Notes:**

- Be sure to "SAVE" updates each time you change any information; there is no auto save.
- NO punctuation marks (including commas, single and double quotation marks, hyphens, etc.) are accepted. If you have a hyphenated last name, enter both names in the last name blank leaving a space between the two names and omitting the hyphen.

#### **Instructions for Selected Application Items**

- 4 Certifications 1) Confirmation of reading this entire mandatory booklet, *Real Estate Licensing in North Carolina* (RELINC). It addresses most issues that cause delay for license candidates. 2) Verify understanding of Rule 58A.0302(b) about maintaining accurate application information. 3) Verify understanding the effect of an incomplete application. 4) Statement about involvement in an Employee Misclassification investigation.
- Full Legal Name. Enter your true legal name, including your FULL first and middle names. 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 Social Security card. Include any suffix (Jr, III, etc.) in the applicable space. If you have no middle name, enter "None". If you have a double last name, enter both of your last names in the last name space with a space between the names; do not use a hyphen. Do not enter a nickname or an initial in any space.

- Mailing & Street Address. Enter your full address, including the 9-digit zip code. Use the "Find Zip+4" button to verify your full address with 9-digit zip code via US Postal Service.
- Social Security Number & Date of Birth. 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 Education Provider to collect the last four digits of each student's Social Security Number no later than the completion date of the student's prelicensing course.
- Contact Info. Continue to keep this information accurate since it is the only way NCREC and the examination service provider will communicate with you.
- 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, mark, "Yes." If you have taken the North Carolina real estate license examination before, are applying for license reinstatement, or you are not required to pass the examination, mark "No."
- Basis for Qualifying. If you are applying to take the examination based on the completion of the *North Carolina Broker Prelicensing Course*, enter the Education Provider code, instructor code, and prelicensing course completion date using information found on your course completion certificate. If you are applying to take the examination based on any other option, carefully follow the instructions for your selected option.
- License History. Indicate whether you have ever held a real estate license in NC or elsewhere. If you have, you must provide that license information per the additional directions.
- Places of Residence. List all places you have lived during the past seven (7) years, beginning with your current address and working backwards in time. This history should also include residences used if attending schools away from your "home" residence during the past 7 years. Do **not** leave any gaps in the history. The online application system will not allow you to submit your application if there are gaps in your residence history.
- Employment History. Describe all employment during the past three (3) years, including self-employment or work as an independent contractor. List present employment first and work backwards in time. Indicate "None" for any period you were not employed. Do **not** leave any gaps in the history. If there are any gaps in your employment history within the past three (3) years, the online application system will not allow you to submit your application.
- Military Service. "Yes" for either veteran or active duty.
- Criminal Offenses, Professional License Disciplinary Actions, and Liens or Unpaid Judgments. These three (3) questions 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. 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 an application processing delay.

**NOTE:** If you check "Yes" to any of the "Character" questions, you must provide additional information. Be sure to provide a detailed account of the actions that led to each specific criminal offense (including military court-martial), professional license disciplinary action, lien, or unpaid judgment. In the online application, a drop down box will provide space to type any necessary explanations. You may also attach additional documents.

- Another application filed within past 6 months. If "Yes," your previous criminal record report (CRR) may still be valid. If "No," a new CRR needs to accompany this application.
- **Signature.** By signing the application, you are certifying that all information provided in connection with your 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. In the online application, you may submit

- an electronic signature by checking the box "I certify that I am the person shown above, and all the information is correct..." By submitting an 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 must pay the \$100.00 application fee and electronically submit the application to the Commission. The online application system will ONLY accept credit card payments (Visa, MasterCard, Discover and AMEX).

#### **CONSIDERATION OF APPLICANT'S CHARACTER**

#### **Requirement to Demonstrate Good Character**

Every applicant for a real estate license has the burden of satisfying the Commission that the applicant possesses the honesty, truthfulness, integrity, good moral character, and general fitness, including mental and emotional fitness, necessary to protect the public interest and promote public confidence in the real estate brokerage business. To enable the Commission to render its decision regarding an applicant's character expeditiously, the applicant should submit with the application all information 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 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 a criminal record report with the application. In connection with your application, you must order a criminal record report from the agency listed below and pay the agency for the report. Only a report prepared by the agency within six (6) months prior to filing your license application will be acceptable to the Commission.

CriminalRecordCheck.com (CRC) Website: <a href="https://ncreccheck.com">https://ncreccheck.com</a> E-mail: licensing@mycrc.com Telephone (toll free): 877-272-0266 Telephone (direct): 919-459-2651

There may be substantial costs for criminal record reports for persons who have resided in multiple states or outside the United States within the previous seven (7) years and / or for persons who have used multiple names. Such persons may want to be certain they have successfully completed the *North Carolina Broker Prelicensing Course* prior to ordering a criminal record report. Once a criminal record report has been ordered and the fee has been paid, there is no refund of the criminal record report fee, even if the person who ordered the report does not pass the prelicensing course.

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 lived during the seven (7) years prior to application, as well as a search of each different name you have ever used. Please note that if you have resided outside of the United States for any period of time during the previous seven (7) years, the background report must also include a search of criminal records for the particular country or countries where you resided. CRC'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 previous seven (7) years. CRC is authorized by the

Commission to collect from you all personal information necessary to conduct record 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 during the past seven (7) years and the number of different names you have used.

**NOTE:** The cost of a criminal record 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 after 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.

CRC will attach the completed criminal record report electronically to your online NCREC broker license application and will also provide a copy to you via e-mail. An applicant must wait for receipt of the completed criminal record report before the finished license application can be submitted.

**IMPORTANT NOTICE:** The criminal record report must also include a federal background check and a check of military records involving court-martial.

#### 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 on the license application relating to criminal offenses, professional licensure disciplinary actions, and liens/unpaid judgments is considered to have a "character issue." It should be noted that the Commission may also consider any other information that is pertinent to an applicant's character.

Each application with a character issue or issues will be reviewed and evaluated on a case-by-case basis. If the character issue is a criminal conviction, the law requires the Commission to specifically consider the following factors:

- 1. The level and seriousness of the crime;
- 2. The date of the crime:
- 3. The age of the person at the time of the crime;
- 4. The circumstances surrounding the commission of the crime, if known;
- 5. The nexus between the criminal conduct and the prospective duties of the applicant as a licensee;
- 6. The prison, jail, probation, parole, rehabilitation, and employment records of the applicant since the date the crime was committed;
  - 6a. The completion of, or active participation in, rehabilitative drug or alcohol treatment;
  - 6b. A Certificate of Relief granted pursuant to N.C.G.S. § 15A-173.2;
- 7. The subsequent commission of a crime by the applicant; and
- 8. Any affidavits or other written documents, including character references.

The applicant should submit any information relating to the above factors that the applicant would like to be considered with the application.

#### **Procedures for Applicants with Character Issues**

Consideration of an application involving any character issue takes place 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 after the applicant passes the examination. The applicant is then notified in writing of the Commission's decision.

An applicant who has a character issue in connection with the license application should allow the Commission 45 days after passing the license examination to complete its evaluation before inquiring about the status of the 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 an applicant's character issues 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 the applicant possesses the requisite truthfulness, honesty and integrity for licensure, then action will be deferred on the application. The applicant will be advised of their 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 the applicant's character, the Commission may be unable to process the application until the pending matter is resolved.

If the applicant exercises their right to a formal hearing before the Commission on the issue of character, further information regarding the hearing process, the applicant's rights, and appeal procedures can be found in Chapter 150B, Article 3A of the North Carolina General Statues.

#### Applicant Checked through National Real Estate License Disciplinary Database

Information on all applicants, including those seeking license 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 applicants have had (1) a real estate license revoked or suspended in another state or have been otherwise disciplined in another state; (2) a criminal conviction or civil injunction imposed for engaging in real estate activity without the required license; or (3) a real estate license denied due to matters relating to character.

#### **Requirement to Update Application Information**

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

#### **Petition for Pre-Determination**

An individual with a criminal history may order a criminal record report, pay the \$45 petition fee, and petition the Commission for a predetermination of whether the individual's criminal history will likely disqualify the individual from obtaining a real estate license. This petition can be made at any time, including before taking the *North Carolina Broker Prelicensing Course*. More information on this <u>Petition for Pre-Determination</u> is provided on the Commission's website (<a href="www.ncrec.gov">www.ncrec.gov</a>) under Licensing.

#### **THE LICENSE EXAMINATION**

#### **General Information**

To qualify for a North Carolina real estate license, an applicant must pass the **North Carolina Real Estate Broker License Examination**. Since North Carolina is a "broker only" license state, there is only one license examination; it is an entry-level examination designed to determine minimal competency to practice real estate brokerage. The few license applicants who are not required to pass the license examination are those applying for the limited nonresident commercial license, some applicants for license reinstatement, and some applicants who are licensed in other jurisdictions.

#### **Examination Services Provider**

The Real Estate Commission contracts with the professional testing service Pearson VUE for examination services that include scheduling applicants for examination and administering the examination.

#### **Examination Sections**

The examination consists of separate **National** and **State** sections. The **National** section is developed and provided by Pearson VUE. Some version of the National entry-level real estate license examination is administered in all states where Pearson VUE administers the real estate license examinations. The **State** section of the license examination is developed by the North Carolina Real Estate Commission and administered for the Commission by Pearson VUE to only North Carolina license applicants.

#### **Comprehensive License Examination**

Most applicants must initially take the **comprehensive license examination** consisting of both the National and State sections. The two sections will be separately timed and scored and the applicant's examination results will be reported separately for the National and State sections. An applicant may NOT choose to take only one section of the examination during a scheduled appointment if the applicant must pass both sections for license eligibility.

**NOTE:** Each license application submission and application for fee payment are valid for only one attempt at the license examination.

#### **Retaking the Comprehensive Examination**

An applicant who fails both the National and State sections of the comprehensive examination must continue to take the 2-part comprehensive examination on any subsequent attempt until such time as the applicant passes at least one of the National or State sections. Please note that the \$100 application fee PLUS the \$60 examination fee will be collected each time an applicant must take both sections of the license examination.

#### **Retaking Only One Examination Section**

Once an applicant has passed one of the two (2) examination sections, the applicant may apply to take only the remaining unpassed exam section. Please note that the \$100 application fee PLUS the \$50 single section exam fee will be collected each time a candidate must take once section of the exam. Both exam sections must be passed during the **same 180-day examination eligibility period.** (*See Applying for and Scheduling an Examination*.) If an applicant only passes one examination section prior to the end of the 180-day examination eligibility period, then the applicant loses the benefit of having passed one section, must reapply to take the comprehensive examination, and pass both sections during the subsequent 180-day exam eligibility period to be eligible to receive a NC real estate broker license.

**NOTE:** Applicants licensed in other jurisdictions who are only required to pass the State section of the examination have an average pass rate that is less than 50%. Without serious preparation for this examination, first attempt or

subsequent attempts have a high probability of failure. Although not required, attendance in a *North Carolina Broker Prelicensing Course* or participation in a quality exam prep program offered by a <u>certified NC Education Provider</u> is highly recommended.

#### **Examination Item Formats**

All items on the license examination are multiple-choice format that requires the applicant to choose the correct or best answer from the answer options provided.

(Basic Four-Choice Format:) This standard multiple-choice format involves a question or incomplete statement that is followed by four (4) possible answer options. 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 the property is known as the:

- A. Statute of Frauds
- B. Law of Conveyance
- C. Statute of Limitations
- D. Law of Agency (Answer: D)

#### Example 2

A broker with LMN Realty listed an owner's property at \$150,000 and the property was subsequently sold by a Provisional Broker with XYZ Realty for \$140,000. If the total 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 their firm's share, how much did the Provisional Broker earn on the sale?

- A. \$1,400
- B. \$2,100
- C. \$3,500
- D. \$4,200 (Answer: B)

#### Example 3

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

- A. Replacement Cost
- B. Depreciation
- C. Net Operating Cost
- D. Lot Value (Answer: C)

#### **Examination Content Outline**

Shown below is the content outline for both sections of the North Carolina real estate license examination. The content outline shows both the topics to be tested and the number of items by major subject area. The topics for both sections are based on a comprehensive job analysis of real estate brokerage practice and have been determined by subject matter experts to constitute the body of knowledge that minimally competent entry-level real estate licensees should possess.

For a detailed explanation of subtopics covered in each section, review the <u>Broker Prelicensing Course Syllabus</u> on the Commission's website. (www.ncrec.gov)

National Section Categories	# of Items
1. Real Property	9
2. Ownership	8
3. Valuation	11
4. Contracts & Agency	16
5. Real Estate Practice	14
6. Property Disclosures	8
7. Financing	7
8. Real Estate Math	7
Total	80 Scored Items + 5 Pretest

State Section Categories	# of Items
1. Licensure	3
2. Agency	16
3. Supervision/Compensation	4
4. Brokerage Practice	12
5. Taxes/Insurance	4
6. Contracts/Closing	7
7. Landlord/Tenant	3
8. Other NC Laws	11
Total	60 Scored Items + 5 Pretest

#### **Examination Format**

Pearson VUE utilizes a separate large question bank for each of the National and the State exam sections. The items for each exam section are drawn randomly according to a formula for that exam section, so that each administration of the exam is unique. The exam formula insures that the topics tested are consistent and each administration is of equal difficulty.

#### **Number and Value of Items**

**Scored Items:** The **Comprehensive Examination** includes 140 scored items. There are 80 scored items on the **National** section and 60 scored items on the **State** section. *All scored items have equal value*.

**Pretest Items:** In addition to the 140 scored items on the Comprehensive Examination, each exam section will also include 5 pretest items. Pretest items do not count in the computing of a candidate's score.

	Scored Questions	Pretest Questions
National Section	80	5
State Section	60	5

Including these unscored, experimental items is an essential step in developing future examinations. Pretest items are new test items that are included to gather performance data in order that Pearson VUE and the Commission in determining, if the new items are appropriate for use as scored items on future examinations. Results of pretest items will be reported only to Pearson VUE and the Commission. Pretest items will appear randomly in the exam, and candidates will not be able to distinguish pretest items from the scored items.

#### **Passing Score**

The passing score for each of the two sections of the license examination is 75 and is computed separately for each exam section. Be aware that all sections of the examination required for licensure eligibility must be passed within the same 180-day Examination Eligibility Period. Credit for any exam section passed in a previous Exam Eligibility Period will be forfeited when that period expires.

#### View this video for a quick overview of the Basic Info about the NC License Examination

#### **Helpful Hints**

Take time at the start of the examination to view the exam tutorial; it does not count as part of the exam time. The tutorial will help you best use the exam software to navigate smoothly through the exam. Pace yourself. Read each item very carefully, but *do not spend too much time on any one item*.

If you are stumped by a particular item, mark it for later review and continue with your examination; then return to your marked "problem items" after you have answered the other items. The exam tutorial will show you how to quickly find your marked items. If uncertain as to the correct answer, make an educated guess; an unanswered item will be automatically scored as incorrect.

#### APPLYING FOR AND SCHEDULING AN EXAMINATION

As described in the *Application Process* section, a license applicant must first file an online application with the North Carolina Real Estate Commission and be found qualified to take the license examination before contacting Pearson VUE to schedule an exam appointment.

#### Obtaining a *Notice of Exam Eligibility*

If the Commission determines that you meet the examination qualification requirements, you will be issued a *Notice of Exam Eligibility valid for 180 calendar days from the date it is issued.* Your examination eligibility date range will be prominently indicated on the Notice.

Your *Notice of Exam Eligibility* will be emailed to you within 2-3 days after application receipt and acceptance. [In order to receive the Notice by email, please add "LICAPPdonotreply@ncrec.gov" as a safe email address in your anti-spam filter.]

You should wait one business day following receipt of your electronic *Notice of Exam Eligibility* before contacting Pearson VUE to schedule your examination. The wait is necessary to allow Pearson VUE to upload your eligibility record from the Commission. (*See Making an Examination Appointment with Pearson VUE*.) Walk-in testing is **not** available.

If you fail the National, State, or both sections of the exam, you will reapply to the Commission and be issued another *Notice of Examination Eligibility* which will show your updated expiration date for exam eligibility. You can then schedule another examination within the initial 180-day timeframe **if there are at least 10 eligibility days after your last test date.** 

#### 180-Day Examination Eligibility Period

As noted, your *Notice of Exam Eligibility* is valid for 180 calendar days after initial issuance and the eligibility date range will appear on the Notice. You should schedule and take your examination promptly after receiving your *Notice of Exam Eligibility*.

NOTE: Commission rules do not allow the 180-day exam eligibility period to be extended for any reason.

The 180-day exam eligibility period is intended to accommodate applicant preferences in scheduling examinations and allow for emergencies that may arise. If you wait until the 180-day period is nearly over to schedule your examination, Pearson VUE may not be able to schedule you on a date and at a test location that is convenient for you. If your initial 180-day exam eligibility period expires before you successfully pass all the exam sections you are required to pass for license eligibility, you will have to refile a license application (with new criminal record report and application fee) in order to obtain a new 180-day exam eligibility period prior to scheduling another examination. (See *Applicants Who Must Refile an Application with the Commission*.)

#### **Examination Fee to Pearson VUE**

EACH time an applicant takes EITHER the 2-part Comprehensive License Examination OR a single National or State section, a separate examination fee is required in addition to the \$100 license application fee paid with the license application to the Commission. The Pearson VUE exam fee for the 2-part comprehensive exam is \$60; and the fee for a single exam section is \$50.

**NOTE:** The examination fee is payable directly to Pearson VUE when the applicant contacts Pearson VUE to schedule the examination. Do NOT submit the examination fee to the Real Estate Commission.

Examination fee payment is due to Pearson VUE at the time of scheduling. Payment may be made by credit card (VISA, MasterCard, Discover, or American Express), cashier's check or money order made payable to Pearson VUE. Examination registration fees are not refundable or transferrable and expire at the end of your 180-day examination eligibility period.

#### Making an Examination Appointment with Pearson VUE

There are two ways to schedule your examination.

#### **Online Scheduling**

Candidates may schedule via the Internet 24 hours a day at <a href="https://pearsonvue.com/nc/realestate">https://pearsonvue.com/nc/realestate</a>
OR

#### **Telephone Scheduling**

Candidates may call 800-745-2627. Pearson VUE registrars are available Monday through Friday between 8 a.m. and 11 p.m., Saturday between 8 a.m., and 5 p.m., and Sunday between 10 a.m., and 4 p.m., Eastern Time.

Pearson VUE testing center locations can be found by clicking "Find a Test Center" on the right navigation menu at <a href="https://www.pearsonvue.com/nc/realestate">www.pearsonvue.com/nc/realestate</a>. You may use whichever test center you prefer.

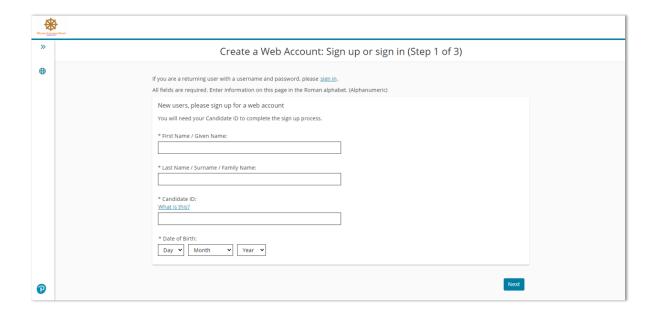
**NOTE:** A NC license candidate can also schedule and take the NC license examination in any state where Pearson VUE has a physical testing center. No walk in testing is allowed.

In almost all cases, you will be able to take an examination at the test center of your choice within seven (7) calendar days of contacting Pearson VUE unless you request a later appointment or have previously taken the exam. When you schedule your examination appointment, be prepared to confirm a location and a preferred date and time for testing. When you call or go online to schedule your examination appointment, you will be notified of the time to report to the test center, and if you provide an e-mail address, you will be sent an e-mail confirmation notice. If you experience difficulty scheduling the license examination, first reach out to the Pearson VUE Customer Help Desk. Your second recourse is to e-mail the details of your challenge to the attention of the NCREC Education and Examination Officer at educ@ncrec.gov.

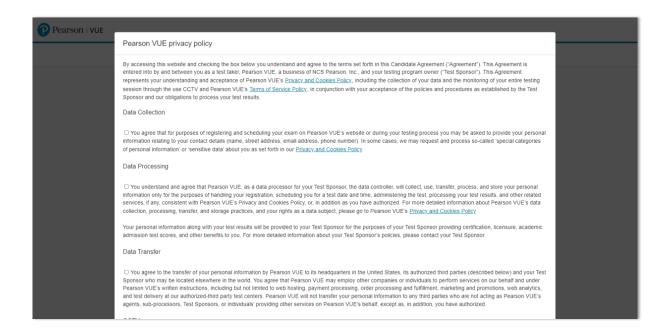
#### On-line Scheduling via Pearson VUE Website

#### Step 1: Select the Web Link in the Eligibility Email received from Pearson VUE.

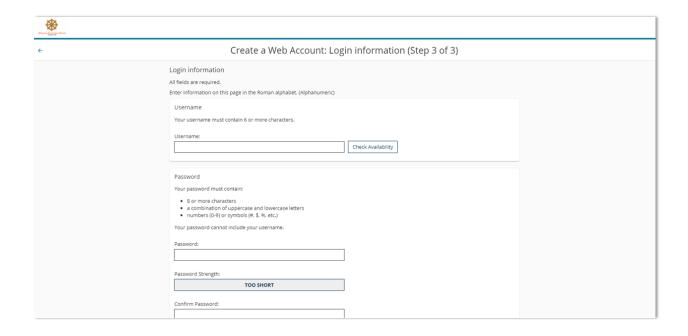
#### Step 2: Verify Demographic Information and complete Web Account Set up



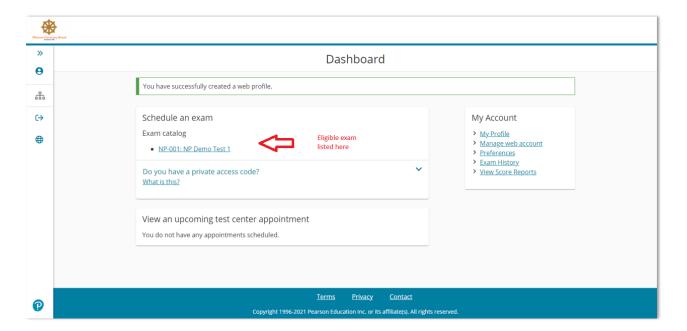
**Step 3: Agree to Privacy Policy** 



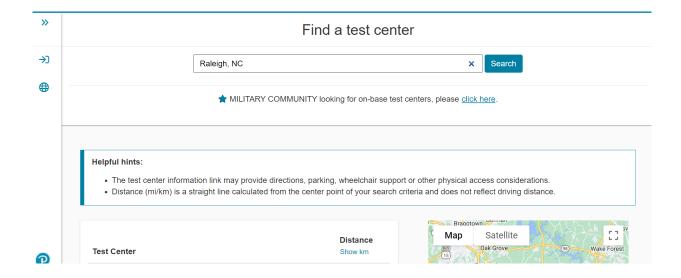
### **Step 4: Create Login Details**



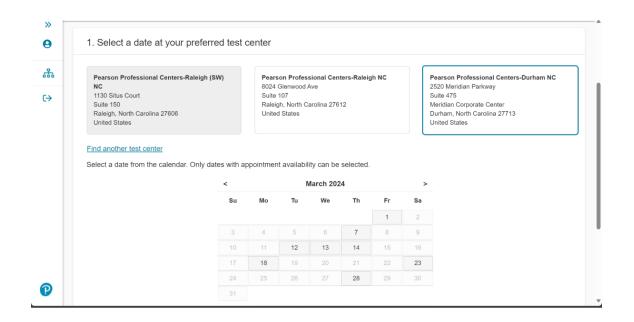
Step 5: Once on your Dashboard, select NC License Exam



**Step 6: Select a Test Center Location** 



Step 7: Select a Date at Your Preferred Test Center



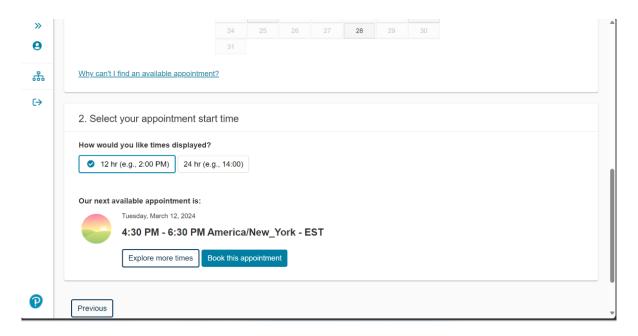




\*Third party sites control their own schedules and have the right to discontinue testing at any time.

"While the locations of 10 Pearson VUE-owned sites and military bases are reliable, partner locations may be added or deleted at any time. Candidate can rely on the test sites offered on Pearson VUE's scheduling website."

**Step 8: Select Your Exam Start Time** 



**Step 9: Complete Exam Registration** 

View this video for a quick review of Scheduling an Exam with Pearson VUE

#### PEARSON VUE TEST CENTER POLICIES

The following policies are observed at each test center. Candidates who violate any of these policies will not be permitted to finish the examination and will be dismissed from the test center, forfeiting the examination fee.

- No personal items are allowed in the testing room. Personal items include, but are not limited to, cellular phones, hand-held computers or other electronic devices, pagers, watches, wallets, purses, firearms or other weapons, hats, bags, coats, books, notes, pens, or pencils.
- You will be asked to empty your pockets for the purpose of allowing the proctor to verify that nothing is in them. If you have hair that covers your ears, you may be asked to show your ears for the purpose of allowing the proctor to verify that no electronic devices are present. The proctor may also ask you to roll up your sleeves to verify that you have no writings on your arms. Before you enter the testing room, you will be asked to pat yourself down (for example: arms, legs, waistline) to show there is nothing hidden on your body.
- Calculators are not required; however, they are recommended. Acceptable calculators include handheld, battery, or solar-powered financial calculators used in real estate, finance, accounting, and business. The acceptable financial calculator may have storage capabilities but must not contain alpha characters. Alpha characters are considered to be ABC, DEF similar to a cell phone. Exceptions are mathematical symbols such as "cos" or "sin." Calculator malfunctions are not grounds for challenging examination results or requesting additional examination time. NOTE: Calculators are NOT provided by the test center staff.
- Candidates must store all personal items in a secure area as indicated by the administrator, or return items to their vehicles. All electronic devices must be turned off before storing them in a locker. The test center is not responsible for lost, stolen, or misplaced personal items.
- Studying is not allowed in the test center. Visitors, children, family, or friends are not allowed in the test center.
- Dictionaries, books, papers (including scratch paper), and reference materials are not permitted in the examination room and candidates are strongly urged not to bring such materials to the test center. When the candidate enters and is seated in the testing room, the test administrator will provide the candidate with materials to make notes and any other items specified by the exam sponsor. The candidate may not write on these items before the exam begins or remove these items from the testing room.
- Eating, drinking, chewing gum, smoking, and/or making noise that creates a disturbance for other candidates is prohibited during the exam.
- NCREC allows unscheduled breaks. To request an unscheduled break, the candidate must raise their hand to get the administrator's attention. The exam clock will **not** stop while the candidate is taking a break.
- Candidates must leave the testing room for all breaks. However, candidates are not permitted to leave the floor or building for any reason during this time, unless specified by the administrator and the exam sponsor. If a candidate is discovered to have left the floor or building, they will not be permitted to proceed with the examination and may forfeit the exam fees.
- While taking a break, candidates are permitted to access personal items that are being stored during the exam only if necessary—for example, personal medication that must be taken at a specific time. However, a candidate must receive permission from the administrator prior to accessing personal items that have been stored. Candidates are not allowed access to other items, including but not limited to cellular phones, exam notes, and study guides.
- Any candidate discovered causing a disturbance of any kind or engaging in any kind of misconduct giving or receiving help; using notes, books, or other aids; taking part in an act of impersonation; or removing examination materials or notes from the examination room—will be summarily dismissed from the examination and will be reported to NCREC. Decisions regarding disciplinary measures are the responsibility of NCREC.

#### Rescheduling a Scheduled Examination with Pearson VUE

You may reschedule your appointment at no charge by calling Pearson VUE at 800-745-2627 at least two (2) BUSINESS DAYS prior to your scheduled appointment.

#### **Special Accommodations for Candidates with Disabilities**

Pearson VUE complies with the Americans with Disabilities Act (ADA) as amended. The purpose of accommodations is to provide candidates with full access to the test. Accommodations are not a guarantee of improved performance or test completion.

Pearson VUE provides reasonable and appropriate accommodations to individuals with documented disabilities who demonstrate a need for accommodations. Test accommodations may include things such as:

- A separate testing room;
- Extra testing time; and /or
- A Reader or Recorder, for individuals with mobility or vision impairments who cannot read or write on their own.

Test accommodations are individualized and considered on a case-by-case basis. All candidates who are requesting accommodations because of a disability must provide appropriate documentation of their condition and how it is expected to affect their ability to take the test under standard conditions. This may include:

- Supporting documentation from the professional who diagnosed the condition, including the credentials that qualify the professional to make this diagnosis, or
- A description of past accommodations the candidate has received.

The steps to follow when requesting test accommodations vary, depending on your test program sponsor. To begin, go to <a href="http://pearsonvue.com/accommodations">http://pearsonvue.com/accommodations</a>, and then select NCREC from the alphabetized list. Candidates who have additional questions concerning test accommodations may contact the ADA Coordinator at accommodationspearsonvue@pearson.com.

#### Test Center Arrival and Check-in Procedures

On the day of the examination, you should arrive at least thirty (30) minutes before your examination appointment. This extra time is for sign-in with identification and familiarizing you with the examination process. If you arrive late, you may not be admitted to the examination center and you will forfeit your registration fee.

#### **Required Identification and Signature**

Candidate must register for the exam with their LEGAL first and last name as it appears on their government-issued identification. The required identification must match the first and last name under which the candidate is registered. Candidates are required to bring one (1) form of valid (non-expired) *signature-bearing* identification to the test site. If the candidate fails to bring proper identification or the candidate names do not match, the candidate will not be allowed to test and their examination fee will not be refunded.

**Primary Identification:** All candidates must provide one form of identification. ID must contain candidate's photo, signature, and be <u>valid and unexpired</u>. Allowable forms of identification are:

- State-issued Driver's License, including Learner's Permit (plastic card only with photo and signature)
- State-issued Identification Card
- U.S. Government-issued Passport
- U.S. Government-issued Military Identification Card
- U.S. Government-issued Alien Registration Card
- Canadian Government-issued ID
- U.S. Employment Authorization Card

**NOTE:** No temporary ID will be accepted. Student ID and employment ID are NOT acceptable forms of identification. A candidate who does not present appropriate identification or whose identification does not exactly match the candidate's registration information will be denied admission to the examination and will forfeit the examination fee.

Your name on your required identification should be an identical match to the legal name on your real estate license application. Pearson VUE proctors will accept an ID that shows the middle initial instead of the full middle name; but other name variations between application and identification will **not** be accepted. 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.

#### **Examination Security**

The content of the NC real estate license examination is confidential and both the Commission and Pearson VUE take cheating and exam security very seriously. Per <u>Commission Rule 58A .0405</u>, no applicant or licensee shall obtain, attempt to obtain, receive or communicate to other persons examination questions or answers. Violation of this Rule is grounds for denial of a real estate license if the violator is an applicant and disciplinary action if the violator is a licensee or becomes a licensee prior to discovery of the violation by the Commission.

#### **Taking the Examination**

Taking the examination by computer at the test center is simple. You do not need any computer experience or typing skill. You will use fewer keys than you use on a cell phone.

**NOTE**: After you have entered your responses, you will later be able to return to any item(s) and change your response, provided the examination time has not run out or you have not ended your exam.

#### **Examination Time**

Check-in and the orientation to the computer testing process may take approximately 15-20 minutes. The maximum time allowed to take the individual examination sections is shown below and includes any breaks taken at the test center during a section.

National Section	2.5 Hours
State Section	2.0 Hours

**NOTE:** Since the National and State sections are timed separately, a break time taken at the test center between sections will NOT be deducted from timed exam sections.

#### **License Issuance for Passing Applicants**

Licenses are **NOT** issued at the test centers or by Pearson VUE. Your examination results will be reported to the North Carolina Real Estate Commission, and licenses will be issued by the Commission to persons who timely passed the required section(s) of the license examination and who possess the requisite "Character" for licensure. (See *Consideration of Applicant's Character* under the *Application Process Section*.)

Applicants timely passing the required section(s) of the examination should expect to receive their license certificates by mail not more than 10 days following their examination date IF THERE ARE NO CHARACTER ISSUES ASSOCIATED WITH THE APPLICATION.

**NOTE:** Do **not** call the Commission Office concerning license issuance until at least 10 calendar days after the examination date (45 days if there are known character issues to be considered).

#### Applicants Who Must Re file a License Application with the Commission

**NOTE:** Each license application submission and application fee are valid for only one attempt at the license examination.

Before a candidate can retake a failed section of the license examination during their initial 180-day Exam Eligibility Period, they need to return to their application portal at <a href="www.ncrec.gov">www.ncrec.gov</a>, verify that the information in their original application has not changed, refile their application with the Commission, and pay another application fee. An updated *Notice of Exam Eligibility* will be issued that specifies which exam section(s) the candidate is authorized to retake and the remaining dates within their Exam Eligibility Period.

If a candidate's *Notice of Exam Eligibility* expires (i.e., more than 180 days have passed since the license application was originally processed by the Commission) and the section(s) of the examination required for licensing eligibility have not been passed, then a new Exam Eligibility Period is needed. The candidate needs to return to their application portal at <a href="https://www.ncrec.gov">www.ncrec.gov</a>, order a new criminal record report, verify that the information in their original application has not changed, refile their application with the Commission, and pay another application fee. If the licensing qualifications are still met, a new *Notice of Exam Eligibility* with a new 180-day Exam Eligibility Period will be issued. The candidate can then contact Pearson VUE and scheduleanother examination.

There is no limit to the number of times a qualified candidate can refile their application and attempt the examination. However, all sections of the examination required for licensure eligibility must be passed within the same 180-day Examination Eligibility Period. Credit for any exam section passed in a previous Exam Eligibility Period will be forfeited when that Period expires.

**NOTE**: No candidate is permitted to contact Pearson VUE for the retaking of any examination without first refiling their application with the Commission and paying another application fee.

#### OTHER EXAMINATION INFORMATION

#### **Forfeiture of Fees**

Your scheduled appointment to take the license examination will be canceled, you will not be able to take the license 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 Pearson VUE if you do any of the following:

- fail to schedule and take the license examination on or before the last business day prior to the expiration of your 180-day Examination Eligibility Period;
- fail to cancel your appointment at least 2 business days before the scheduled examination date;
- fail to show up for an examination appointment
- arrive after the testing start time; or
- fail to present proper identification and required signature upon approval for a schedule examination. (See *Required Identification and Signature*).

#### **Excused Absences**

Candidates who are late or absent from an exam may call Pearson VUE within 14 days of the exam date to request an excused absence for the following reasons:

- Illness of the candidate or of the candidate's immediate family member
- Death in candidates immediate family
- Disabling traffic accident
- Court appearance or jury duty
- Military duty
- Weather emergency

A case number will be assigned and instructions provided for emailing supporting documentation. Candidates absent from or late to an exam who have not changed or canceled the reservation according to the Change/Cancel Policy will not be admitted to the exam and will forfeit the exam fee.

#### **Inclement Weather, Power Failure, or Emergency**

In the event that severe weather or another emergency forces the closure of a test center on a scheduled examination date, your examination will be rescheduled at no additional charge to you. Pearson VUE personnel will attempt to contact you in this situation. You may check the status of your examination appointment by checking the website at (<a href="https://www.pearsonvue.com/nc/realestate">https://www.pearsonvue.com/nc/realestate</a>) or calling 800-745-2627. Every effort will be made to reschedule your examination at a convenient time as soon as possible. You will not be penalized.

#### LICENSEE INFORMATION

#### **Issuance of Licenses**

After an applicant has satisfied the qualification requirements, passed the license examination (if required), and satisfied the Commission of their 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 emailed a confirmation of licensure containing their broker license number and mailed a **license certificate** to the address shown on the license application form. Licensees may access their digital pocket cards at <a href="www.ncrec.gov">www.ncrec.gov</a> immediately upon licensure. Applicants passing the license examination should expect to receive their license certificates within approximately ten (10) calendar days after their license examination, *if there are no character issues*.

**NOTE:** If an 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 real estate brokerage business until the date the applicant's license is issued by the Commission, **not** the date the license examination is passed. The issuance date is displayed on the official license certificate issued to each broker.

#### **Initial Licenses Are Inactive Provisional Broker Licenses**

Applicants who qualified for licensure by examination are issued an **inactive** broker license on provisional status (also known as a Provisional Broker license) as defined in the *Introduction*.

**EXCEPTION:** An applicant licensed by examination who qualified based on broker licensure in another jurisdiction may be issued a "full" broker license that is NOT on provisional status.

#### **Activation of Initial Inactive Provisional Broker License**

A Provisional Broker license is initially issued on **inactive** status. Before the Provisional Broker can begin work in the real estate business, the Provisional Broker and a Broker-in-Charge must file a <u>License Activation/Affiliation form (REC 2.08)</u> with the Commission to have the Provisional Broker license placed on **active** status. This may be accomplished by accessing the Commission's website at (<u>www.ncrec.gov</u>) and utilizing the interactive online form. 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 the broker license.

## Requirement for Active Status and Notice 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 the payment of the annual license renewal fee and both the Postlicensing and Continuing Education requirements described below. Also, a licensee must notify the Commission within **10 days** of any change in business or residence address or in employment status (including a change in Broker-in-Charge).

#### License Renewal

All NC real estate licenses expire on June 30, at midnight following the date of issuance unless they are renewed by June 30. This is true even if the license was recently issued in May or June. License renewal notices are sent as a courtesy reminder to licensees each year in May and included with new licenses issued in late May or June.

Licensees should renew their licenses online through the Commission's website, (<a href="www.ncrec.gov">www.ncrec.gov</a>), using Visa, MasterCard, Discover, American Express, or PayPal between May 15 and June 30. The annual license renewal fee is \$45. Licensees are responsible for renewing their licenses in a timely manner even if they did not receive e-mail renewal notices due to e-mail address changes or any other reason. No person may engage in real estate brokerage activities after their license has expired.

A new digital **license pocket card** should be downloaded by brokers each year upon the renewal of their licenses. A broker may opt to pay \$5 to receive a paper pocket card. The pocket card verifies license renewal but <u>does not</u> show whether the license is on active or inactive status. Whenever there is a change in license status (i.e., active or inactive), a separate notice is sent to the licensee.

All provisional brokers must satisfy the Postlicensing education requirement of **90 instructional hours of Postlicensing education within 18 months of initial licensure** to remain eligible for active license status. The Postlicensing education program is divided into three 30-hour Postlicensing courses titled as follows: Post 301: *Broker Relationships and Responsibilities, Post 302: Contracts and Closing, and Post 303: NC Law, Rules, and Legal Concepts.* 

#### **Postlicensing Education for Provisional Brokers**

All Provisional Brokers must satisfy the Postlicensing education requirement of 90 instructional hours of Postlicensing education within 18 months of initial licensure to remain eligible for active license status. The postlicensing education program is divided into three 30-hour Postlicensing courses titled as follows:

Post 301: Broker relationships and Responsibilities

Post 302: Contracts and closing

Post 303: NC Law, Rules, and Legal Concepts.

Upon completion of all three (3) Postlicensing courses, the provisional status of the broker license will be automatically removed by the Commission. [Commission-certified Education Providers must report course completion to the Commission, so licensees should not attempt to report course completion or request removal of provisional status.] If a provisional broker fails to timely complete the Postlicensing program, the license will be placed on inactive status until the licensee remedies the education deficiency and requests reactivation of the license using License Activation/Affiliation form (REC 2.08).

The Postlicensing courses can only be offered by Commission-certified Education Providers. The courses may be delivered in person, or by synchronous or self-paced asynchronous (online) format. Click here to search scheduled Postlicensing courses and providers.

#### Postlicensing Education Waiver Based on Equivalent Education / Experience

Most Provisional Brokers must take all the Postlicensing courses to remove their provisional license status. However, it is possible for some Provisional Brokers with equivalent education and/or substantial brokerage experience from another state to obtain a waiver of one or more of the Postlicensing courses. See Commission Rule 58A .1905 for waiver criteria.

Provisional Brokers who think they may possess qualifications justifying a waiver are referred to the Forms section of the Commission's website (<a href="www.ncrec.gov">www.ncrec.gov</a>) to carefully review and complete the <a href="Postlicensing Education Waiver Request">Postlicensing Education Waiver Request (Form REC 2.18)</a>.

**NOTE:** Provisional Brokers who applied for an NC license based on licensure in another jurisdiction and who opted not to pass the State section of the license examination are NOT eligible for any waiver of postlicensing education under Rule 58A .1905.

#### Postlicensing Education vs. Continuing Education

**Postlicensing** education should not be confused with **Continuing** Education. Postlicensing education is a one-time requirement for Provisional Brokers wishing active license status eligibility that must be completed within 18 months after initial licensure. Continuing Education is a recurring annual requirement for ALL licensees wishing to maintain active license status eligibility that must be completed each license period by June 10th beginning with the first full annual license period after initial licensure.

Continuing Education (CE) requirement is eight (8) hours per annual license period, including the General Update Course (4 hours) plus one 4-hour Commission-approved elective course. Licensees must satisfy the Continuing Education requirement by June 10 of each annual license period (July 1 – June 30) in order to renew their licenses on active status. There is a **limited exception for new licensees.** 

**NOTE:** A broker newly licensed by examination or reinstatement does not have any CE requirement during the initial license year; such a newly licensed broker must satisfy the 8-hour annual CE requirement prior to the <u>second license</u> renewal in order to renew the license on active status.

#### License Reinstatement

All North Carolina real estate licenses expire on June 30 of each year. To maintain a current license, a licensee must pay the annual license renewal fee between May 15 and June 30, even if they have not taken their CE courses.

If a licensee fails to properly renew by June 30 deadline, the license expires. It is unlawful to engage in brokerage activities without an active license. An individual must apply for Reinstatement to regain a current license.

**NOTE:** For a full explanation of reinstatement requirements, go to the <u>"Reinstate Your License"</u> page on the Commission's website or contact the Commission's Education and Licensing Division.

