

2011-2012 UPDATE COURSE

LICENSING AND EDUCATION REVIEW

Outline:

- Miscellaneous License Status Issues
 - “Provisional Broker” and “Broker-In-Charge”
 - “Current” versus “Expired” License
 - “Active” versus “Inactive” License
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 - Basic Requirement for a Broker-In-Charge
 - Qualification Requirements to Serve as a Broker-In-Charge (BIC)
 - Maintaining the BIC Designation/Eligibility

Learning Objective: This section is merely included as a review and reference for licensees to refresh their understanding of what one must do in order to maintain a current and active North Carolina real estate broker license, and thus be eligible to engage in brokerage activity within North Carolina. Because this is a perennial section that has been included in the Update course materials every year since 2006-2007, *instructors are not required to cover these materials in class*. Any licensee who still is confused after reading these materials *and* consulting the applicable rules *and* reviewing the status of his/her license online, may call the Information Services Division of the Real Estate Commission for assistance.

INTRODUCTION

In response to the many calls Commission staff receives from licensees who are confused and frustrated with their own lack of knowledge pertaining to the maintenance of their real estate licenses, the Commission attempts to remind licensees about selected education and licensing matters in each year's *Update Course*.

MISCELLANEOUS LICENSE STATUS ISSUES

“Provisional Broker” and “Broker-In-Charge”

- **“Provisional Broker”** is NOT a separate license – it is simply a “broker license on provisional status.” This status is automatically assigned to new licensees and must be removed within three years following license issuance by taking the three required 30-hour postlicensing courses. A provisional broker may engage in brokerage activity only when under the supervision of a broker-in-charge.
- **“Broker-In-Charge”** is also NOT a separate license – it is simply a “license status” that is acquired by qualifying for and designating oneself as a broker-in-charge.

“Current” versus “Expired” License

- A **“current”** license is one for which the licensee has paid the proper renewal fee for the current license period and, thus, still *has* a license.
- An **“expired”** license is one for which the licensee has NOT paid the proper renewal fee for the current license period. *A person whose license has expired has no license and may not engage in any brokerage activity — PERIOD!*

IMPORTANT NOTE: Most licensees calling the Commission mistakenly refer to their “expired” license as being “inactive.” *An “expired” license is very different from an “inactive” license.* While a licensee may not actively engage in brokerage activities in either case, it is typically far easier to “activate” an “inactive” license than it is to “reinstate” an “expired” license. “Active” and “inactive” license status is discussed later in these materials.

License Expiration and Renewal

- All licenses issued by the Commission *expire on the 30th day of June following issuance.* A license may be renewed up to 45 days prior to the June 30 expiration date by paying the license renewal fee. [G.S. 93A-4(c).]
- **The annual license renewal fee is currently \$40.00 per year.**
- A licensee who fails to pay the renewal fee by June 30 has an “expired” license (*i.e., no longer has a license*) and may not engage in brokerage activity until the license is reinstated on “active” status.
- Mailing the renewal fee to the Commission such that it is postmarked by June 30 **is NOT sufficient.** It must be **received** by June 30 or the last business day of June, whichever is sooner. The “mailbox rule” does **not** apply to license renewals!
- *The easiest way to renew one's license is to do so ONLINE by going to the Commission's website at www.ncrec.gov.* You are provided immediate confirmation of license renewal when you renew online. The Commission recommends that licensees print the confirmation page and keep it at least until they receive their pocket card in the mail.

- ***NO EXCUSES FOR FAILURE TO RENEW ON TIME ARE ACCEPTED!*** It is the licensee's responsibility to renew on time even if he/she did not receive the renewal notice.

“Active” versus “Inactive” License

- **“Active”** license status means that the licensee holds a current (properly renewed) license AND has completed any required continuing education as well as any required postlicensing education. A provisional broker must also have a broker-in-charge (whose license is current and active).
- **“Inactive”** license status means that the licensee holds a current (properly renewed) license but that the license has been placed on inactive status due to one or more of the following reasons:
 - 1) failure to timely complete required continuing education
 - 2) failure to timely complete required postlicensing education
 - 3) failure of a provisional broker to have a broker-in-charge
 - 4) request of the licensee

Active Status Mandatory to Engage in Brokerage

Rule A.0504 states in pertinent part:

(a) ...The holder of a license on **active status** may engage in any activity requiring a real estate license and may be compensated for the provision of any lawful real estate brokerage service. The holder of a license on **inactive status** *may not engage in any activity requiring a real estate license, including the referral for compensation* of a prospective seller, buyer, landlord or tenant to another real estate licensee or any other party...

(b) A license issued to a *provisional broker* shall, upon initial licensure, be assigned to *inactive* status A **provisional broker's license** shall be assigned by the Commission to **inactive status when the provisional broker is not under the active, direct supervision of a broker-in-charge**. [A] broker [full or provisional status] shall also be assigned to inactive status if, upon the second renewal of his or her license following initial licensure, or upon any subsequent renewal, *he or she has not satisfied the continuing education requirement described in Rule .1702 of this Subchapter.*
(Emphasis added).

Reinstatement of Expired License

License Expired Six (6) Months or Less

If the license has been expired **six (6) months or less**, it may be reinstated merely by paying the **\$55.00 reinstatement fee**, whereupon the license again will be *current* as of the date of reinstatement. (NOTE: Although the license will be *current*, it generally will be reinstated on

“inactive” status unless the licensee is current with his/her CE and submits a “Request to Activate License” form. Additionally, provisional brokers must have satisfied any applicable postlicensing requirements and have a broker-in-charge in order to activate. No prior business affiliations nor broker-in-charge status is automatically restored after a lapse in license status. A licensee must build a new profile by sending a Form 2.08 (Activation and Affiliation form) and a Form 2.04 if s/he wishes to resume broker-in-charge status.)

- *This six month “grace period” for reinstating an expired license by December 31 following expiration on June 30 by only paying the \$55.00 reinstatement fee WILL NOT BE EXTENDED FOR ANY REASON!*

License Expired for More Than Six (6) Months

When the license has been *expired for more than 6 months, the former licensee must not only pay the \$55.00 reinstatement fee, but must also file a complete license application form (same as for original license)*, which includes submission of a **criminal record report**, as well as a current license certification history from any state in which he/she has been licensed within the preceding five years. The applicant must be found to have satisfactory moral character, just as at the time of original licensure.

Reinstatement is neither automatic nor guaranteed. Pursuant to statute, the Commission, in its discretion, may subject the applicant to the requirements for an original license, including education and/or examination, as a condition of license reinstatement. In other words, in addition to considering the applicant’s character, the Commission may require the applicant to demonstrate he/she possesses current knowledge, skills and competence in real estate brokerage. The specific requirements depend on how long the license has been expired and the applicant’s recent real estate brokerage related education and experience. *Contact the Commission office for detailed guidelines on requesting reinstatement of a license expired for more than six months.*

- Virtually all **former “non-provisional” brokers** (i.e., “full” brokers) with licenses expired more than six months applying for reinstatement must take one *or more* postlicensing course(s) OR retake the state license examination OR hold a current broker license in another state.
- **Former “provisional” brokers** with licenses expired more than six months applying for reinstatement will NOT be allowed to reinstate as “provisional” brokers. They must first complete any postlicensing education not completed within the previous three years. They would then be reinstated as brokers NOT on provisional status.
- *Any licensee whose license has been expired for more than five years will be treated as though they have never been licensed and must meet all requirements for original licensure!*

POSTLICENSING EDUCATION

Basic Requirement: 90 Classroom Hours Within Three Years After Licensure

All provisional brokers must complete 90 hours of postlicensing education (divided into three 30-hour courses) emphasizing practical knowledge and skills within three years of obtaining his/her provisional broker license both to remove the “provisional” status and to remain on active status. Each of the 30-hour courses includes a written examination that the licensee must successfully pass. These courses are listed below:

- **Broker Relationships and Responsibilities**
- **Contracts and Closing**
- **Selected Topics**

Key Features of Postlicensing Education

- *The postlicensing requirement is **in addition to** the continuing education (CE) requirement of eight (8) hours per license year. Postlicensing courses do NOT count toward the continuing education requirement!*
- A provisional broker must, *at a minimum*, complete one of the three postlicensing courses during the first year after initial licensure, one course during the second year and one course during the third year. However, *a provisional broker may elect to take all three courses during the first year (or one the first year and two the second year or two the first year and one the second year).*
- Upon completion of all three courses, at whatever point that occurs during the three-year period, the broker’s provisional status will automatically be terminated by the Commission upon receipt of the last course completion report from the course sponsor and the licensee will immediately be sent a “Notice of Record Change” advising of the status change. Within fifteen days thereafter, the broker will be sent a new pocket card that reflects full broker status.
- The three courses may be taken in any sequence; however, the recommended sequence is the order in which they are listed above.
- *The time periods for completion of postlicensing courses begin to run on the licensee’s license issuance date, which is the licensee’s “anniversary date” for completing postlicensing courses. Thus, if a license was issued on October 15, the licensee’s anniversary dates for postlicensing education will be October 15 of the next three years. The license issuance date may be found on the licensee’s original license certificate (not the pocket card). [Note that the annual license expiration date is June 30 and the deadline for completing CE annually is June 10.]*
- Schools report postlicensing course completion to the Commission electronically within seven (7) days of course completion. *Please do not send course completion certificates to the Commission.*

Planning for Postlicensing Education is Critical

Do not delay taking a required postlicensing course until the last minute! It is totally your responsibility to complete these courses in a timely manner! Course availability at a convenient location may be limited in many areas. When a needed course is available in a location convenient to you, you are advised to go ahead and take the course even if you have several months left to take it. This is not CE. With CE, dozens of courses are available just before the June 10 annual deadline; however, every provisional broker has a different license anniversary date for postlicensing education and scheduled courses will be spread more evenly throughout the year. There also are not that many provisional brokers, so there is far less demand for postlicensing courses than for CE and availability at a convenient location is a major issue.

- *Extensions of time are very difficult to obtain!* The criteria for extensions of time to complete these courses are very restrictive – just as is the case for continuing education. A licensee’s confusion about his or her deadline for taking the courses, a licensee’s procrastination, unavailability of a course in a convenient location, business or personal conflicts, or even an illness or family emergency that occurs in the last month of the time period for taking a course will NOT be grounds for obtaining an extension of time.
- *Reminder Notice Sent 90 Days in Advance of Anniversary Date.* Provisional brokers who have not completed the required postlicensing education are sent a reminder notice about **90 days in advance of their upcoming anniversary date**. This is the only reminder notice provided by the Commission.

Consequences of Not Completing Postlicensing Education

After the First or Second Year

A provisional broker who fails to complete a 30-hour postlicensing course as required in either the first or second year following licensure will have his/her license placed on *inactive* status within a few days after the anniversary date of license issuance. To reactivate the provisional broker license, the individual must first complete one of the 30-hour courses s/he should have taken, *in addition to* any required continuing education, if applicable, and then submit a “Request to Activate License” form (REC Form 2.08) signed by both the provisional broker and his/her broker-in-charge.

After the Third Year

Heretofore, if a provisional broker failed to complete all 90 hours of the postlicensing education program within three years of initial licensure, then under the applicable statute, *his or her provisional broker license was cancelled* and the former licensee was so notified. However, due to amendments to the License Law discussed in Section Five of these materials, as of January 1, 2012, the license of a provisional broker who fails to complete all 90 hours of postlicensing education by the third anniversary date of license issuance will be placed on *inactive status* rather than cancelled. Thus, while the licensee may not use the license, s/he still has a license and may retain the license indefinitely by renewing it every year. To *activate* the license, the individual will be required to have completed all 90 hours of postlicensing education within the previous three year period *and* to satisfy all continuing education required for license activation.

The new law also provides that provisional broker licenses previously canceled under current law will automatically be reinstated on inactive status without any fees on January 1, 2012. Because all licenses previously cancelled will be reinstated as of January 1, 2012, Commission staff has decided as a policy matter that licenses of provisional brokers whose third anniversary date of license issuance occurs prior to December 31, 2011 will be placed on inactive status, rather than cancelled, should the provisional broker fail to timely complete all 90 hours of postlicensing education.

Waiver of Postlicensing Education for Provisional Brokers “Equivalent Real Estate Experience and/or Education”

The Commission may waive one or more of the postlicensing courses for provisional brokers who can demonstrate they possess “equivalent real estate experience and/or education,” such as substantial brokerage experience in another state. The particular course(s) that might be waived depends on the amount and type of experience/education. Waiver of all three courses is highly unlikely. *Instructions for requesting in writing a waiver of postlicensing courses (with examples of acceptable experience) may be found on the Commission’s website at www.ncrec.gov under “Postlicensing Education” or may be obtained by calling the Commission office.* Evaluations of experience for waiver purposes will not be provided by telephone.

While nonresident provisional brokers may typically satisfy the postlicensing education requirement by taking courses in another state or by obtaining a broker license in another state, it should be noted that *nonresident licensees who have a North Carolina business address or mailing address in their licensee record are treated the same as North Carolina residents for postlicensing education purposes. Thus, they must either take the courses in North Carolina or meet the waiver requirements for resident licensees.*

CONTINUING EDUCATION

Basic Requirement: *Four-Hour Mandatory “Update” Course Plus One Four-Hour “Elective” Course Each License Period After First License Renewal to Be Eligible for Active Status*

- **ALL** licensees must take the **mandatory Real Estate Update Course** (4 hours) each year – **NO EXCEPTIONS**. This course is developed by the Commission each year and content changes from year to year.
- All licensees (*other than* brokers-in-charge or “broker-in-charge eligible”) must take any approved CE **elective** course (4 hours) in addition to the *Update* course.
- A **broker-in-charge** or a broker wanting to retain his/her “BIC eligibility” must take the **Broker-In-Charge Annual Review (BICAR) course** (4 hours) each license year for his/her elective rather than a general elective course. The broker will receive “elective” course credit for the *BICAR* course. [See subsequent section on Broker-In-Charge Requirements.]

CE Required for Active License Status

Licensees only have to take CE if they are going to be actively engaged in real estate practice. A license may be renewed each year and maintained on “inactive” status without taking CE, *but a licensee with a license on “inactive” status may not perform any activity that requires a license. If a licensee engages in any act that requires a license, including accepting a referral fee, his or her license must be on “active” status, which means he or she must be current with his or her CE.*

CE for New Licensees

A licensee is NOT required to take any CE *prior to the first renewal of his/her license.* However, after the first renewal *and prior to the second renewal* of that license, and each license year thereafter, the licensee must satisfy the continuing education requirement to renew on active status.

Example. A provisional broker with an “active” license issued on July 15, 2010 does NOT have to take CE to renew on active status in June 2011, but must take the required CE between July 1, 2011 and June 10, 2012 in order to renew on active status in June 2012. The result is exactly the same if the provisional broker in the example were issued a license on May 15, 2011!

Other Key Points to Remember about CE:

- **All required CE must be completed by June 10 of any license year.** *This includes DISTANCE EDUCATION (e.g., “online”) CE courses, which also must also be completed by June 10 – the sponsor will cut off access to the online course at midnight on June 10. Pursuant to Commission rules, no continuing education courses are offered by approved sponsors between June 11 and June 30 inclusive. There are NO EXTENSIONS if the June 10 cut-off date falls on a weekend or holiday.* This “blackout period” is necessary to allow the Commission time to receive information from sponsors, credit continuing education courses taken by licensees at the last minute to their records, and identify/correct errors for licensees about to be made inactive.
- A licensee who fails to satisfy the CE requirement by June 10 of each year will receive a notice from the Commission in early July informing the licensee that his/her license is **inactive**. *The licensee should have ceased all brokerage activities as of July 1 until his or her license is restored to active status.*

Correcting a CE Deficiency and Reactivating a License

Rule A.1703 presently provides: “If the inactive licensee's license *has not properly been on active status since the preceding July 1 and the licensee has a deficiency in his or her continuing education record for the previous license period, the licensee must make up the deficiency AND fully satisfy the continuing education requirement for the current license period in order to activate the license....*”

Example: A licensee completes one elective course but does not complete the *Update Course* in license period July 2010 - June 2011. His or her license is made inactive July 1, 2011 due to this CE deficiency. To reactivate his or her license at any time during the July 2011 - June 2012 license year, the licensee must take **12 hours of CE** comprised of the *2011–2012 Update Course* plus one elective course to satisfy the current year’s requirements, plus another elective course to make up for the four-hour CE deficiency from the 2010-11 license year. If the licensee in this example had no CE credit for the 2010-11 license period, s/he would have to also take a third elective course for a total of 16 hours.

IMPORTANT NOTE: An inactive licensee must request license activation after correcting a CE deficiency. To activate a license made inactive due to a CE deficiency, **it is not sufficient to merely take all required CE.** Once the licensee has completed all 12-16 hours of continuing education [Update + 2 or 3 elective courses], whichever is applicable, the licensee must also submit to the Commission a completed **“Request to Activate License” form** requesting the activation of his/her license. This form is available through the Commission’s website (Form 2.08). Upon mailing or faxing the activation/affiliation form, the licensee may begin working immediately, subject to confirmation from the Commission within 30 days.

Submission of this form is required for ALL brokers, provisional or “full,” before their inactive license will be activated. [By way of explanation, when the licensee was placed on inactive status, his/her firm (if any) and business address were deleted from his/her working licensee file. Moreover, the licensee may be making a change in business affiliation. The Commission must have Form 2.08 to update the licensee’s record.]

Maximum CE requirement to “activate” an “inactive” license is 16 hours. Note that the maximum CE requirement to activate a license is 16 hours, regardless of the period the license has been on inactive status. Thus, a licensee could be inactive for 15 years, and *so long as s/he paid the renewal fee each year to keep his/her license, s/he could reactivate* that license after 15 years merely by taking the Update course and 3 elective courses, for a total of 16 hours, and submitting to the Commission the license activation form (Form 2.08). In contrast, if a license has been **expired** for more than six months (as opposed to simply being “inactive”), the requirements to **reinstate** that license are much greater (state exam or 30 hour courses) than the requirements to “reactivate” an “inactive” license.

Note: The foregoing discussion applies to the continuing education requirements for licensees who either *reside in North Carolina or have a North Carolina business or mailing address in their licensee record.* **Nonresident** North Carolina licensees who are not affiliated with an office located in North Carolina and do not have any North Carolina mailing address have other options available to them to satisfy the continuing education requirement and renew on active status [described on the Commission’s website at www.ncrec.gov.]

BROKER-IN-CHARGE REQUIREMENTS

Basic Requirement for a Broker-In-Charge

Commission Rule A.0110(a) requires that “Every real estate **firm** shall designate a broker to serve as the broker-in-charge at its principal office and a broker to serve as broker-in-charge at any branch office.” Generally, a broker may only be broker-in-charge of one office at a time. However, if two firms/companies share the same physical location as an office, one broker may be broker-in-charge of both firms at that location.

Sole Proprietors (including Sole Practitioners)

A frequently overlooked and misunderstood point about the broker-in-charge requirement is addressed in the following language paraphrased from Commission Rule A.0110(a):

*A broker who is a **sole proprietor** shall designate himself or herself as a broker-in-charge if the broker:*

- (1) engages in any transaction where the broker is required to deposit and maintain monies belonging to others in a trust account;*
- (2) engages in advertising or promoting his or her services as a broker in any manner; OR*
- (3) has one or more other brokers affiliated with him or her in the real estate business.*

The most misunderstood of the three broker-in-charge triggering requirements for sole proprietors cited above is No. 2: “...engages in advertising or promoting his or her services as a broker **in any manner.**” Acts of a sole proprietor that trigger the BIC requirement under No. 2 include, but are not limited to:

- Advertising as a broker in/through any publication, website or other medium.
- Distributing business cards indicating s/he is a real estate broker.
- Distributing solicitations for brokerage business to prospective clients/customers.
- Orally offering brokerage services to friends, business associates/acquaintances, fellow members of a civic organization, etc.
- Listing a property for sale or lease (this inherently involves holding oneself out as a broker and advertising).

Therefore, *a broker-sole proprietor may lawfully provide extremely few brokerage services without designating himself or herself as a BIC and must always have an **active license** to engage in **any** brokerage activity.* A couple of examples of *permissible* brokerage activities by a sole proprietor who is NOT a designated BIC include:

- Requesting and receiving a referral fee from another broker or brokerage firm so long as the broker’s license is on active status and the broker has not solicited the consumer or otherwise improperly promoted his/her brokerage services [see examples of improper activity discussed above].
- Representing a relative or friend as a buyer’s broker in a sales transaction provided the broker has not solicited the business, has not advertised or promoted his or her services, and does not hold earnest money beyond the time it is required to be deposited in a trust account.

The practical effect of these requirements is that a broker who provides brokerage services independently in most cases must also designate himself or herself as a BIC.

Qualification Requirements to Serve as Broker-In-Charge (BIC)

- **License status.** Broker license must be on “active” status and NOT on “provisional” status. A provisional broker is ineligible to serve as a broker-in-charge.
- **Qualifying experience.** Broker must have at least *two (2) years full-time (or equivalent part-time) real estate brokerage experience* (i.e., 4000 hours) *within the preceding five (5) years*. The requirement is for *actual brokerage experience, not just having a license on “active” status*.
- **Qualifying education.** A broker who designates himself or herself as a broker-in-charge must complete the Commission’s **12-hour Broker-In-Charge Course** within 120 days of designation *unless s/he has had the course within the preceding three years*.

Broker-In-Charge Declaration; Certifying Qualifying Experience

A broker must submit a “Broker-In-Charge Declaration” form to designate himself or herself as a broker-in-charge (Form 2.04 available on website). By submitting this form, *a broker certifies to the Commission that s/he possesses the required brokerage experience, that it was acquired while his/her license was on “active” status, and that it consisted of activities for which a real estate license is required* (listing, selling, purchasing, leasing or renting real estate for others for a fee). [Note that licensed experience in another state or as a *licensed* real estate assistant is acceptable. Experience as a secretary, bookkeeper or manager of a real estate office, or as a leasing agent performing acts exempt from licensure is *not* acceptable, even if performed while holding a real estate license.]

A Broker-In-Charge Declaration will only be accepted by the Commission if the broker’s license record indicates that his/ her license has been on “active” status for at least two of the past five years. Accepted BIC declarations are subject to “**spot checks**” by the Commission to verify experience certifications. A BIC should be prepared to provide documentation of his or her claimed brokerage experience upon request. If a BIC being spot-checked can not document that s/he possessed the minimum required ACTUAL brokerage experience (not just active status), the BIC will be referred to the Commission’s Legal Division for further inquiry and possible disciplinary proceedings if it appears the BIC made a false certification of experience.

Waiver of Qualifying Experience

It is possible for some brokers with exceptional “equivalent” qualifications other than brokerage experience (for example, *substantial* experience as a real estate attorney or salaried new homes sales representative for a corporate owner) to obtain a waiver of the qualifying experience requirement. Others may be able to obtain a **partial** waiver based on *substantial* non-brokerage direct experience in real estate transactions or substantial brokerage experience that is more than five years old. *See the instructions for requesting a waiver of the broker-in-charge experience requirement on the Commission’s website at www.ncrec.state.nc.us under “Broker-In-Charge.”* **NOTE: Waivers of BIC qualifying experience are difficult to obtain and infrequently granted.**

Broker-In-Charge Course

A newly designated broker-in-charge must complete the Commission's **12-hour *Broker-in-Charge Course*** within 120 days of designation, unless the broker has had the 12-hour course within the preceding three years, in which case s/he will not be required to repeat the course. Once a broker-in-charge has satisfied both broker-in-charge qualification requirements, i.e., declare and complete the 12-hour course, s/he will not be required to repeat the 12 hour course in the future *so long as* s/he maintains his/her broker-in-charge eligibility by timely renewing his/her license and taking the mandatory *Real Estate Update* course and *Broker-in-Charge Annual Review* course each license year beginning the first full license year after the license year in which s/he declared himself or herself a broker-in-charge. **Note:** Unlike the experience requirement, *there is no waiver of this educational requirement* (other than the limited non-resident BIC with no NC addresses per Rule A.0110(i) exception).

Maintaining the BIC Designation/Eligibility

Broker-In-Charge Annual Review Course (Required CE for BICs)

During the first full license year following the license year in which the broker was designated as a broker-in-charge, and each license year thereafter, every broker-in-charge must complete a special four-hour continuing education course developed specifically for BICs in lieu of taking a regular continuing education elective course. This special course, the ***Broker-in-Charge Annual Review Course (BICAR Course)***, is written by the Commission, but taught by Commission-approved *Real Estate Update* course instructors.

Like the *Update* course, the specific content of the *BICAR Course* will differ each year. Course sponsors are required to restrict enrollment in this course to brokers who are either brokers-in-charge or "broker-in-charge eligible." **This requirement means that a BIC does not have a CE elective option after the first renewal of his or her license following BIC designation!** While BICs, like any other licensee, may take as many electives each year as they wish and will receive credit for all approved courses, BICs or brokers who are broker-in-charge eligible **must** take the BICAR and Update course every year to maintain their broker-in-charge eligibility.

Example: A BIC designated in January 2011 must take, during the July 2011 - June 2012 license year, and each license year thereafter, the mandatory *Real Estate Update Course* and the *BIC Annual Review (BICAR) Course*. (For the July 2010 - June 2011 license period, the BIC must take the *Update Course* and one elective course, which may be the 12- hour *Broker-In-Charge Course* if the licensee had not taken the course within three years prior to becoming a broker-in-charge.)

"BIC Eligible" Status

Once a broker "*perfects*" his/her broker-in-charge status by satisfying both qualification requirements while or prior to serving as a broker-in-charge, the broker-in-charge will automatically be classified as "broker-in-charge eligible" in Commission records. Such a broker may then choose to step down later as an active BIC of an office, but want to continue to be eligible to redesignate himself/herself as a BIC in the future without having to meet the

education and experience requirements for initial designation. That broker may retain “*BIC eligible*” status simply by renewing his/her license on time each year and taking BOTH the *Update* AND *BICAR* courses each license period.

Loss of BIC Status or BIC Eligible Status

A person who is a broker-in-charge or broker-in-charge eligible will lose that status or eligibility in the following situations, namely:

- 1) the broker’s license **expires** (not renewed on time) or is suspended, revoked or surrendered;
- 2) the broker’s license is made **inactive** because the broker failed to timely complete the mandatory *Update* course plus an elective in any given license year;
- 3) the broker failed to take the *BICAR* course as his/her elective in any given year;
- 4) the broker is found by the Commission to have NOT possessed the required qualifying experience at the time he/she was initially designated as a BIC or re-designated as a BIC.

NOTE: A broker who is broker-in-charge eligible and who renews his/her license on time and completes eight hours of continuing education during the preceding license year, including the mandatory *Update* course, will have an active broker license as of July 1, but will have lost his/her broker-in-charge eligibility as of July 1 if s/he did not take the *BICAR* as his/her elective the preceding license year.

Regaining Lost BIC Status/Eligibility

A broker who wants to regain terminated BIC status or eligibility should read Rule A.0110(c) and (f). The **general rule** is that the broker:

- 1) should do whatever is necessary to return his/her license to active status (\$ and/or CE),
- then 2) reactivate and ***redeclare*** as a broker-in-charge (**Form 2.04**),
- then 3) within 120 days after redeclaring, complete whatever special broker-in-charge education is required which will be specified in a letter to the broker from the Commission.

Brokers who are confused after reading the rule may contact the Commission to determine exactly what is required.