



Real Estate Licensing in North Carolina

Published by the North Carolina
Real Estate Commission

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This booklet contains:

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

USING THIS BOOKLET

North Carolina's Real Estate License Structure

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

License Application Process and Qualification Requirements

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

The License Examination

Pages 11-23 of this booklet contain essential information for all persons required to take the license examination. The booklet provides general information about the examination, examination fee, scheduling an examination, taking the examination and examination rules and procedures.

New Licensee Information

Information about license issuance and activation, postlicensing education, continuing education and license renewal begins on **page 23**.

License Reinstatement

Information about **license reinstatement** begins on **page 24**.

North Carolina Real Estate License Law and Commission Rules

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

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Use the Contents page to find information on specific topics.

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INTRODUCTION

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

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

Additional printed copies of this booklet are available without charge from the North Carolina Real Estate Commission. A PDF version of this booklet is also available on the Commission's website at www.ncrec.gov.

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 another must first obtain a real estate license issued by the North Carolina Real Estate Commission. The Real Estate Commission, an independent government agency of the State of North Carolina, is responsible for licensing and regulating all real estate agents in this state. Operating as a real estate agent in North Carolina without the proper license is a criminal offense. The types of real estate licenses issued in North Carolina are discussed below. For more information concerning North Carolina real estate licenses and the laws and rules governing real estate brokerage practice in North Carolina, go to the Commission's website at www.ncrec.gov.

License Categories/Status Levels

North Carolina is a "broker license only" state, meaning that there is only one basic "type" of license – a **broker** license. However, there are *several "categories" or "status levels" of broker license* as described below:

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

he or she is *supervised by a broker who is a designated **broker-in-charge***, but provisional brokers cannot operate independently. Once licensed, a provisional broker must complete, within prescribed time periods, a postlicensing education program in order to terminate the "provisional" status of his or her license and to remain eligible for "active" license status, which is required in order to engage in brokerage activity. [NOTE: Some applicants who hold a broker license in another jurisdiction may be eligible to directly obtain a broker license that is NOT on "provisional" status – see the section on "License Qualification Requirements."]

BROKER – This is the primary individual license. One becomes a **broker** by first becoming a **provisional broker** and satisfying the postlicensing education requirements to terminate the "provisional" status of his or her license. A "**broker**" is authorized to engage in brokerage in one of the two following capacities:

(1) Work for a licensed real estate brokerage "firm" or another sole proprietor broker/broker-in-charge.

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

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

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

LIMITED NONRESIDENT COMMERCIAL BROKER – A **limited nonresidential commercial broker** license is technically a separate license and may be issued to

a broker or salesperson residing in a state other than North Carolina who holds an active real estate broker or salesperson license in the state where his/her primary place of real estate business is located. A person holding a limited nonresident commercial broker license may engage in transactions for compensation involving “commercial real estate” in North Carolina, but must enter into a declaration of affiliation and

a brokerage cooperation agreement with a resident North Carolina broker for each commercial transaction conducted in North Carolina and must be supervised by that North Carolina broker while performing commercial real estate brokerage services in North Carolina. An application form and instructions may be obtained by accessing the Commission’s website at www.ncrec.gov.

LICENSE QUALIFICATION REQUIREMENTS

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

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

Education Requirement

Applicants must complete a 75 classroom hour *Broker Prelicense Course* at a North Carolina school approved by the Commission or possess education and/or real estate experience the Commission finds equivalent to such course.

Education Qualification Options

Shown below are four (4) options for satisfying the education requirement. Option 1 is the base requirement to complete the 75 classroom hour prelicense course in North Carolina, which will be the required qualification method for a vast majority of applicants. Options 2-4 are options for demonstrating “equivalent real estate education and/or experience.”

Note: Examination Required for All Applicants. Applicants applying under education qualification **Options 1-3** below must also pass both the “National” and “State” sections of the North Carolina real estate license examination. Applicants qualifying under education qualification **Option 4** are required to take only the “State” section of North Carolina’s real estate license examination.

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

An applicant (resident or nonresident) may qualify for the North Carolina real estate license examination by completing (passing), within three years prior to license application, a Commission-approved 75-classroom hour *Broker Prelicense Course* in North Carolina. [This course is only available in a live instruction format at approved schools located in North Carolina.]

Required Documentation:

Applicants who completed the course on or after May 1, 2011 and who are applying *online* will have their course completion reported electronically by their school. Other applicants submitting a *paper application* must submit a Certificate of Course Completion (original) issued by the school for submission to the Commission and should NOT submit a transcript, a grade report or a certificate provided by the school for display purposes.

Option #2 **Completion in Another State** **of a Real Estate Salesperson** **Prelicense Course of at Least** **75 Classroom Hours**

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

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

Required Documentation:

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

Option #3

Education and/or Unlicensed Experience in Real Estate Equivalent to the Broker Prelicense Course

An applicant (resident or nonresident) for licensure by examination with *substantial* real estate education other than prelicensing courses and/or *extensive* experience in real estate transactions may, *in some very few instances*, be found by the Commission to possess real estate education and/or experience equivalent to the broker prelicense course. Applicants bear the burden of satisfying the Commission that their education and/or experience justifies a course waiver. A

substantial portion of the qualifying education and/or experience must have been during the previous three years.

Note: In addition to covering basic general real estate law, principles and practices, the prelicense course focuses heavily on the laws and practices relating to working as a real estate broker that are not taught in other real estate principles or law courses. Consequently, applicants are cautioned that a waiver of the prelicense course based on other education or experience (other than licensure as a real estate agent in another jurisdiction) is very difficult to obtain and is infrequently granted.

Examples of Education/Experience Found Acceptable

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

- (1) Experience as a licensed attorney with a practice that consisted primarily of handling real estate closings and related real estate matters in North Carolina for the three years immediately preceding application. (Licensure as an attorney without substantial real estate practice is not sufficient.)
- (2) Full-time, lawful experience selling new homes owned by a corporate homebuilder as a bonafide employee of the corporate homebuilder for three years immediately preceding application. (Experience must have been in directly handling or supervising sales rather than other aspects of the homebuilding operation. The number of sales is a major factor.)

Notes: Lawful, unlicensed experience in *property management* or experience in specialized real estate related fields such as *appraisal, mortgage lending, investment, development or consulting* will NOT, standing alone, be acceptable under this option because of the prelicense course's primary focus on sales. Moreover, *experience consisting only of personally buying and selling real estate on one's own account will rarely be acceptable under this option*. Also, note that experience that required a real estate license and was therefore illegal may not be used as qualifying experience.

Required Documentation:

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

For real estate **experience**, provide a *detailed description of all such experience* in sale, purchase and/or lease transactions, including a list of transactions, showing for each transaction the type of property, transaction date, description of the applicant's role in the transaction and an indication of whether or not a real estate agent was involved in the transaction.

Option #4

Licensure as a Real Estate Salesperson or Broker in Another State

An applicant (resident or nonresident) who holds a current real estate license in another state (or U.S. territory or Canadian jurisdiction) that has been on active status within the previous three years may qualify to waive the prelicense course as well as to exempt the "National" section of the North Carolina real estate license examination, but **the applicant must pass the "State" section**

of the examination. Upon passing the examination and demonstrating satisfactory moral character, *a person licensed as a salesperson in another state will be issued a North Carolina provisional broker license and a person licensed as a broker in another state will be issued a North Carolina broker license that is NOT on provisional status.*

Required Documentation:

Official Certification of Licensure from the licensing agency in the state or jurisdiction in which the applicant is licensed. The certification must have been issued within the previous six months and must indicate the license (and status) history and any disciplinary action taken or complaints pending against the applicant. A copy of the applicant's real estate license certificate or pocket identification card is not acceptable. Proof of education is not required.

Note on Preparing for the Examination “State” Section: Persons applying for a license based on licensure in another jurisdiction (Education Qualification Option #4 above) are referred to the “Preparing for the Examination” coverage under “The License Examination” section of this booklet for information on how to use the Commission’s website at www.ncrec.gov to access study materials for the “State” section of the license examination and to find schools that may offer an exam preparatory course. The Commission strongly recommends that applicants take appropriate preparatory steps before taking the examination.

APPLICATION PROCESS

Overview

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

- (1) Prospective applicant completes required real estate prelicense course or otherwise satisfies education qualification requirement.
- (2) License application, fee and required documentation filed with Commission.
- (3) Application reviewed to determine applicant’s eligibility for the license examination.
 - (a) **Online** applications (*available at this time only for North Carolina resident applicants who have completed a North Carolina Broker Prelicense Course*) must be complete before the application is accepted for review by staff.
 - (b) **Paper** applications must also be reviewed by staff after receipt. If the applicant is *not qualified* under one of the four license qualification options previously discussed, the application is canceled and is returned to the applicant. If the application is *incomplete*, the application will likely be returned to the applicant for proper completion.
- (4) Online and paper applicants eligible for examination are sent a notice of examination eligibility within 2-3 days after application receipt. Those who applied *online* are sent the notice by *email*. Applicants who applied by *paper* application are sent the examination notice by *regular mail* and thus will not receive it for 2-3 days after it is sent.
- (5) Applicant contacts the testing service to pay the examination fee and to schedule and take the license examination.
- (6) If applicant *fails* the license examination, he or she may reschedule and retake the examination in accordance with the instructions contained in the section of this booklet on “THE LICENSE EXAMINATION.”
- (7) If applicant *passes* the license examination:
 - (a) If there are no issues relating to the applicant’s character, his or her license is promptly issued and should be received in the mail within seven days of the examination date.

- (b) If there is some issue relating to the applicant’s character, the application is reviewed by Commission staff and may be referred to the Commission for further consideration as to whether the applicant has the good character necessary for licensure. This process may become quite lengthy. See the subsequent discussion of “Consideration of Applicant’s Character” in this section of the booklet.

Timeframe for Obtaining a License

The entire application-examination-licensing process may be completed in as little as ten (10) days after application filing by qualified applicants who file complete applications, schedule and take the examination promptly after receiving their notice of examination eligibility, pass the examination on their first attempt and have no character issues. Filing a paper application slows the process by a few days, but the main thing that extends the process is an applicant with character issues that must be reviewed by the Commission following the applicant’s passing the examination. This is discussed in detail later in this section.

Completing the Application Form

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

Online Application

To be eligible to apply using the online version of the Application for Real Estate License, an applicant must be a **North Carolina resident who completed the 75-hour Broker Prelicensing Course on or after May 1, 2011**. If you do not meet that requirement or if you are applying for license reinstatement, you are not currently eligible to complete the online application. You must complete the paper application contained within this booklet.

The online application program is available through the Commission’s website at www.ncrec.gov and an applicant may begin the application process prior to the completion of a prelicensing course. The applicant may also access his/her application as frequently as needed in order to add or

amend information up to the point of submitting the completed application to the Commission for review.

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

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

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

- (1) Click on "Create a Login."
- (2) *Username* - Applicant's **Email Address** is his/her username.
- (3) *Password* - Create a unique password and make a note of it for future use.

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

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

Completing the Online Application. Complete all required items as described below. Note that once an applicant has entered his/her personal information, he/she is considered officially "registered" in the system and may exit the application and return to the application any time up

until the point of entering his/her payment and submitting the application to the Commission for review.

General Instructions:

- (1) Applicant must "save" updates each time any information has been updated.
- (2) Punctuation marks (including commas, single and double quotation marks, hyphens, etc.) are not accepted. If an applicant has a hyphenated last name, the applicant must enter both names leaving a space between the two names omitting the hyphen.
- (3) The online broker application cannot be accepted for review by the Commission until it is COMPLETE, meaning that all required fields/items must be filled in per the instructions, the school must have electronically reported the completion of the applicant's preclicensing course, the criminal background report must have been completed and electronically attached by the reporting company and the prescribed application fee must have been paid by credit card as further explained below.

Instructions for Selected Items:

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

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

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

School, Instructor and Course Information. Item #9 will contain a drop down box in order to allow you to select the school where you completed the preclicensing course. You must also fill in the code number for your instructor and the course completion date. This information is provided to

you on the course completion certificate issued to you by the school once you have passed the prelicensing course. If you enter an incorrect instructor code number, the online application will not allow you to submit your application for review. **Note:** If you did not complete a Broker Prelicense Course in North Carolina, you are not eligible to complete the online application. You must submit a paper application.

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

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

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

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

Criminal Offenses, Professional License Disciplinary Actions and Liens or Unpaid Judgments. The three questions asked by Items #14-16 relate to matters that may affect the Commission’s determination as to whether you possess the requisite “Character” for licensure. *It is extremely important that you honestly answer these questions and provide the required explanations and documentation as required. Failure to disclose a matter relating to your character is a separate character issue that may be considered in addition to the underlying offense or issue. Failure to answer or provide all required information will result in your application being returned or in an application processing delay.*

Note: If you check “Yes” to any of these questions, you will be provided with a drop down box with additional instructions and space to type in any necessary explanations. You must be sure to provide a detailed account of the actions that led to each specific conviction. You may also attach additional documents as described on the next page for “Character Information” under the heading “Paper Application Enclosure.”

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

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

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

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

Paper Application

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

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

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

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

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

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

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

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

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

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

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

provide all required information will result in your application being returned or in an application processing delay.

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

Paper Application Enclosures

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

1. **Course Completion Certificate(s)** or other documentation of qualifications (See “License Qualification Options” under “License Qualification Requirements”);
2. **Application Fee.** The application fee for an original broker license is **\$30.00** (\$55 for reinstatement of a license expired for more than six months) and **must be paid by either a cashiers check, certified check, or money order.** Personal or business checks are not accepted. If two or more applications are submitted in the same envelope, separate checks or money orders must be submitted with each application.

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

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

3. **Criminal Record Report** as described in the instructions on the license application form and under “Criminal Record Report Requirement” below;
4. **Character Information.** All the required information described in a. - c. below when an applicant answers “Yes” (or should answer “Yes”) to the items on the application form relating to criminal offenses, professional license disciplinary actions or liens/judgments;
 - a. **Criminal Offenses:** Submit a *detailed written explanation in your own words* describing the circumstances surrounding each offense/pending charge and addressing why you think you should be licensed in spite of the offense(s). Also, submit a copy of the court judgment for any conviction (or arrest warrant or bill of indictment for any pending charge) not shown on your criminal record report.
 - b. **Professional License Disciplinary Action:** Submit a *detailed written explanation in your own words* describing the circumstances sur-

rounding each action (or pending complaint) and addressing why you think you should be licensed in spite of the action. Also, submit a copy of the licensing agency's order or pending complaint.

- c. **Liens or Judgments:** Submit a *detailed written explanation in your own words* describing the circumstances surrounding each outstanding lien or unpaid judgment resulting from your failure to pay a debt, your efforts to pay the debt, the name of the judgment creditor or lien holder (i.e., the party you owe), the amount and date of the judgment and lien, and the current balance. Also, address why you think you should be licensed in spite of the outstanding lien(s) or judgment(s).
5. If applicable, an **official certification of licensure** issued within the last six (6) months by the appropriate state licensing agency *for each state where you have held a real estate license within the past five (5) years*; and
6. All additional information required for nonresident applicants (See the "Nonresident Supplement to the Application for Real Estate License" in the back of this booklet).

Paper Application Filing

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

Criminal Record Report Requirement

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

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

Carolina Investigative Research, Inc. (CIR)

Telephone: (919) 460-7799

Website: www.cir-ncrec.com

The criminal record report must include the results from a search of criminal records in the state and/or county of each different place where you have resided during the past

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

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

Consideration of Applicant's Character

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

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

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

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

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

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

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

Applicant Check through National Real Estate License

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

Updating Application Information

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

THE LICENSE EXAMINATION

General Information

To qualify for a North Carolina real estate license, applicants 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 and it is an entry-level examination designed to determine if an applicant is minimally competent to practice real estate brokerage. The only license applicants who are not required to pass the license examination are some applicants for license reinstatement (see *LICENSE REINSTATEMENT* section of this booklet).

Examination Services Provider. The Real Estate Commission contracts with **Applied Measurement Professionals, Inc. (AMP)**, a professional testing service, for examination services, including scheduling applicants for examination and administering the examination.

Examination Has “National” and “State” Sections. The examination consists of “National” and “State” sections. The “National” section is developed and provided by AMP. It is the same “National” entry-level real estate license examination that is administered in all states where AMP administers the real estate license examinations. The “State” section of the license examination is developed by the North Carolina Real Estate Commission and provided for the Commission by AMP. This section is administered only to applicants for a North Carolina license.

Combined License Examination. Most applicants must initially take the **combined license examination** *consisting of both National and State sections*. The combined examination will present questions in a mixed and varied sequence of topics drawn from the National and State sections. Thus, the National and State sections will not be presented separately on the combined examination; however, *the two sections will be separately scored and the candidate’s results of the examination will be reported separately for the National and State sections*. An applicant may NOT choose to take only

one section of the examination if he or she needs to pass both sections.

Retaking the Combined Examination. An applicant who fails both the National and State sections of the combined examination must continue to take the combined examination on any subsequent attempt until such time as he or she passes either the National or State section.

Retaking Only One Section. Once an applicant has passed one of the two examination sections, he or she may apply to take the remaining unpassed section. Both sections must be passed prior to expiration of his or her prescribed **180-day examination eligibility period.** (See subsequent section on “Applying for and Scheduling an Examination.”) If an applicant only passes one section of the examination prior to the end of his or her 180-day eligibility period, then he or she loses the benefit of having passed one section and must reapply and take both sections.

Note: An applicant qualifying for licensure based on **licensure in another state** only has to take and pass the **State** section of the examination. All other applicants must take the combined examination.

Preparing for Exam “State” Section

Study Guidelines. Persons applying for a license based on licensure in another jurisdiction and some license reinstatement applicants are only required to take the “State” section of the examination. Such applicants are referred to the “North Carolina Real Estate License Examination STATE SECTION STUDY GUIDELINES” that may be found by clicking on the “Apply for a License” home page link on the Commission’s website at *www.ncrec.gov*. *The Commission highly recommends that applicants obtain and study the resource materials listed in these guidelines before applying for and taking the “State” section of the license examination.*

Preparatory Courses. Some approved prelicense schools may offer a preparatory course for the examination “State” section. A list of all approved prelicense schools (with contact info) may be found by clicking on the “Schools/Sponsors” home page link on the Commission’s website at *www.ncrec.gov*. *Please note that examination “State” section preparatory courses are not regulated by the Commission and the Commission does not have a list of schools that offer such courses.*

Examination Question Formats

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

The Basic Four-Choice Format: This basic or standard

multiple-choice question format involves a question or incomplete statement that is followed by four possible numbered alternatives. Examples 1-3 below illustrate this format.

Example 1

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

- (A) Statute of Frauds
- (B) Law of Conveyancing
- (C) Statute of Limitations
- (D) Law of Agency

Answer: D

Example 2

A broker with ABC 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 brokerage commission was 5% of the sale price and was to be divided equally between the two firms, and if the selling agent’s share was 60% of his/her firm’s share, how much did the 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

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

Example 1

A valid real estate sales contract must contain

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

- (A) I only
- (B) II only
- (C) Both I and II
- (D) Neither I nor II

Answer C

Example 2

Which of the following statements regarding condominiums is true?

- I. Unit ownership is transferred by deed.
- II. Unit owners are stockholders in the corporation that owns the condominium complex.
 - (A) I only
 - (B) II only
 - (C) Both I and II
 - (D) Neither I nor II

Answer A

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 questions by major subject area**. The topics for both sections are based on a comprehensive job analysis of real estate brokerage practice and were determined by subject matter experts to constitute the body of knowledge that entry-level real estate licensees should possess.

National Section (100 Scored Questions)

1. Agency Relationships and Contracts (28 Questions)

- A. Agency Relationships**
Creating Agency; Types of Agency (including implied agency); Rights, Duties and Obligations of the Parties; Termination and Remedies for Nonperformance; Disclosure (related to representation)
- B. General Legal Principles, Theory and Concepts about Contracts**
Unilateral/Bilateral; Validity; Void and Voidable; Notice of Delivery/Acceptance; Executory/Executed; Enforceability
- C. Purchase Contracts (contracts between seller and buyer)**
General Principles and Legal Concepts; Purchase Contract (contract of sale, purchase and sale agreement, etc.); Options (contractual right to buy); Basic Provisions/Purpose/Elements; Conditions for Termination/Breach of Contract; Offer and Acceptance (counter offers, multiple offers, negotiation, earnest money); Contingencies; Duties and Obligations of the Parties
- D. Service/Listing Buyer Contracts (contracts between licensee and seller or buyer)**
General Principles and Legal Concepts; Basic

Provisions/Purpose/Elements; Duties and Obligations of the Parties; Conditions for Termination/Breach of Contract; Remuneration/Consideration/Fees; Types of Service/Listing Contracts

E. Employment Agreements between Broker and other Licensees (including supervision)

2. Real Property Ownership/Interest (14 Questions)

- A. Freehold Estates (rights of ownership)**
- B. Types of Ownership (estates in land)**
Joint Tenancy; Tenancy in Common; Condominiums
- C. Leasehold Interest**
Basic Concepts and Terminology; Types of Leases; Basic Elements and Provisions of Leases; Rights and Duties of the Parties; Remedies for Default/Non-Performance
- D. Forms of Business Ownership**
Sole Proprietorship; General or Limited Partnership; LLC
- E. Private Restrictions on Real Property/Land Use and Matters Affecting Ownership**
Liens (Voluntary, Involuntary, Priority); Easements/Rights of Way/Licenses; Preexisting Leases; Encroachment; Deed Conditions, Covenants and Restrictions; Property Owner Associations
- F. Government Powers and Control of Land Use**
Americans with Disabilities Act (ADA); Land Use Restrictions and Regulations (i.e., zoning); Police Powers; Eminent Domain; Property Taxation; Subdivision/Planned Unit Development Regulations

3. Finance (15 Questions)

- A. Basic Concepts and Terminology**
Equity; Loan-to-Value Ratio; Term and Payment; Principal and Interest; Direct and Indirect Costs (points, discounts); Return on Investment/Rate of Return
- B. Types of Financing**
Amortized Loan; Interest Only Loan; Adjustable Rate Mortgage (ARM); Construction Loan; Home Equity Loan

- C. Methods of Financing**
Government Programs (e.g., FHA, VA);
Conventional; Owner-financed; Land Contract
- D. Financing Instruments (Mortgages, Trust Deeds, Promissory Notes)**
Basic Elements and Provisions of Financing
Instruments; Legal Principles; Non-performance
- E. Government Oversight**
RESPA; Truth-in-Lending Act; Regulation Z;
Mortgage Fraud; Equal Credit Opportunity Act;
Antitrust
- F. Lending Process**
Pre-approval and Pre-qualification (e.g., debt
ratios, credit scoring, and history); Parties to the
Lending Process (e.g., loan originator, underwriter,
mortgage broker)

4. Real Property (14 Questions)

- A. Methods of Legal Description of Land**
Metes and Bounds; Rectangular Survey; Lot and
Block
- B. Methods of Measurement**
Structures (space and volume); Livable Area; Land
Measurement
- C. Property Valuation**
Basic Concepts and Terminology; Influences and
Characteristics Affecting Value; Comparative
Market Analysis (performed by a real estate
licensee); Broker Price Opinion; Real Property
(e.g., fixtures vs. personal property (e.g., chattel))
- D. Methods of Valuation (Performed by an Appraiser)**
Sales Comparison (Market Data) Approach; Cost
Approach; Income Analysis Approach; Appraisal
Process/Procedure
- E. Conveyance of Real Property**
Definition of Clear (Marketable) Title; Matters
Affecting Title; Recordation; Title Insurance;
Deeds; Will; Court-Ordered Sale (e.g.,
foreclosure); Adverse Possession; Settlement
Procedures (closing the transaction)

5. Marketing Regulations (Purchase and Rental) (8 Questions)

- A. Property Advertising (including Fair Housing) Disclosures**

Environmental Concern (e.g., lead-based paint,
radon); Property Condition

- B. Licensee Advertising**
**Antitrust; Do-not-Call List; CAN-SPAM Act; Fair
Housing** (e.g., blockbusting, steering)

6. Property Management (8 Questions)

General Principles of Property Management
Agreements; Basic Provisions/Purpose/Elements
of Property Management Agreements; Types of
Contracts; Duties and Obligations of the Parties;
Market Analysis and Tenant Acquisition; Accounts
and Disbursement; Property Maintenance and
Improvements; Evictions

7. Real Estate Calculations (13 Questions)

Compensation, Commission, and Fees; Valuation
(Appraisal); Sale Price Needed by Seller; Net to
Seller and Cost to Buyer at Closing (credits and
debits); Tax and other Prorations; Amortization;
Points; Prepayment Penalties; Loan-to-Value
Ratios; Measurement (e.g., square footage, acreage,
volume); Property Management; Investment (e.g.,
rate of return)

Cognitive Level of Questions on National Section:
Approximately 30% of the questions will require recall on
the part of the candidate, 60% will require application of
knowledge, and 10% will require analysis.

State Section (40 Scored Questions)

1. N.C. Real Estate License Law and Commission Rules (21 Questions)

- A. Requirement for Real Estate License**
93A-1&2
Activities Requiring a License; Exempt Activities;
Activities of Unlicensed Assistants
- B. License Categories and Status**
93A-1; 93A-4(a1); 93A-4.2; Rules A.0502;
A.0504; A.1801; A.1803(a); A.1806; A.1807(a)-
(c); A.1808; 93-A-2(a1); A.0110; A.0506
Broker; Provisional Broker; Broker-In-Charge
(including BIC requirements and responsibilities
and supervision of provisional brokers); Limited
Nonresident Commercial Broker; Firm; Active/
Inactive Status
- C. North Carolina Real Estate Commission**
93A-3; 93A-6
Purpose; Composition; Powers (including
disciplinary powers)

D. License Administrative/Maintenance Requirements

93A-4(c); 93A-4.1; Rules A.0101; A.0103; A.0113; A.0503; A.0505; A.0507; A.1700; A.1900
Proof of Licensure; Change of Name/Address; Reporting Criminal Convictions; License Expiration/Renewal/Reinstatement; Continuing Education; Postlicensing Education

E. Agency Relationships, Contracts, Disclosure and Practices

93A-6(a)(4); Rule A.0104
Requirements for Agency Contracts; Oral Buyer/Tenant Agency Contracts; Providing Agency Brochure; Disclosure of Agency Status by Seller's Agent and Buyer's Agent; First Substantial Contact; Disclosure Exceptions; Dual and Designated Agency (including disclosure; authority; limitations on agency duties; and practices); Related Practices of Listing Agents and Agents Working with Buyers

F. Selected Regulated Practices

93A-6(a)(7), (9), (11), (12), (13) & (14) and (d); Rules A.0105; A.0106; A.0107; A.0108; A.0109; A.0111, A.0115
Advertising, Delivery of Instruments; Retention of Records; Drafting Legal Instruments; Disclosure of Offers; Basic Requirements for Trust Accounts and Handling Trust Monies (detailed recordkeeping/accounting/disbursement requirements not tested); Brokerage Fees and Compensation (including disclosure of compensation, compensation of unlicensed persons for brokerage activities and Commission's limited role regarding broker compensation)

G. Prohibited Practices

93A-6(a)(1), (2), (3), (4), (5), (6), (8), (10), (11) & (15); 93A-6(b), (c), (e) & (f);
Rule A.0504(a); A.0507
Misrepresentation and Omission; Making False Promises; Pursuing Course of Misrepresentation or False Promises; Conflict of Interest; Provisional Broker Compensation; Representing More than One Broker without Consent; Unworthiness and Incompetence; Improper, Fraudulent or Dishonest Dealing; Practicing Law; Violation of Rules; Other Grounds for Disciplinary Action; Injunctive Relief; License Surrender; Imposition of Restrictions on License or Approval; Dishonored Payment of License Fees

H. Time Shares

93A-39-42, 44, 45, 51, 54, 56 & 58; Rules B.0400-.0600
Registration of Time Share Projects and Licensure of Time Share Salesmen; Definitions, Time Shares Are Real Estate; Public Offering Statement; Purchaser's Right to Cancel; Commission's Authority & Disciplinary Action; Criminal Penalty; Registrar and Project Broker; Records; Agency Agreements and Disclosure; Handling and Accounting for Funds

2. Other North Carolina Laws and Practices (10 Questions)

A. Property Taxation

NCGS Chapter 105
Legal Requirements and Procedures for Property Taxes and Special Assessments; Excise Tax (No Calculations)

B. Sales Contracts and Practices

Rule A.0112; Standard Form 2-T
Basic Concepts and Provisions of the North Carolina Bar Association and North Carolina Association of REALTORS Jointly Approved Offer to Purchase and Contract Standard Form 2-T; NC Practices Related to Sales and Sales Contracts

C. Closing Procedures

Attorney Supervised Closings; Typical Pre-Closing and Closing Procedures; NC Good Funds Settlement Act; Brokers Responsibility as to Closing Statements

D. Laws Governing Residential Tenancies

NC Residential Rental Agreements Act; Laws Governing Eviction Procedures; Tenant Security Deposit Act; Statute of Frauds (as to Leases)

E. Residential Square Footage Guidelines

Guidelines Published by the NC Real Estate Commission (No calculations)

F. Miscellaneous Laws and Legal Concepts

Tenancy by the Entirety; Townhouses; NC Residential Property Disclosure Act; Laws Regarding Materiality and Disclosure of Death or Serious Illness of Previous Property Occupant and of a Convicted Sex Offender Occupying or Residing Near a Property; Subdivision Regulation, incl. Sale of Lots in Unapproved Subdivision (G.S. 153A-330 et seq); Disclosure by Developers as to Subdivision Streets

(G.S. 136-102.6); Protective/Restrictive Covenants; On-Site Septic Systems; Broker's Responsibilities Relating to Any of Above

3. General Real Estate Topics (9 Questions)

A. Basic House Construction

Wood-Frame Construction Methods and Terminology; Architectural Styles

B. Federal Income Taxation of Home Ownership/Sale

Basic Terminology; Homeowner Deductions; Sale of Personal Residence

C. Calculations: Qualifying a Buyer and Performing a Comparative Market Analysis

Qualifying a Buyer Using Given Income/Expense Ratios; Miscellaneous CMA Calculations

D. Closing Statement Problem

Complete Closing Statement Problem [Candidates will be presented on-screen a detailed fact situation and four (4) bottom-line questions, and will be provided a paper **closing statement worksheet** for use in working through the closing statement problem and determining their answers to the four questions.]

Examination Forms

AMP utilizes several different forms of the examination simultaneously and also changes these forms regularly. Thus, when more than one candidate is being tested at an exam center, the candidates will be taking different forms of the examination. In addition, a candidate who fails the examination is given a different examination form when he/she retakes the examination. *While each form of the examination contains mostly different individual questions, the topics tested are the same on each form and each examination form is of equal difficulty.*

Number and Value of Questions

Scored Questions. The **Combined Examination** includes 140 scored questions. There are 100 scored questions on the **National** section and 40 scored questions on the **State** section. *All scored questions have equal value.*

Pretest Questions. The Combined Examination may include up to five (5) additional "pretest" questions. Similarly, when applicants are taking either the National or State section of the examination *separately*, that section may include up to five (5) additional "pretest" questions.

"Pretest" questions are new questions that are included to gather performance data in order that AMP and the Com-

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

The number of **scored** questions and **pretest** questions on the license examination are shown below.

	Scored Questions	Pretest Questions
Combined Examination	140	5
National Section (when taken separately)	100	5
State Section (when taken separately)	40	5

Passing Score

The passing score for both sections of the examination is **75% of the scored questions answered correctly.**

National Section: 75 of the 100 scored questions must be answered correctly.

State Section: 30 of the 40 scored questions must be answered correctly.

Helpful Hints

Pace yourself. Read each question very carefully, but *do not spend too much time on any one question.* **Note:** The **State** section's **comprehensive closing exercise**, consisting of a detailed fact situation and four questions that appear at the end of both the Combined examination and the State section (when taken separately), will require significantly more of an applicant's time than other questions, so be sure to allow plenty of time for those questions.

If you are stumped by a particular question, mark it for later review and go on with your examination; then return to your marked "problem questions" after you have answered the other questions. If uncertain as to the correct answer, make an educated guess; a question left blank will be automatically scored as incorrect.

APPLYING FOR AND SCHEDULING AN EXAMINATION

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

NOTE: See the APPLICATION PROCESS section at

Obtaining a Notice of Examination Eligibility

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

Online Application. If you apply online and provide your email address, you will be sent your notice of examination eligibility via email within 3-4 business days after completing your application (a notice will also be sent by regular mail). Approximately 75% of applicants apply online.

Paper Application. If you file a **paper** application, you will be sent your notice of examination eligibility *by regular mail* within 3-4 business days after receipt of your *complete* application by the Commission. Remember that it may take 2-3 business days for a paper application to reach the Commission and 2-3 business days for the mailed notice of examination eligibility to reach you. Therefore, please allow at least 8-10 business days after mailing your application to the Commission before you call to check on the status of your application.

Scheduling Your Examination. To schedule your examination, you must contact AMP after receiving your notice of examination eligibility. (See the subsequent “Making an Examination Appointment with AMP” subsection of this booklet.) Walk-in testing is not available.

180-Day Examination Eligibility Period

As noted above, your notice of examination eligibility is valid for 180 calendar days after issuance and the expiration date will appear on the notice. You should schedule your examination promptly after receiving your notice of examination eligibility. You must take the examination prior to the expiration of your 180-day period of examination eligibility *because this period will NOT be extended for any reason.* **DO NOT DELAY SCHEDULING YOUR EXAMINATION UNTIL YOUR 180-DAY PERIOD IS NEARLY OVER.**

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

Examination Fee to AMP

For each administration of the Combined License Examination or administration of the separate National or State section (for applicants specifically eligible to be scheduled for just one of the separate sections), **a separate \$64 examination fee is required in addition to the \$30 license application fee that was paid to the Commission. The \$64 examination fee is payable directly to AMP when the applicant contacts AMP to schedule his/her examination. Do NOT submit the \$64 fee to the Real Estate Commission.** Payment is due AMP at the time of scheduling. Payment may be made by credit card (VISA, MasterCard or American Express), cashier’s check or money order made payable to AMP. *Examination registration fees are not refundable or transferrable and expire at the end of your 180-day examination eligibility period.* Credit card transactions that are declined will be subject to a \$25 handling fee. A certified check or money order for the amount due, including the handling fee, must be sent to AMP to cover declined credit card transactions.

Making an Examination Appointment with AMP

There are two ways to schedule your examination.

Online Scheduling: Go to www.goAMP.com at any time and select “Candidates.”

Follow the simple, step-by-step instructions to choose your examination and register for the examination.

OR

Telephone Scheduling: Call AMP at **800-345-6559** to schedule an examination appointment. This toll-free number is answered from 8:00 a.m. to 10:00 p.m. (Eastern Time) Monday through Thursday, 8:00 a.m. to 8:00 p.m. on Friday, and 9:30 a.m. to 4:00 p.m. on Saturday.

If you contact AMP by 4:00 p.m. Eastern Time on...	Depending on availability, your examination may be scheduled as early as...
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday/Saturday
Thursday	Monday
Friday/Saturday	Tuesday

In almost all cases you will be able to take an examination at the assessment (test) center of your choice within 7 calendar days of calling AMP 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. You will be asked to provide your Social Security number.* When you call or go online to schedule your examination appointment,

ment, you will be notified of the time to report to the Assessment Center and if an e-mail address is provided, you will be sent an e-mail confirmation notice.

If **special accommodations** are being requested, complete AMP's *Request for Special Examination Accommodations* form **after** you have received your Notice of Examination Eligibility from the North Carolina Real Estate Commission and submit it to AMP prior to scheduling your examination and at least 45 days prior to the desired examination date. See SPECIAL ARRANGEMENTS FOR CANDIDATES WITH DISABILITIES below.

Rescheduling a Scheduled Examination with AMP

You may reschedule your appointment ONCE at no charge by calling AMP at 800-345-6559 at least 2 business days prior to your scheduled appointment. The following schedule applies.

If the Examination is scheduled on . . .	AMP must be contacted by 4:00 p.m. Eastern to reschedule the Examination by the previous . . .
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday
Thursday	Monday
Friday/Saturday	Tuesday

Special Arrangements for Candidates with Disabilities

AMP complies with the Americans with Disabilities Act and strives to ensure that no individual with a disability as defined by the ADA as a person who has a physical or mental impairment that substantially limits one or more major life activities, a person who has a history or record of such an impairment, or a person who is perceived by others as having such an impairment is deprived of the opportunity to take the examination solely by reason of that disability. AMP will provide reasonable accommodations for candidates with disabilities. **Candidates requesting special accommodations must call AMP at 800-345-6559 to schedule their examination.**

1. Wheelchair access is available at all established Assessment Centers. Candidates must advise AMP at the time of scheduling that wheelchair access is necessary.
2. Candidates with visual, sensory, physical or learning disabilities that would prevent them from taking the examination under standard conditions may request special accommodations and arrangements which will be reviewed by AMP.

Written Request Required. *Verification of the disability and a statement of the specific type of assistance needed **must be made in writing to AMP** at least 45 calendar days prior to your desired examination date by completing AMP's "Request for Special Examination Accommodations" form. Do not submit the request form to AMP prior to receiving your notice of examination eligibility from the North Carolina Real Estate Commission.* The form may be downloaded from AMP's website www.goAMP.com. Select "Candidates"; then follow the sequence of choices and select "Real Estate"... "North Carolina"... "Broker". There will be a link to the PDF version of AMP's *Request for Special Examination Accommodations* form that you may print out, complete and submit to AMP. Or you may call AMP at **800-345-6559** to request that a copy of the request form be faxed, e-mailed or mailed to you. **Note:** Applicants for a North Carolina real estate license are **not** required to submit a payment to AMP with the *Request for Special Examination Accommodations* form if they intend to pay AMP's test fee via credit card at the time of test scheduling.

AMP will review the submitted forms and will contact you regarding the decision for accommodations. If your request is approved, AMP will assist you with scheduling your examination at a time when the special accommodation can be provided.

Any inquiries regarding special examination accommodations should be directed to AMP at 800-345-6559.

Telecommunication Devices for the Deaf

AMP is equipped with Telecommunication Devices for the Deaf (TDD) to assist deaf and hearing-impaired candidates. TDD calling is available 9:30 a.m. to 6:00 p.m. (Eastern Time) Monday-Friday at 913-895-4637. This TDD phone option is for individuals equipped with compatible TDD machinery.

AMP Assessment (Test) Center Locations

AMP assessment centers are located in specially designated and equipped rooms dedicated to testing inside **H & R Block offices** at the following addresses. **Applicants are responsible for finding the location of their assessment center and for arriving on time.**

ASHEVILLE 1300-D Patton Avenue Asheville, NC 28806	GREENVILLE, NC 638-C E. Arlington Blvd. Suites B & C Greenville, NC 27858
CHARLOTTE 916 E. Morehead St. Charlotte, NC 28204	NORFOLK, VA 895 Poplar Hall Drive Norfolk, VA 23502

DURHAM 4215 University Dr. Suite 9 Durham, NC 27707	RALEIGH 4532 Capital Blvd. Raleigh, NC 27604
FAYETTEVILLE 5075 Morganton Road Suite 5B Fayetteville, NC 28314	WILMINGTON 3538 South College Rd. Wilmington, NC 28412
GASTONIA 260 E. Garrison Blvd. Gastonia, NC 28054	WINSTON-SALEM 1029 Hanes Mall Blvd. Winston-Salem, NC 27103
GREENSBORO 1633 Spring Garden St. Greensboro, NC 27403	

The North Carolina real estate license examination is administered only at these locations. Out-of-state testing is not permitted except at Norfolk, VA.

Days and Hours of Operation: All AMP testing centers in North Carolina are available for test administration Monday through Friday and at least two Saturdays per month. Testing is available during two sessions (9:00 am and 1:30 pm). The Raleigh and Charlotte sites operate every Saturday (with the exception of Holiday weekends). The testing center in Norfolk, VA is available for examination administration Monday through Friday and at least one Saturday per month. Testing is available only to properly scheduled license applicants. Walk-in testing is not available.

Reporting to the Assessment Center

On the day of your examination appointment, report to the Assessment Center no later than your scheduled testing time. **IF YOU ARRIVE MORE THAN 15 MINUTES AFTER THE SCHEDULED TESTING TIME, YOU WILL NOT BE ADMITTED.** (See *Forfeiture of Fees* in the “OTHER EXAMINATION INFORMATION” section of this booklet.)

The proctor will confirm your appointment and review your identification and any other required documents. The proctor will also check to make sure you have not brought any prohibited items to the test center.

Required Identification and Signature

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

You must also provide a sample of your **signature** on the sign-in list when you check in to take your examination.

Failure to provide required identification and signature at check-in will disqualify you from taking the examination.

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

Items to Bring and Prohibited Items

In addition to required identification, applicants should also bring the following items to the exam center:

- A calculator (See important restrictions below).
- A sweater or wrap of some kind is recommended (even during summer months), but note that AMP does not allow coats to be taken inside the testing area.

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

Items Permitted in Testing Area: *In the testing area you may have with you only your wallet, eye glasses (if needed), medications, personal hygiene items, a calculator (see restrictions below), and the materials provided by the exam proctor.*

Items Prohibited in Testing Area: *Do not bring into the test center any study materials or notes of any kind, scratch paper, briefcases, bookbags, backpacks, totebags, large purses or pocketbooks, or coats. Do not bring into the test center any cell phone, smart phone, tablet computer, electronic reader, PDA, any kind of electronic recorders or players (including MP3 players), pager, camera or any other electronic communication, recording or photographing device.*

All such items in your possession must be left in (or returned to) your car. AMP’s examination proctor will not hold personal items for you while you take the examination and neither AMP nor the proctor will be responsible for items you leave outside the testing area.

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

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

Examination Rules

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

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

Taking the Examination

Your examination will be given **by computer** at an AMP Assessment Center. *You do not need any computer experience or typing skills to take your examination.*

AMP administration and security standards are designed to ensure all candidates are provided the same opportunity to demonstrate their abilities. *The Assessment Center is continuously monitored by audio and video surveillance equipment for security purposes.*

After your identification has been confirmed, you will be directed to a testing carrel. You will be instructed on-screen to enter your **Social Security number**. You will take your **photograph** at your computer station and it will remain on screen throughout your examination session. This photograph will also print on your score report. Prior to attempting the examination, you will be given the opportunity to practice taking an examination on the computer. *The time you use for this practice examination is NOT counted as part of your examination time or score.*

When you are comfortable with the computer testing process, you may quit the practice session and begin the timed examination. The computer monitors the time you spend on the examination. *The examination will terminate if you exceed the time allowed.* You may click on the “Time” box in the lower menu bar on the screen or select the Time key to monitor your time. A digital clock indicates the time remaining for you to complete the examination. The Time feature may be turned off during the examination.

Only one examination question is presented at a time. The question number appears in the lower right of the screen. Choices of answers to the examination question are identified as A, B, C, or D. You must indicate your choice by either typing in the letter in the response box in the lower left portion of the computer screen or clicking on the option using the mouse. To change your answer, enter a different option by pressing the A, B, C, or D key or by clicking on the option using the mouse. You may change your answer as many times as you wish during the examination time limit.

To move to the next question, click on the forward arrow (>) in the lower right portion of the screen or select the NEXT key. This action will move you forward through the examination question by question. If you wish to review any question or questions, click the backward arrow (<) or use the left arrow key to move backward through the examination.

An examination question may be left unanswered for return later in the examination session. Questions may also be bookmarked for later review by clicking in the blank square to the right of the Time button. Click on the hand icon or select the NEXT key to advance to the next unanswered or bookmarked question on the examination. To identify all unanswered and bookmarked questions, repeatedly click on the hand icon or press the NEXT key. When the examination is completed, the number of examination questions

answered is reported. If not all questions have been answered and there is time remaining, return to the examination and answer those questions. Be sure to provide an answer for each examination question before ending the examination. There is no penalty for guessing.

Examination Time

Check-in and the orientation to the computer testing process may take approximately 15-20 minutes. The time allowed to take the examination is shown below and includes any breaks.

Combined Examination (Both Sections)	4 Hours
National Section Only (when taken separately)	2.5 Hours
State Section Only (when taken separately)	2 Hours

Examination Results

When you complete the examination, your pass/fail results will be printed at the exam proctor's computer. You will be given your written score report when you come out of the testing room. Applicants taking the Combined Examination (both National and State sections) will receive separate pass/fail results for each section. If you fail the National section of the examination, you will also be advised of your results for each of the seven subsections of the National section. If you fail the State section, you will also be advised of your results for each of the three subsections of the State section. No subsection results will be provided for a passed examination section. **(For scheduling a second or subsequent examination, see the *Expedited Reapplication and Exam Rescheduling* under RETAKING A FAILED OR MISSED EXAMINATION section appearing subsequently in this booklet.)**

License Issuance for Passing Applicants

Licenses are NOT issued at the exam centers or by AMP. Your examination results will be reported to the Real Estate Commission, and licenses will be issued by the Commission to persons who timely passed the required section or sections of the examination and who possess the requisite "Character" for licensure. (See "Consideration of Applicant's Character" under the APPLICATION PROCESS section of this booklet.)

Applicants timely passing the required section or sections of the examination should expect to receive their license certificates by mail within not more than 10 days following their examination date IF THERE ARE NO CHARACTER ISSUES

ASSOCIATED WITH THE APPLICATION. Please do not call the Commission Office concerning license issuance until at least 10 calendar days after the examination date (45 days if there are known character issues to be considered).

RETAKING A FAILED OR MISSED EXAMINATION

Applicants who fail the Combined Examination (one or both sections) or a separate required National or State section may apply *directly through AMP* to retake the failed examination as described below provided they do so within their 180-day examination eligibility period. The same is true for an applicant who misses a scheduled examination appointment.

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

Expedited Reapplication and Exam Rescheduling for Previously Scheduled Applicants for Examination (Apply Directly to AMP)

Most applicants who either fail the National, State or both sections of the examination or miss a scheduled examination may utilize an expedited ("one-stop") reapplication and examination rescheduling procedure that conveniently allows them to reapply for licensure and to schedule another examination by contacting AMP by telephone or online through AMP's website. Eligible applicants may simply contact AMP, verify their eligibility for the "one-stop" procedure, pay by credit card a comprehensive reapplication/rescheduling fee of **\$94 (\$30 application fee plus \$64 examination fee)** for retaking the Combined Examination (both National and State Sections) or for retaking only one of the two sections (either the National or State Section), and immediately schedule another examination for a date that falls at least 10 days after the applicant's most recent testing date. This procedure will save eligible applicants the trouble of filing another complete application and will expedite their ability to schedule a subsequent examination. **[Note: For eligible license reinstatement applicants seeking to reinstate a previously held license, the comprehensive "one-stop" reapplication/rescheduling fee is \$119 (\$55 application fee plus \$64 examination fee)].**

To know if you are eligible for this "one-stop" procedure, look at the date your examination eligibility expires as shown on your "Notice of Examination Eligibility." This date will be 180 days from the date your last complete ap-

plication was processed by the Commission. You may use the “one-stop” reapplication and examination rescheduling procedure at any time prior to the expiration date shown on your “Notice of Examination Eligibility”.

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

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

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

Applicants Who Must Refile an Application with the Commission

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

OTHER EXAMINATION INFORMATION

Forfeiture of Fees

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

- You fail to schedule and take the examination on or before the last business day prior to the expiration of your 180-day period of examination eligibility;
- You wish to reschedule an examination but fail to contact AMP at least two business days prior to the scheduled testing session.
- You attempt to reschedule a second time.
- You fail to report for an examination appointment.

- You appear more than 15 minutes late for an examination
- You fail to present proper identification and required signature upon arrival for a scheduled examination. (See the *Required Identification and Signature* subsection of this booklet.)

In order to reapply for examination following a missed or canceled examination appointment, you must have sufficient time remaining in your 180-day period of examination eligibility, contact AMP to use the “one-stop” reapplication and exam rescheduling system described on the previous page, and pay AMP the required reapplication and exam fees.

Excused Absences

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

AMP Examination Services
18000 W 105th Street
Olathe, KS 66061

Inclement Weather, Power Failure or Emergency

In the event of inclement weather or unforeseen emergencies on the day of an examination, AMP will determine whether circumstances warrant the cancellation, and subsequent rescheduling, of an examination. The examination will usually not be rescheduled if the Assessment Center personnel are able to open the Assessment Center.

You may visit AMP’s website at www.goAMP.com prior to the examination to determine if AMP has been advised that any Assessment Centers are closed. Every attempt is made to administer the examination as scheduled; however, should an examination be canceled at an Assessment Center, all scheduled candidates will receive notification following the examination regarding rescheduling or reapplication procedures.

If power to an Assessment Center is temporarily interrupted during an administration, your examination will be restarted. The responses provided up to the point of interruption will be intact, but for security reasons the questions will be scrambled.

NEW LICENSEE INFORMATION

Issuance of Licenses

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

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

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

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

Initial Licenses Are Inactive Provisional Broker Licenses

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

Activation of Initial Inactive Provisional Broker License

A provisional broker license is initially placed on **inactive** status. Before the provisional broker can begin work in the

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

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

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

License Renewal

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

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

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

Postlicensing Education for Provisional Brokers

All new provisional brokers must satisfy the postlicensing education requirement of **90 classroom hours of postlicens-**

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

Upon completing all three postlicensing courses, the provisional status of the broker license will be terminated by the Commission. [Approved schools will report course completion to the Commission, so licensees do not need to report course completion or request termination of provisional status.] If a provisional broker fails to complete a postlicensing course by the end of either the first, second or third year after initial licensure, his or her license will be placed on inactive status until he or she remedies the education deficiency and requests reactivation of his or her license.

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

Postlicensing Course Waiver Based on “Equivalent Education/Experience”

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

Distinguishing Postlicensing Education and Continuing Education

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

Continuing Education

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

A **nonresident** licensee who does NOT have a North Carolina business or delivery address and who also holds a license in his/her resident jurisdiction may satisfy the continuing education requirement by maintaining the license in the other jurisdiction on active status and certifying such license status at the time of renewing his/her North Carolina license. On the other hand, a **nonresident who has a North Carolina business or delivery address** does NOT have this option and must take the Real Estate Update mandatory CE course in North Carolina and either take a North Carolina elective course or obtain equivalent elective course credit for a CE course(s) taken in another jurisdiction.

LICENSE REINSTATEMENT

General Requirements

License Expired Six Months Or Less

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

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

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

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

(1) **Application.** Complete and file the Application for Real Estate License form contained in this booklet (including the required criminal record report, official certification of licensure documenting active license status in another state and/or documentation of any other qualifying education/experience, and, if not a North Carolina resident, the “Nonresident Supplement” to the license application;

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

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

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

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

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

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

License Reinstatement Alternatives for Demonstrating Current Knowledge of Real Estate Brokerage

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

Former Brokers (Non-Provisional)

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

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

Alternatives for Demonstrating Current Knowledge of Real Estate Brokerage:

1. Complete one 30-hour postlicensing course (applicant’s choice), including passing the course exam, within six months prior to application; OR
2. Pass both the “National” and “State” sections of the current license examination; OR
3. If the applicant possesses an active broker license in another state, pass only the “State” section of the current license examination.

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

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

Alternatives for Demonstrating Current Knowledge of Real Estate Brokerage:

1. Complete all three 30-hour postlicensing courses

- (including passing the course exams) within three years prior to application; OR
2. Pass both the “National” and “State” sections of the current license examination; OR
 3. If the applicant possesses an active broker license in another state, pass only the “State” section of the current license examination.

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

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

Applicants must satisfy all requirements for original licensure. In other words, the applicant will be treated as though never licensed. Thus, the applicant must first complete the 75-hour broker prelicensing course (or demonstrating qualifications sufficient for course waiver, such as a license in another state) AND pass both the “National” and “State” sections of the license examination (applicant must pass only the “State” section of the license examination if he or she possesses an active salesperson or broker license in another state). The applicant must also satisfy the requirement to demonstrate the requisite “character” as is the case for all applicants. [See “License Qualification Requirements” section of this booklet.]

The applicant will then be issued a “provisional broker” license with a new license date (on “inactive” status pending affiliation with a broker-in-charge) and then must complete the 90-hour postlicensing education requirement in the same manner as required for a “new” licensee in order to remove the “provisional” status of the broker license, except that an applicant who is licensed as a broker in another state will be reinstated as a “broker (non-provisional)” on “active” status and will not need to complete the postlicensing education requirement. After licensure, continuing education (CE) will first need to be completed prior to the second license renewal following reinstatement. [See the section of this booklet on “License Qualification Requirements” for further details.]

Former Provisional Brokers and Salespersons

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

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

Alternatives for Demonstrating Current Knowledge of Real Estate Brokerage:

1. Complete any of the three 30-hour postlicensing courses not taken within three years prior to filing the reinstatement application (all three 30-hour courses for former **salespersons** and for former **provisional brokers on “PBT” status** who failed to complete the 24-hour *Broker Transition Course* prior to April 1, 2008). Upon satisfying alternative (1) and all other requirements described in the “General Requirements” section, the applicant will be reinstated as a **broker (non-provisional)** on “active” status. In other words, the “provisional” status of the old license will be removed because the applicant has now completed the entire postlicensing education requirement. CE will first need to be completed prior to the second license renewal following reinstatement.

OR

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

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

Applicants must satisfy all requirements for original licensure. In other words, the applicant will be treated as though never licensed. Thus, the applicant must first complete the 75-hour broker prelicensing course (or demonstrating qualifications sufficient for course waiver, such as a license in another state) AND pass both the “National” and “State” sections of the license examination (applicant must pass only the “State” section of the license examination if he or she possesses an active salesperson or broker license in another state). The applicant must also satisfy the requirement to demonstrate the requisite “character” as is the case for all applicants. [See “License Qualification Requirements” section of this booklet.]

The applicant will then be issued a “provisional broker” license with a new license date (on “inactive” status pending affiliation with a broker-in-charge) and then must complete the 90-hour postlicensing education requirement in the same manner as required for a “new” licensee in order to remove the “provisional” status of the broker license, except that an applicant who is licensed as a broker in another state will be reinstated as a “broker (non-provisional)” on “active” status and will not need to complete the postlicensing education requirement. After licensure, continuing education (CE) will first need to be completed prior to the second license renewal following reinstatement. [See the section of this booklet on “License Qualification Requirements” for further details.]

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

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

Possible Disciplinary Action for Unlawful Activity

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