



Real Estate Licensing in North Carolina

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Real Estate Commission

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This booklet contains:

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

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



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 and follow all instructions precisely.** Use the detailed Contents page to locate specific information you need.

To obtain a firm license for a business entity (e.g., LLC, corporation, or partnership), complete and submit an *Application for Real Estate Firm License* ([REC 1.72](#)). The application is available on the Commission's website, (www.ncrec.gov) under *Forms \ Application Forms*.

The License Examination

Pages 13-30 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 31**.

License Reinstatement

Information about **license reinstatement** begins on **page 33**.

North Carolina Real Estate License Law and Commission Rules

The *North Carolina Real Estate License Law, Real Estate Commission Rules, and License Law and Rule Comments* may be found on the Commission's website, www.ncrec.gov.

Contents Page

Use the Contents page to find information on specific topics.

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INTRODUCTION

The North Carolina Real Estate Commission has prepared this publication for the purpose of providing information to interested persons regarding the requirements and procedures for obtaining a North Carolina real estate license. Although every effort has been made to consolidate into this single publication basic information concerning the major areas of interest to prospective real estate licensees, some questions may be left unanswered. Therefore, persons who desire more detailed information are advised to contact the Education and Licensing Division at the North Carolina Real Estate Commission.

WHO IS REQUIRED TO HAVE A REAL ESTATE LICENSE IN NORTH CAROLINA?

In general, any person or business entity who transacts real estate brokerage business (including time share transactions) for compensation as an agent for 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 brokers in this state. Operating as a real estate broker 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, visit 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 a broker license as described below:

PROVISIONAL BROKER:

This is the entry-level license status. Upon satisfying all the license qualification requirements (including 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 must be under the supervision of a **broker-in-charge** to be on active status and legally provide brokerage services.

To remove provisional status, a **provisional broker** must complete the 90-hour Postlicensing education program.

BROKER:

This is the primary individual license status.

One generally becomes a broker by first becoming a provisional broker and satisfying the Postlicensing education requirements to terminate the provisional status of the license.

A “full” broker can engage in brokerage EITHER as an affiliated agent of a real estate brokerage company (firm or sole proprietorship) under a broker-in-charge (BIC) OR independently as a sole proprietor or an entity.

An independent broker-sole proprietor must be a broker-in-charge to lawfully engage in most brokerage activities.

BIC ELIGIBLE:

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

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

BROKER-IN-CHARGE:

A broker with BIC Eligible status may be designated as a Broker-in-Charge (BIC).

Each real estate firm or sole proprietorship must have a BIC for each office.

A BIC is responsible for:

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

[Visit the Commission's website (www.ncrec.gov) for more information on broker-in-charge requirements and responsibilities.]

FIRM:

This license is issued to a business entity, such as a corporation, limited liability company, limited partnership, general partnership, association, or joint business venture.

A sole proprietorship does NOT need a firm license because no entity has been created.

The application form and instructions for this license are provided on the Commission's website (www.ncrec.gov).

LIMITED NONRESIDENT COMMERCIAL BROKER:

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

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

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

If the LCB obtains any home, business or delivery address in North Carolina, the individual must apply for and obtain an unrestricted NC broker license in order to engage in brokerage.

The application form and instructions for this license are provided on the Commission's website (www.ncrec.gov) under Forms \ Application Forms.

LICENSE QUALIFICATION REQUIREMENTS

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

- 1) Be at least 18 years of age;
- 2) Be a United States citizen, a non-citizen national or a qualified alien under federal law, or have a lawful presence in the U.S. and be authorized to work in the U.S. in the real estate brokerage field. [Note: A holder of a U.S. Permanent Resident Card ("Green Card") is a "qualified alien." Work authorization in the U.S. for most other aliens requires a U.S. immigration visa (rather than a visitor visa) and/or an Employment Authorization Document from the U.S. Citizenship and Immigration Service that permits work in the real estate brokerage field.];

- 3) Have a social security number;
- 4) Satisfy one of the Education Qualification Options listed below;
- 5) File a complete application and fee;
- 6) Pass the two-part 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 the applicant possesses the requisite character for licensure.

Education Requirement

License applicants must complete the *75-hour North Carolina Broker Prelicensing 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-hour North Carolina Broker Prelicensing Course*, which will be the required qualification method for a vast majority of license applicants. Options 2-4 are options for demonstrating “equivalent real estate education and/or experience.”

NOTE: Applicants applying under education qualification Options 1-3 below must pass both the National and State sections of the North Carolina real estate license examination. Applicants qualifying under education qualification Option 4 may choose whether or not to take North Carolina’s real estate license examination; if they choose to do so, they will only be required to pass the State section.

- **OPTION #1: COMPLETION OF THE 75-HOUR NORTH CAROLINA BROKER PRELICENSING COURSE**

An applicant (resident or nonresident) may qualify to take the North Carolina real estate license examination by successfully completing, within three (3) years prior to license application, the Commission-approved *75-hour North Carolina Broker Prelicensing Course*. This course is only available at Commission-approved schools located in North Carolina.

Required Documentation

North Carolina real estate schools will electronically report all successful completions of the *75-hour North Carolina Broker Prelicensing Course* automatically to the Commission to be paired with *online* license applications. An applicant who submits a *paper application* must attach the Official Certificate of Course Completion signed by the school director. No other proof of course completion will be accepted.

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

An applicant may seek a waiver of the *75-hour North Carolina Broker Prelicensing Course* based on completion of equivalent salesperson prelicensing education in another state.

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

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

Required Documentation

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

- **OPTION #3: EQUIVALENT REAL ESTATE EDUCATION**

An applicant may seek a waiver of the *75-hour North Carolina Broker Prelicensing Course* based on completion of substantial real estate education other than prelicensing courses.

Per Commission Rule 58A .0304, to qualify for such waiver, the applicant must have a baccalaureate or higher degree in the field of real estate, real estate brokerage, real estate finance, real estate development, or a law degree conferred on the applicant from any college or university accredited by a college accrediting body recognized by the U. S. Department of Education.

Required Documentation

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

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

An applicant who holds a current real estate license in another state (or U.S. territory or Canadian jurisdiction) that is **equivalent to NC's provisional broker license** and that has been on active status within the previous three (3) years may

EITHER

- 1) submit an application, including criminal record report, certification(s) of licensure, and application fee,
- 2) pass the State portion of the license examination, and
- 3) be issued a provisional broker license (assuming requisite character requirements are met) and be subject to the postlicensing education requirement;

OR

- 1) submit an application, including criminal record report, certification(s) of licensure, and application fee, and
- 2) be issued a provisional broker license (assuming requisite character requirements are met) and be subject to the postlicensing education* requirement.

*Please note that provisional brokers who applied for an NC license based on licensure in another jurisdiction and who opted not to take the State section of the license examination are NOT eligible for any waiver of postlicensing education under Rule 58A .1905.

An applicant who holds a current real estate license in another state (or U.S. territory or Canadian jurisdiction) that is **equivalent to NC's "full" broker license and** that has been on active status within the previous three (3) years may

EITHER

- 1) submit an application, including criminal record report, certification(s) of licensure, and application fee,
- 2) pass the State portion of the license examination, and
- 3) be issued a **"full" broker license** (assuming requisite character requirements are met);

OR

- 1) submit an application, including criminal record report, certification(s) of licensure, and application fee, and
- 2) be issued a **provisional broker license** (assuming requisite character requirements are met) and be subject to the postlicensing education* requirement.

*Please note that provisional brokers who applied for an NC license based on licensure in another jurisdiction and who opted not to take the State section of the license examination are NOT eligible for any waiver of postlicensing education under Rule 58A .1905.

Required Documentation

Official Certification of Licensure from the licensing agency in the state or jurisdiction in which the applicant is currently licensed. The certification must have been issued within the six (6) months preceding the application 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.

APPLICATION PROCESS

Overview

1. Successfully complete the 75-hour *North Carolina Broker Prelicensing Course* or one of the other Education Qualification Options.
2. Submit a complete license application, including appropriate fee and all required documentation.
3. Your application is processed by Commission staff.
 - If you do not qualify for licensure based on one of the four (4) education qualification options previously discussed, your application will be canceled and returned to you.
 - If your application is incomplete, the application will be returned to you for proper completion.
 - Note that the application fee is nonrefundable. Commission rules provide that once an application has been processed by the Commission, the application fee may not be refunded.
4. Unless you are exempt from the license examination requirement based on Education Qualification Option #4, you are sent a Notice of Exam Eligibility within 2-3 days after application receipt and acceptance.
 - If you applied online, the Notice will be sent by email. [Add "LICAPPdonotreply@ncrec.gov" as a safe email address in your anti-spam filter in order to receive the Notice by email.]
 - If you submitted a paper application, the Notice will be sent by regular mail and thus may not arrive until several days after it is sent.
5. You contact the testing service to pay the examination fee and to schedule and take the license examination.

6. If you PASS the license examination (or if you are exempt from the license examination requirement based on Education Qualification Option #4):
 - If there are no issues relating to character, your license will be promptly issued and should be received in the mail within 7-10 days of the examination date.
 - If there is an issue relating to character, your application will be reviewed by Commission staff and may be referred to the Commission for further consideration. This process may become quite lengthy. (See *Consideration of Applicant's Character*.)

OR

If you FAIL the license examination, you may reschedule and retake the examination (as described under *The License Examination*). **Please note that the \$100 application fee PLUS the \$64 examination fee will be collected each time an applicant takes one or both sections of the license examination.**

Timeframe for Obtaining a License

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

The Application Form

Any person wishing to obtain an individual real estate license must submit the Application for Real Estate License. You are encouraged to use the online application system; however, you may file a paper application if you are unable to access and/or use the online system. General information regarding the online and paper application is provided below, along with special instructions for each item.

Online Application Form

ALL persons applying for a broker license, including those applying by examination, based on licensure in another jurisdiction, or for reinstatement of an expired license, may apply online. The online application program is available through the Commission's website (www.ncrec.gov). You may begin to complete (but not submit) the application prior to completion of the 75-hour North Carolina Broker Prelicensing Course.

To access the online application system:

Go to the Commission's website (www.ncrec.gov) and click on "Apply Here".

To begin a new online application:

1. Click on "Create a Login." The New Applicant Registration Information will appear.
2. Enter your FULL first, middle, and last names. Do not use punctuation. Do not enter nicknames or initials in any field. [See instructions regarding "Legal Name" on page 9.]
3. Click on the drop-down list to select a suffix (if applicable).
4. Enter your street address. Do not use punctuation.
5. Enter your City and State. Do not use punctuation.
6. Enter your 9-digit zip code. A link to the USPS website will enable you to locate your 9-digit zip code. Without this information, the online application system will not allow you to submit your application. You must enter your address exactly as provided by the USPS.
7. Enter your Social Security Number. Do not enter dashes.
8. Enter your Email Address (twice).

9. Click on “Next.”

10. You will be prompted to create a Password. Be sure to make a note of your password for future use.

NOTE: Once you complete the *New Applicant Registration Process*, you are considered officially registered in the system. You may exit the application and return to it at any time, until you enter your payment and submit the application to the Commission for review. Your application USERNAME will be your email address.

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

- Selecting “Apply for background check” will enable you to place an order for the required criminal record report. Additional fees will apply. When the criminal record report is complete, the reporting agency will attach the completed background report electronically to your online broker application and will also email a copy to you.
- Selecting “Application” will take you to the comprehensive application. Instructions for specific items are provided below.

The online application program will not allow you to enter credit card payment and finalize your application until (1) you have completed the *75-hour North Carolina Broker Prelicensing Course*, (2) the school has electronically reported your successful completion of the Course and (3) you have obtained a criminal record report as described on page 11. Once you enter your payment for the license application fee, the application will enter the normal and customary Commission Staff review process and you will no longer be able to access it.

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

Special Notes:

- Be sure to “SAVE” updates each time you change any information.
- Punctuation marks (including commas, single and double quotation marks, hyphens, etc.) are not accepted. If you have a hyphenated last name, enter both names in the last name blank leaving a space between the two names and omitting the hyphen.

Paper Application Form

The paper application form must be used to apply for a broker license when an applicant cannot access and/or use the online application.

You may download the paper application form from the Commission's website. Go to www.ncrec.gov, click on *Forms \ Application Forms \ Real Estate License Application*.

Carefully read and follow the instructions on the application form and in this booklet. Failure to properly complete the application form and submit all required attachments will result in cancellation and return of the application, forfeiture of your application fee, and delay in taking the license examination and/or obtaining a license. Print clearly using BLACK ink only. Your application must be legible.

Required Paper Application Enclosures

1. **Course Completion Certificate(s)** or other documentation of qualifications (See *Options* under *License Qualification Requirements*).

2. **Application Fee.** The application fee for an original broker license is \$100.00 (\$90.00 for reinstatement of a license expired for more than six (6) months and up to 2 years) and must be paid by cashier's 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. NOTE: The Commission DOES NOT ACCEPT cash, personal checks or company checks for the application fee.
3. **Criminal Record Report** as described under *Criminal Record Report Requirement* on page 11.
4. **Character Information.** If you answered Yes to any of the items relating to criminal offenses, professional license disciplinary actions, or liens/judgments, provide explanatory information as follows:
 - **Criminal Offenses:** Submit a detailed written explanation describing in your own words 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 (arrest warrant or bill of indictment for any pending charge) **not** shown on your criminal record report.
 - **Professional License Disciplinary Action:** Submit a detailed written explanation in your own words describing the circumstances surrounding each action (or pending complaint) and addressing why you think you should be licensed in spite of the action(s). Also, submit a copy of the licensing agency's order or pending complaint.
 - **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, 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. **If you are a nonresident,** the *Nonresident Supplement to the Application for Real Estate License* (REC 1.45). This form is provided on the Commission's website (www.ncrec.gov) under Licensing\ Applicants from Another Jurisdiction.

Instructions for Selected Application Items

- **Legal Name.** Enter your true legal name, including your FULL first and middle names. Include any suffix (Jr, III, etc.) in the applicable space. If you have a double last name, enter both of your last names in the last name space with a space between the names. Do not 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 social security card.
- **Address.** Enter your full address, including the 9-digit zip code.
- **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 prelicensing course.
- **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 *75-hour North Carolina Broker Prelicensing Course*. This information is on your course completion certificate. If you did not complete a *75-hour North Carolina Broker Prelicensing Course*, 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, mark "Yes." Otherwise, mark "No." If you are applying for license reinstatement and you are not required to pass the examination, leave this item blank.
- **License History.** Indicate whether you have **ever** held a real estate license in NC or elsewhere. If you have, you must follow the additional directions.
- **Places of Residence.** List **all** places you have resided during the past seven (7) years, beginning with your

current address and working backwards in time. Do not leave any gaps in the history. The online application system will not allow you to submit your application if there are gaps in your residence history. If you are filing a paper application and there are gaps in your residence history, your application will be returned to you.

- **Employment History.** Describe **all** employment during the past three (3) years, including self-employment or work as an independent contractor. List present employment first and work backwards in time. Indicate “None” for any period you were not employed. Do not leave any gaps in the history. If there are any gaps in your employment history within the past three (3) years, the online application system will not allow you to submit your application. If you are filing a paper application and there are gaps in your employment history, your application will be returned to you.
- **Criminal Offenses, Professional License Disciplinary Actions, and Liens or Unpaid Judgments.** These three (3) questions relate to matters that may affect the Commission’s determination as to whether you possess the requisite “Character” for licensure. It is extremely important that you honestly answer these questions and provide the required explanations and documentation. Failure to disclose a matter relating to your character is a separate character issue that may be considered in addition to the underlying offense or issue. Failure to answer or provide all required information will result in your application being returned or in an application processing delay.

NOTE: If you check “Yes” to any of the “Character” questions, you must provide additional information. Be sure to provide a detailed account of the actions that led to each specific criminal offense, professional license disciplinary action, lien, or unpaid judgment. In the online application, a drop down box will provide space to type any necessary explanations. You may also attach additional documents. If you are filing a paper application, attach all necessary documentation.

- **Signature.** By signing the application, you are certifying that all information provided in connection with your application is accurate and complete. Any omission, inaccuracy, or failure to make full disclosure in the application may be deemed sufficient reason to deny permission to take an examination, to deny license issuance, or to revoke a license after issuance. In the online application, you may submit an electronic signature by checking the box “I certify that I am the person shown above, and all the information is correct...” By submitting an electronic signature, you are agreeing to all of the terms outlined in the paragraph next to the box where you will place a “check.” Please carefully read this information prior to submitting an electronic signature.
- **Application Fee.** Once you have completed the entire application, you must pay the **\$100.00** application fee and submit the application to the Commission. If you are filing a paper application, the fee must be paid by cashier’s check, certified check, or money order. The online application system will **ONLY** accept credit card payments (Visa, MasterCard, and Discover).

Criminal Record Report Requirement

In connection with your application, you must order a criminal record report from the agency listed below and pay the agency for the report. Only a report prepared by the agency **within the six (6) months prior to filing your application** will be acceptable to the Commission.

CriminalRecordCheck.com (CRC)
Website: www.ncreccheck.com
Email: licensing@mycrc.com
Telephone (toll free): 877-272-0266 Ext 2651
Telephone (direct): 919-459-2651

There may be substantial costs for criminal record reports for persons who have resided in multiple states or outside the United States within the previous seven (7) years and/or for persons who have used multiple names. Such persons

may want to be certain they have successfully completed the *75-hour North Carolina Broker Prelicensing Course* prior to ordering a criminal record report. Once a criminal record report has been ordered and the fee has been paid, there is no refund of the criminal record report fee, even if the person who ordered the report does not pass the prelicensing course.

The criminal record report must include the results from a search of criminal records in the state and/or county of each different place where you have resided during the seven (7) years prior to application, as well as a search of each different name you have **ever** used. Please note that if you have resided outside of the United States for any period of time during the previous seven (7) years, the background report must also include a search of criminal records for the particular country or countries where you resided. *CRC's report will show all felony and misdemeanor convictions (including most traffic convictions) on record for an applicant, not just those that occurred in the previous seven (7) years.* CRC is authorized by the Commission to collect from you all personal information necessary to conduct record searches and to charge a separate fee for (1) collecting and verifying personal data, (2) each state or county record searched and (3) each additional name for which a search is conducted. Thus, the cost of obtaining the criminal record report will vary depending on the number of different places you have resided during the past seven (7) years and the number of different names you have used.

NOTE: The cost of a criminal 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 after placing the order. Most reports involving a search of out-of-state records will be provided in 5-7 business days. Searches of records in a few states will require more time. Most criminal record reports involving a search of records outside of the United States take 2-3 weeks to obtain. However, there are at least two countries (Canada and Australia) that may take a considerably longer time.

Online Broker Applicants: CRC will attach the completed criminal record report electronically to your online broker license application and will also provide a copy to you via email.

Paper Broker Applicants: CRC will provide the report to you, and you must attach a copy to your paper application to be submitted to the Commission.

CONSIDERATION OF APPLICANT'S CHARACTER

Requirement to Demonstrate Good Character

Every applicant for a real estate license has the burden of satisfying the Commission that the applicant possesses the honesty, integrity, good moral character, and general fitness, including mental and emotional fitness, necessary to protect the public interest and promote public confidence in the real estate brokerage business. To enable the Commission to render its decision regarding an applicant's character expeditiously, the applicant should submit with the application all information relating to **criminal offenses** (including serious traffic offenses), **professional licensure disciplinary actions** and **liens/unpaid judgments**. *Full disclosure and explanation of every problem relating to these matters is expected and highly recommended!* Nondisclosure of such information will only increase an applicant's burden of proving truthfulness, honesty and integrity.

Criminal Record Report Required

Every applicant, including those seeking to reinstate an expired, revoked, or surrendered license, must obtain and submit with the application a criminal record report as described previously.

What is a "character issue"?

Any person who has a criminal record report showing a criminal conviction (including any serious traffic offense, especially DWI) or who answers (or should have answered) "Yes" to any one of questions on the license application relating to criminal offenses,

professional licensure disciplinary actions and liens/unpaid judgments is considered to have a “character issue.” It should be noted that the Commission may also consider any other information that is pertinent to an applicant’s character.

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.

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

At any point during the process of considering an applicant’s character issues that the Commission determines the applicant possesses the requisite good character, the applicant’s license will be promptly issued. If the Commission determines that an applicant has NOT affirmatively demonstrated that the applicant possesses the requisite truthfulness, honesty and integrity for licensure, then action will be deferred on the application. The applicant will be advised of his/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 the applicant’s 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 applicants have had (1) a real estate license revoked or suspended in another state or have been otherwise disciplined in another state; (2) a criminal conviction or civil injunction imposed for engaging in real estate activity without the required license; or (3) a real estate license denied due to matters relating to character.

Requirement to Update Application Information

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

THE LICENSE EXAMINATION

General Information

To qualify for a North Carolina real estate license, an applicant must pass the **North Carolina Real Estate Broker License Examination**. Since North Carolina is a “broker only” license state, there is only one license examination; it is an entry-level examination designed to determine minimal competency to practice real estate brokerage. The only two types of license applicants who are not required to pass the license examination are those applying for the limited nonresident commercial license and some applicants for license reinstatement. (See *License Reinstatement*.)

Examination Services Provider

The Real Estate Commission contracts with the professional testing service PSI Services LLC (PSI) for examination services that include scheduling applicants for examination and administering the examination.

Examination Sections

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

Comprehensive License Examination

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

Retaking the Comprehensive Examination

An applicant who fails both the National and State sections of the comprehensive examination must continue to take the comprehensive examination on any subsequent attempt until such time as the applicant passes either the National or State section. Please note that the \$100 application fee PLUS the \$64 examination fee will be collected each time an applicant takes one or both sections of the license examination.

Retaking Only One Examination Section

Once an applicant has passed one of the two (2) examination sections, the applicant may apply to take only the remaining unpassed exam section. Both sections must be passed during the same **180-day examination eligibility period**. (See *Applying for and Scheduling an Examination*.) If an applicant only passes one examination section prior to the end of the 180-day examination eligibility period, then the applicant loses the benefit of having passed one section, must reapply to take the comprehensive examination, and pass both sections during the subsequent 180-day exam eligibility period to be eligible to receive a NC real estate broker license.

NOTE: Applicants licensed in other jurisdictions who are only required to pass the State section of the examination have an average pass rate that is less than 50%. Without serious preparation for this examination, first attempt or subsequent attempts have a high probability of failure. Although not required, attendance in a 75-hour *North Carolina Broker Prelicensing Course* or participation in a quality exam prep program is highly recommended. Also, consult the *North Carolina Real Estate License Examination State Section Study Guidelines* for other examination preparation options. The Guidelines document is provided on the Commission's website (www.ncrec.gov) under *Licensing / Applicants who are Licensed in other Jurisdictions*.

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 answer options provided. Two types of multiple-choice question formats are used on the license examination: (1) the "basic four-choice" format and (2) the "Roman numeral" format. These two formats are discussed and illustrated below.

BASIC FOUR-CHOICE FORMAT: This standard multiple-choice question format involves a question or incomplete statement that is followed by four (4) possible answer options. Examples 1-3 below illustrate this format.

Example 1

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

1. Statute of Frauds.
2. Law of Conveyance.
3. Statute of Limitations.
4. Law of Agency.

(Answer: 4)

Example 2

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

1. \$1,400
2. \$2,100
3. \$3,500
4. \$4,200

(Answer: 2)

Example 3

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

1. Replacement Cost.
2. Depreciation.
3. Net Operating Cost.
4. Lot Value.

(Answer: 3)

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 (2) possible responses labeled with Roman numerals. These are followed by the four (4) answer options involving various combinations of the Roman numeral responses. Examples 1-2 below illustrate this format.

Example 1

A valid real estate sales contract must contain

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

1. I only
2. II only
3. Both I and II
4. Neither I nor II

(Answer: 3)

Example 2

Which of the following statements regarding condominiums is/are true?

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

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

Answer: 1)

Examination 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 have been determined by subject matter experts to constitute the body of knowledge that minimally competent entry-level real estate licensees should possess.

National Section (100 Scored Questions)

Agency Relationships and Contracts (28 Questions)	
Agency Relationships (6 Questions)	<ul style="list-style-type: none"> • Creating Agency • Types of Agency (including implied agency) • Rights, Duties and Obligations of the Parties • Termination and Remedies for Nonperformance • Disclosure (related to representation)
General Legal Principles, Theory and Concepts about Contracts (8 Questions)	<ul style="list-style-type: none"> • Unilateral / Bilateral • Validity • Void and Voidable • Notice of Delivery / Acceptance • Executory / Executed • Enforceability • Addenda to Contracts • Electronic Signatures / Paperless Transactions
Purchase Contracts (Contracts between Seller and Buyer) (7 Questions)	<ul style="list-style-type: none"> • General Principles and Legal Concepts • Purchase Contract (e.g., 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 (e.g., negotiation, counter offers, multiple offers) • Contingencies • Duties and Obligations of the Parties • Handling Funds of Others (e.g., trust / escrow funds, earnest money, delivery)
Service/Listing Contracts (Contracts between Licensee and Seller or Buyer) (7 Questions)	<ul style="list-style-type: none"> • 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

Real Property Ownership/Interest (13 Questions)	
Rights of Ownership (1 Question)	<ul style="list-style-type: none"> • Bundle of Legal Rights
Types of Ownership (Estates in Land) (2 Questions)	<ul style="list-style-type: none"> • Joint Tenancy • Tenancy in Common • Trusts • Condominiums
Leasehold Interest (1 Question)	<ul style="list-style-type: none"> • Basic Concepts and Terminology • Types of Leases • Basic Elements and Provisions of Leases • Rights and Duties of the Parties • Remedies for Default / Non-Performance
Forms of Business Ownership (1 Question)	<ul style="list-style-type: none"> • Sole Proprietorship • Corporation • General or Limited Partnership • LLC
Private Restrictions on Real Property/Land Use and Matters Affecting Ownership (4 Questions)	<ul style="list-style-type: none"> • Liens (Voluntary, Involuntary, Priority) • Easements / Rights of Way / Licenses • Preexisting Leases • Encroachment • Deed Conditions, Covenants and Restrictions • Property Owner Associations
Government Powers and Control of Land Use (4 Questions)	<ul style="list-style-type: none"> • Americans with Disabilities Act (ADA) • Land Use Restrictions and Regulations (i.e., zoning) • Property Taxation • Subdivision / Planned Unit Development • Regulations (e.g., condominiums, cooperatives, planned unit developments)
Finance (14 Questions)	
Basic Concepts and Terminology (4 Questions)	<ul style="list-style-type: none"> • Equity • Loan-to-Value Ratio • Term and Payment • Principal and Interest • Direct and Indirect Costs (e.g., points, discounts) • Return on Investment / Rate of Return
Methods of Financing (3 Questions)	<ul style="list-style-type: none"> • Government Programs (e.g., FHA, VA) • Conventional • Owner-financed • Land Contract / Contract for Deed

Financing Instruments (Mortgages, Trust Deeds, Promissory Notes) (2 Questions)	<ul style="list-style-type: none"> • Basic Elements and Provisions of Financing Instruments • Legal Principles • Non-performance (e.g., foreclosure, default)
Government Oversight (4 Questions)	<ul style="list-style-type: none"> • RESPA • Regulation Z • Truth-in-Lending Act • Antitrust • Mortgage Fraud • Equal Credit Opportunity Act • Dodd-Frank Act [TILA-RESPA Integrated Disclosure (TRID)]
Lending Process (1 Question)	<ul style="list-style-type: none"> • Pre-approval and Pre-qualification (e.g., debt ratios, credit scoring, and credit history) • Parties to the Lending Process (e.g., loan originator, underwriter, mortgage broker) • Short Sale

Real Property (14 Questions)

Methods of Legal Description of Land (1 Question)	<ul style="list-style-type: none"> • Metes and Bounds • Rectangular Survey • Lot and Block
Methods of Measurement (1 Question)	<ul style="list-style-type: none"> • Structures (space and volume) • Livable Area • Land Measurement
Property Valuation (3 Questions)	<ul style="list-style-type: none"> • 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, chattel)
Methods of Valuation (Performed by an Appraiser) (3 Questions)	<ul style="list-style-type: none"> • Sales Comparison (Market Data) Approach • Cost Approach • Income Analysis Approach • Appraisal Process / Procedure
Conveyance of Real Property (6 Questions)	<ul style="list-style-type: none"> • Definition of Clear (Marketable) Title • Matters Affecting Title • Recordation • Title Insurance • Deeds • Wills • Court-Ordered Sales (e.g., foreclosure) • Settlement Procedures (closing the transaction)

Marketing Regulations (Purchase and Rental) (10 Questions)	
Property Advertising Disclosures (3 Questions)	<ul style="list-style-type: none"> • Environmental Concern (e.g., lead-based paint, radon) • Property Condition • Material Facts
Licensee Advertising (3 Questions)	<ul style="list-style-type: none"> • Antitrust • Do-not-Call List • CAN-SPAM Act • Social Media and Internet
Fair Housing (4 Questions)	<ul style="list-style-type: none"> • Federal Fair Housing Act • Protected Classes • Redlining • Blockbusting • Steering • Advertising
Property Management (8 Questions)	
<ul style="list-style-type: none"> • 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 	
Real Estate Calculations (13 Questions)	
<ul style="list-style-type: none"> • Compensation, Commission, and Fees • Valuation / Market Sales Price and Yields • Net to Seller, Cost to Buyer (credits & debits) • Tax and Other Prorations • Points • 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.

N.C. Real Estate License Law and Commission Rules (24 Questions)	
<p>Requirement for Real Estate License (2 Questions)</p> <p>Laws: 93A-1&2</p>	<ul style="list-style-type: none"> • Activities Requiring a License • Exempt Activities • Activities of Unlicensed Assistants
<p>License Categories and Status (1 Question)</p> <p>Laws: 93A-1; 93A-4(a1) Rules: A.0502; A.0504; Section A.1800</p>	<ul style="list-style-type: none"> • Broker • Provisional Broker • Limited Nonresident Commercial Broker • Firm • Active / Inactive Status
<p>Broker-in-Charge (1 Question)</p> <p>Laws: 93A-2(a1) & (a2); 93A-4.2 Rules: A.0110; A.0506</p>	<ul style="list-style-type: none"> • Broker-In-Charge Requirements & Responsibilities • Supervision of Provisional Brokers
<p>North Carolina Real Estate Commission (1 Question)</p> <p>Laws: 93A-3; 93A-6</p>	<ul style="list-style-type: none"> • Purpose • Composition • Powers (including disciplinary powers)
<p>License Administrative / Maintenance Requirements (2 Questions)</p> <p>Laws: 93A-4(c); 93A-4.1; 93A-4(1) Rules: A.0101; A.0103; A.0113; A.0503; A.0505; A.0507; Section A.1700; Section A.1900</p>	<ul style="list-style-type: none"> • Proof of Licensure • Change of Name / Address • Reporting Criminal Convictions • License Expiration / Renewal / Reinstatement • Continuing Education • Postlicensing Education
<p>Agency Contracts and Practices (3 Questions)</p> <p>Laws: 93A-6(a)(4) Rules: A.0104</p>	<ul style="list-style-type: none"> • Requirements for Agency Contracts • Oral Buyer / Tenant Agency Contracts • Related Practices of Listing Agents and Agents Working with Buyers
<p>Agency Disclosure (2 Questions)</p> <p>Laws: 93A-6(a)(4) Rules: A.0104</p>	<ul style="list-style-type: none"> • Providing Agency Brochure • Disclosure of Agency Status by Seller's Agent and Buyer's Agent • First Substantial Contact • Disclosure Exceptions

<p>Dual and Designated Agency (3 Questions)</p> <p>Laws: 93A-6(a)(4) Rules: A.0104</p>	<ul style="list-style-type: none"> • Disclosure • Authority • Limitations on Agency Duties • Practicing Dual & Designated Agency
<p>Selected Regulated Practices (3 Questions)</p> <p>Laws: 93A-6(a)(11) & (13) Rules: A.0105; A.0106; A.0108; A.0111, A.0115; A.2200</p>	<ul style="list-style-type: none"> • Advertising • Delivery of Instruments • Retention of Records • Drafting Legal Instruments • Disclosure of Offers • Broker Price Opinions
<p>Handling & Accounting for Funds (1 Question)</p> <p>Laws: 93A-6(a)(7), (12) & (14); 93A-6 (d) & (g) Rules: A.0116; A.0117; A.0118</p>	<ul style="list-style-type: none"> • Basic Requirements for Trust Accounts and Handling Trust Monies (detailed recordkeeping/ accounting/ disbursement requirements are not tested)
<p>Brokerage Fees and Compensation (1 Question)</p> <p>Laws: 93A-6(a)(9) Rules: A.0109</p>	<ul style="list-style-type: none"> • Disclosure of Compensation • Compensation of Unlicensed Persons for Brokerage Activities • Commission's Limited Role Regarding Broker Compensation
<p>Prohibited Practices (3 Questions)</p> <p>Laws: 93A-6(a)(1), (2), (3), (4), (5), (6), (8), (10), (11) & (15); 93A-6(b), (c), (e) & (f) Rules: A.0504(a); A.0507</p>	<ul style="list-style-type: none"> • 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

<p>Time Shares (1 Question)</p> <p>Laws: 93A-39 - 42, 44, 45, 51, 54, 56 & 58</p> <p>Rules: B.0400, B.0500, & B.0600</p>	<ul style="list-style-type: none"> • Registration of Time Share Projects and Licensure of • Time Share Salespeople • 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
Other North Carolina Laws and Practices (11 Questions)	
<p>Property Taxation (2 Questions)</p> <p>NCGS Chapter 105</p>	<ul style="list-style-type: none"> • Legal Requirements and Procedures for Property Taxes and Special Assessments • Excise Tax (No Calculations)
<p>Sales Contracts and Practices (2 Questions)</p> <p>Rules: A.0112 NCAR Standard Form 2-T</p>	<ul style="list-style-type: none"> • Basic Concepts and Provisions of the North Carolina Bar Association and North Carolina Association of REALTORS® (NCBA / NCAR) Jointly Approved Offer to Purchase and Contract Standard Form 2-T • NC Practices Related to Sales and Sales Contracts
<p>Closing Procedures (1 Question)</p>	<ul style="list-style-type: none"> • Attorney Supervised Closings • Typical Pre-Closing and Closing Procedures • NC Good Funds Settlement Act • Broker's Responsibility as to Settlement Statements
<p>Laws Governing Residential Tenancies (2 Questions)</p>	<ul style="list-style-type: none"> • NC Residential Rental Agreements Act • Laws Governing Eviction Procedures • NC Tenant Security Deposit Act • Statute of Frauds (as to Leases)
<p>Residential Square Footage Guidelines (1 Question)</p>	<ul style="list-style-type: none"> • Residential Square Footage Guidelines published by the NC Real Estate Commission (No calculations)
<p>Miscellaneous NC Laws and Legal Concepts (3 Questions)</p> <p>NCGS 47E; NCREC Rules A.0114 & A.0119</p> <p>G.S. 153A-330 et seq G.S. 136-102.6</p>	<ul style="list-style-type: none"> • Tenancy by the Entirety • Townhouses • NC Residential Property Disclosure Act including Mineral and Oil and Gas Rights Mandatory Disclosure • 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, including Sale of Lots in Unapproved Subdivision • Disclosure by Developers as to Subdivision Streets • Protective/Restrictive Covenants • On-Site Septic Systems • Broker's Responsibilities Relating to Any of Above

General Real Estate Topics (5 Questions)	
Basic House Construction (2 Questions)	<ul style="list-style-type: none"> • Wood-Frame Construction Methods and Terminology • Architectural Styles
Federal Income Taxation of Home Ownership / Sale (1 Question)	<ul style="list-style-type: none"> • Basic Terminology • Homeowner Deductions • Sale of Personal Residence
Residential Loan Qualification Calculations (1 Question)	<ul style="list-style-type: none"> • Qualifying a Buyer Using Given Income/Expense Ratios
Comparative Market Analysis (CMA) Calculations (1 Question)	<ul style="list-style-type: none"> • Miscellaneous Calculations Associated with Performing a CMA

Examination Forms

PSI utilizes several different forms of the license examination simultaneously and also changes these forms regularly. Thus, when more than one candidate is being tested at an exam test 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 the candidate 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 **Comprehensive 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: In addition to the 140 scored questions on the Comprehensive Examination, the exam will include five (5) additional pretest questions per examination section for a maximum of ten (10) total pretest items. Pretest questions do not count for or against a candidate's score. Similarly, when exam candidates take only the National or State section of the license examination, that section will include five (5) pretest questions in addition to the scored questions.

	Scored Questions	Pretest Questions
National Section	100	5
State Section	40	5

Pre-test questions will not be scored and the time taken to answer them will not count against examination time. The administration of such unscored, experimental questions is an essential step in developing future examinations. Pretest questions are new test items that are included to gather performance data in order that PSI and the Commission can determine if the new questions are appropriate to be used as scored questions on future examinations. Results of pretest questions will be reported only to PSI and the Commission, and results will be excluded from scoring of the questions that determine whether the candidate passes the examination. Pretest questions will appear randomly in the exam, and candidates will not be able to distinguish pretest items from the scored questions.

Passing Score

The passing score for the two sections of the license examination are computed separately and are indicated below.

	Passing Score
National Section	71 of the 100 scored questions must be answered correctly.
State Section	29 of the 40 scored questions must be answered correctly.

Helpful Hints

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

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

APPLYING FOR AND SCHEDULING AN EXAMINATION

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

Obtaining a Notice of Exam Eligibility

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

Your *Notice of Exam Eligibility* will be sent within 2-3 days after application receipt and acceptance.

- If you applied online, the Notice will be sent by email. [In order to receive the Notice by email, please add “LICAPPdonotreply@ncrec.gov” as a safe email address in your anti-spam filter.]
- If you submitted a paper application, the Notice will be sent by regular mail and thus may not arrive until several days after it is sent.

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

If you fail the National, State, or both sections of the exam, your *Notice of Examination Eligibility* will allow you to reapply and schedule another examination within the 180-day timeframe if there are at least 10 days after your last testing date. (See *Expedited Reapplication and Exam Rescheduling* for information about reapplying for a subsequent examination.)

180-Day Examination Eligibility Period

As noted above, your *Notice of Exam Eligibility* is valid for 180 calendar days after issuance and the expiration date will appear on the Notice. You should schedule and take your examination promptly after receiving your *Notice of Exam Eligibility*. This exam eligibility period *will NOT be extended for any reason*.

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

Examination Fee to PSI

EACH time an applicant takes EITHER the Comprehensive License Examination OR the National or State section, **a separate \$64 examination fee is required in addition to the \$100 license application fee paid with the license application to the Commission. The \$64 examination fee is payable directly to PSI when the applicant contacts PSI to schedule the examination. Do NOT submit the \$64 examination fee to the Real Estate Commission.** Examination fee payment is due PSI at the time of scheduling. Payment may be made by credit card (VISA, MasterCard, Discover, or American Express), cashier's check or money order made payable to PSI. *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 PSI to cover declined credit card transactions.

Making an Examination Appointment with PSI

There are two ways to schedule your examination.

Online Scheduling:

Candidates may schedule via the Internet 24 hours a day at www.psiexams.com.

OR

Telephone Scheduling:

Candidates may call 800-733-9267. PSI registrars are available Monday through Friday between 7:30 a.m. and 10:00 p.m., and Saturday-Sunday, between 9:00 a.m. and 5:30 p.m., Eastern Time.

In almost all cases you will be able to take an examination at the test center of your choice within seven (7) calendar days of contacting PSI 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, you will be notified of the time to report to the test center, and if you provide an e-mail address you will be sent an e-mail confirmation notice.

Rescheduling a Scheduled Examination with PSI

You may reschedule your appointment at no charge by calling PSI at 1-800-733-9267 at least 2 BUSINESS DAYS prior to your scheduled appointment.

Special Accommodations for Candidates with Disabilities

PSI complies with the Americans with Disabilities Act (ADA) and strives to ensure that no individual with a disability (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. PSI will provide reasonable accommodations for candidates with disabilities.

Candidates requesting special accommodations must call PSI at 1-800-367-1565, ext. 6750, to schedule their examination.

Wheelchair access is available at all established test centers. Candidates must advise PSI at the time of scheduling that wheelchair access is necessary. 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 PSI.

Written Request Required

Verification of the disability and a statement of the specific type of assistance needed **must be made in writing to PSI** at least 45 calendar days prior to your desired examination date by completing PSI's "Special Arrangement Request Form." Do not submit the request form to PSI prior to receiving your *Notice of Exam Eligibility* from the North Carolina Real Estate Commission. The request form may be downloaded from PSI's website (www.psiexams.com). Select "Government/State Licensing Agencies"; then follow the sequence of choices and select "North Carolina" . . . "Real Estate" . . . "Broker." There will be a link to the PDF version of PSI's "Special Arrangement Request Form" that you may print out, complete and submit to PSI. Or you may call PSI at 1-800-367-1565, ext. 6750, 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 PSI with the "Special Arrangement Request Form" if they intend to pay PSI's examination fee via credit card at the time of test scheduling.

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

**All inquiries regarding special examination accommodations should be directed to
PSI at 800-367-1565, ext. 6750.**

Telecommunication Devices for the Deaf

PSI is equipped with Telecommunication Devices for the Deaf (TDD) to assist deaf and hearing-impaired candidates at 800-735-2929. This TDD phone option is for individuals equipped with compatible TDD machinery.

Test Center Arrival and Check-in Procedures

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

Required Identification and Signature

All required identification below must match the legal name under which the candidate is registered. Candidates are required to bring two (2) forms of valid (non-expired) *signature-bearing* identification to the test site.

PRIMARY IDENTIFICATION (with photo) – Choose One

- Government issued Driver's License (plastic card only with photo and signature)
- U.S. Learner's Permit (plastic card only with photo and signature)
- National/State/Country Identification Card
- U.S. Government Issued Passport or Passport Card
- U.S. Government Issued Military Identification Card
- U.S. Government Issued Military Identification Card for spouses and dependents
- U.S. Government Issued Alien Registration Card (Green Card, Permanent Resident Visa)

NOTE: ID must contain candidate's photo, be valid and unexpired.

SECONDARY IDENTIFICATION – Choose One

- Credit/Debit Card (must be signed)
- Social Security Card
- Any form of ID on the Primary list

NOTE: Student ID and employment ID are **NOT** acceptable forms of identification.

NOTE: No temporary ID will be accepted. A candidate who does not present appropriate identification or whose identification does not match the candidate's registration information will be denied admission to the test center and will forfeit the examination fee.

Your name on your two (2) required forms of identification should be an identical match to the legal name on your real estate license application. PSI proctors will accept an ID that shows the middle initial instead of the full middle name; but other name variations between application and identification will **not** be accepted. If you recently changed your name, or if your last name includes a generation indicator (e.g., Jr., III), or is hyphenated or is a double last name, you should make sure well in advance that you are prepared to comply with this requirement. Proctors are not allowed to admit for testing any candidate whose required forms of identification are not consistent with the name on the license application.

Security Procedures

The following items are **not** permitted in the examination room:

- All personal electronic devices, except those that are a medical necessity.
- Children, guests, cellular telephones, personal digital assistants (PDAs), recording devices, cameras, pagers, purses, notebooks, notebook computers, reference or reading material, music players, radios, electronic games, or briefcases.
- Personal items including watches, backpacks, pens, pencils, or other writing devices, food, drinks (unless prior approval is obtained by your regulatory entity) and good-luck items.
- Hats, baseball caps, or visors (with the exception of religious apparel), coats, shawls, hooded clothing, heavy jackets or overcoats.

The following security procedures will apply during the examination:

- An online calculator will be provided.
- You will be given a piece of scratch paper and a pencil. These will be returned to the proctor at the end of your examination.
- Only non-programmable calculators that are silent, battery-operated, do not have paper tape printing

- capabilities, and do not have a keyboard containing the alphabet will be allowed in the examination site.
- NO conversing or any other form of communication among candidates is permitted once you enter the examination area.
- No smoking, eating, or drinking will be allowed at the examination site.
- You may not exit the building during the examination.
- Copying or communicating examination content is a violation of PSI security policy and the State Law. Either one may result in the disqualification of examination results and may lead to legal action.

Taking the Examination

Taking the examination by computer is simple. You do not need any computer experience or typing skill. You will use fewer keys than you use on a touch-tone telephone. All response keys are colored and have prominent characters. You may also use the mouse. Once you have checked in, you will be directed to a semi-private testing station to take the examination. When you are seated at the testing station, you will be prompted to confirm your name, identification number, and the examination for which you are registered.

Tutorial

Before you start your examination, an introductory tutorial to the computer and keyboard is provided on screen. The time you spend on this tutorial (up to 15 minutes) does **not** count as part of your examination time. Sample questions are included as part of the tutorial so that you may practice using the keys, answering questions, and reviewing your answers. One question appears on the screen at a time. During the examination, minutes remaining will be displayed at the top of the screen and updated as you record your answers.

Examination Answer Format

During the examination, you press 1, 2, 3, or 4 to select your answer or press MARK so that you can view the item later. You then press ENTER to record your answer and move on to the next question. You can change your answer as often as you like before pressing ENTER. If you wish to change your answer after you press ENTER, simply view the question you have marked, make the desired change, and press ENTER again.

IMPORTANT: After you have entered your responses, you will later be able to return to any question(s) and change your response, provided the examination time has not run out.

Examination Time

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

National Section	2.5 Hours
State Section	1.5 Hours

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

Examination Results

Your score will be given to you immediately following completion of the examination. The following summary describes the score reporting process:

- If you pass, you will immediately be notified that you passed the examination.
- If you do not pass, you will receive a diagnostic report indicating your strengths and weaknesses by examination section on the score report.

When you complete your required examination section(s), 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 Comprehensive 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 (7) subsections of the National section. If you fail the State section, you will also be advised of your results for each of the three (3) subsections of the State section. No subsection results will be provided for a passed examination section. (For scheduling a second or subsequent examination, see *Retaking a Missed or Failed Examination*.)

License Issuance for Passing Applicants

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

Applicants timely passing the required section(s) of the examination should expect to receive their license certificates by mail 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 Missed or Failed Examination

An applicant who misses a scheduled examination appointment may apply *directly through PSI* to reschedule the missed examination section(s) as described below, provided it is done within the 180-day examination eligibility period. The same is true for an applicant who fails any required examination section *if there are at least 10 days remaining* within the 180-day examination eligibility period after the candidate's last testing date.

The One-Stop Process: Expedited Reapplication and Exam Rescheduling

Most applicants who either fail the National, State, or both sections of the license examination or miss a scheduled examination appointment may utilize an expedited ("one-stop") reapplication and examination rescheduling procedure that conveniently allows them to reapply for licensure and to schedule another examination by contacting PSI by telephone or online through PSI's website. Eligible applicants contact PSI, verify their eligibility for the "one-stop" procedure, pay by credit card a comprehensive reapplication/re-scheduling fee of **\$164 (\$100 license application fee plus \$64 examination fee)** for retaking the Comprehensive Examination (both National and State Sections) or for retaking only one of the exam sections, 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 license 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 **\$154 (\$90 reinstatement license application fee plus \$64 examination fee)**.]

To determine if you are eligible for this “one-stop” procedure, locate the expiration date of your examination eligibility at the top of your *Notice of Exam Eligibility*. (This date will be 180 days from the date your last complete application was processed by the Commission.) You may use the “one-stop” reapplication and examination rescheduling procedure if your new examination appointment can be rescheduled prior to the expiration date shown on your *Notice of Exam Eligibility*.

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

If any information submitted in your last complete license application has changed, you must notify the Commission even if you use the “one-stop” procedure. Per the section titled *Requirement to Update Application Information* you are required to notify the Commission if any information provided in connection with an application for a North Carolina real estate license changes prior to license issuance.

Applicants Who Must Refile a License Application with the Commission

If your *Notice of Exam Eligibility* has already expired (i.e., it has been more than 180 days since your license application was originally processed by the Commission) and you have not passed the section(s) of the examination required for licensing eligibility, then you must file another complete license application with the Commission and receive a new *Notice of Exam Eligibility* before you can contact PSI and schedule another examination. Your qualifications will be reassessed when your subsequent license application is filed.

OTHER EXAMINATION INFORMATION

Forfeiture of Fees

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

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

Excused Absences

Under certain limited circumstances you may be excused from a scheduled examination for which you did not give PSI 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 PSI promptly following your absence from your scheduled exam. Your request must set forth the

reason for your absence and must include documentation verifying such reason (e.g., statement from physician). Your request for an excused absence will be denied if you cannot be rescheduled and examined prior to expiration of your 180-day period of examination eligibility.

Written requests for an excused absence from an examination must be mailed to:
PSI, 3210 E. Tropicana, Las Vegas, NV 89121

Inclement Weather, Power Failure, or Emergency

In the event that severe weather or another emergency forces the closure of a test center on a scheduled examination date, your examination will be rescheduled. PSI personnel will attempt to contact you in this situation. You may check the status of your examination appointment by calling (800) 733-9267 or check the website at (www.psiexams.com). Every effort will be made to reschedule your examination at a convenient time as soon as possible. You will not be penalized. Your exam will be rescheduled at no additional charge to you.

LICENSEE INFORMATION

Issuance of Licenses

After an applicant has satisfied the qualification requirements, passed the license examination (if required), and satisfied the Commission that the applicant 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 license application form.

Applicants passing the license examination should expect to receive their license certificates and license pocket cards within approximately ten (10) calendar days after their license examination, *if there are no character issues*.

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

It is unlawful for any person to engage in the real estate brokerage business until the date the applicant's license is issued by the Commission, not the date the license examination is passed. The issuance date is displayed on the license certificate issued to each broker.

Initial Licenses Are Inactive Provisional Broker Licenses

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

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

Activation of Initial Inactive Provisional Broker License

A provisional broker license is initially issued on **inactive** status. Before the provisional broker can begin work in the real estate business, the provisional broker and a broker-in-charge must file a "*License Activation/Affiliation*" form (REC 2.08) 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.

A provisional broker must be supervised by a broker-in-charge at all times when engaging in real estate brokerage activities. A provisional broker must satisfy the Postlicensing education requirement described below in order to terminate the provisional status of the broker license.

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

License Renewal

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

Licensees should renew their licenses online through the Commission's website, (www.ncrec.gov), using Visa, MasterCard, Discover, American Express, or PayPal between May 15 and June 30. If a licensee does not have access or ability to renew online, the licensee may call the Commission office on or between May 15 and June 30 and pay using a credit card over the phone. **The annual license renewal fee is \$45.** Licensees are responsible for renewing their licenses in a timely manner even if they did not receive renewal notices due to a business and/or residence address changes or any other reason.

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

Postlicensing Education for Provisional Brokers

All provisional brokers must satisfy the Postlicensing education requirement of **90 classroom hours of Postlicensing education within three (3) years of the date of initial licensure** to be eligible for active license status. The Postlicensing education program is divided into three 30-hour Postlicensing courses titled as follows: *Broker Relationships and Responsibilities*, *Contracts and Closing*, and *License Law, Commission Rules, and Legal Concepts*. Provisional brokers must complete at least one of the three (3) courses during each of the first three (3) years following the date of initial licensure in order to be eligible to actively engage in brokerage. A provisional broker may elect to complete all three (3) courses during the first or second year after initial licensure.

Upon completion of all three (3) Postlicensing courses within three (3) years, the provisional status of the broker license will be automatically terminated by the Commission. [Approved real estate schools will report course completion to the Commission, so licensees should not attempt to report course completion or request termination of provisional status.] If a provisional broker fails to complete a Postlicensing course by the end of a required period, the license will be placed on inactive status until the licensee remedies the education deficiency and requests reactivation of the license.

The Postlicensing courses are only available as live instruction courses through Commission-approved North Carolina real estate schools.

Postlicensing Education Waiver Based on Equivalent Education / Experience

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

Provisional brokers who think they may possess qualifications justifying a waiver are referred to the Forms section of the Commission's website (www.ncrec.gov) to carefully review and complete the *Postlicensing Education Waiver and Equivalent Credit Request Form (Form REC 2.18)*.

Please note that provisional brokers who applied for an NC license based on licensure in another jurisdiction and who opted not to take the State section of the license examination are NOT eligible for any waiver of postlicensing education under Rule 58A .1905.

Postlicensing Education vs. Continuing Education

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

Continuing Education (CE) requirement is eight (8) hours per annual license period, including the General Update Course (4 hours) plus one 4-hour Commission-approved elective course. Licensees must satisfy the Continuing Education requirement by June 10 of each annual license period (July 1 – June 30) in order to renew their licenses on active status. There is a **limited exception for new licensees**. *A broker newly licensed by examination or reinstatement does not have any CE requirement during the initial license year; such a newly licensed broker must satisfy the 8-hour annual CE requirement prior to the second license renewal in order to renew the license on active status.*

Nonresident licensees who do NOT have any North Carolina home, business, or delivery address and who also hold an active license in their resident jurisdiction may satisfy the North Carolina Continuing Education requirement by maintaining the license in the resident jurisdiction on active status and certifying such license status at the time of renewing their North Carolina license. On the other hand, a **nonresident who has any North Carolina business or delivery address** does NOT have this option and must (1) take the current General Update (or Broker-in-Charge Update, if BIC-eligible) CE course in North Carolina and (2) either take a North Carolina approved CE elective course (live or online) or request equivalent elective course credit for a CE course(s) taken in another jurisdiction.

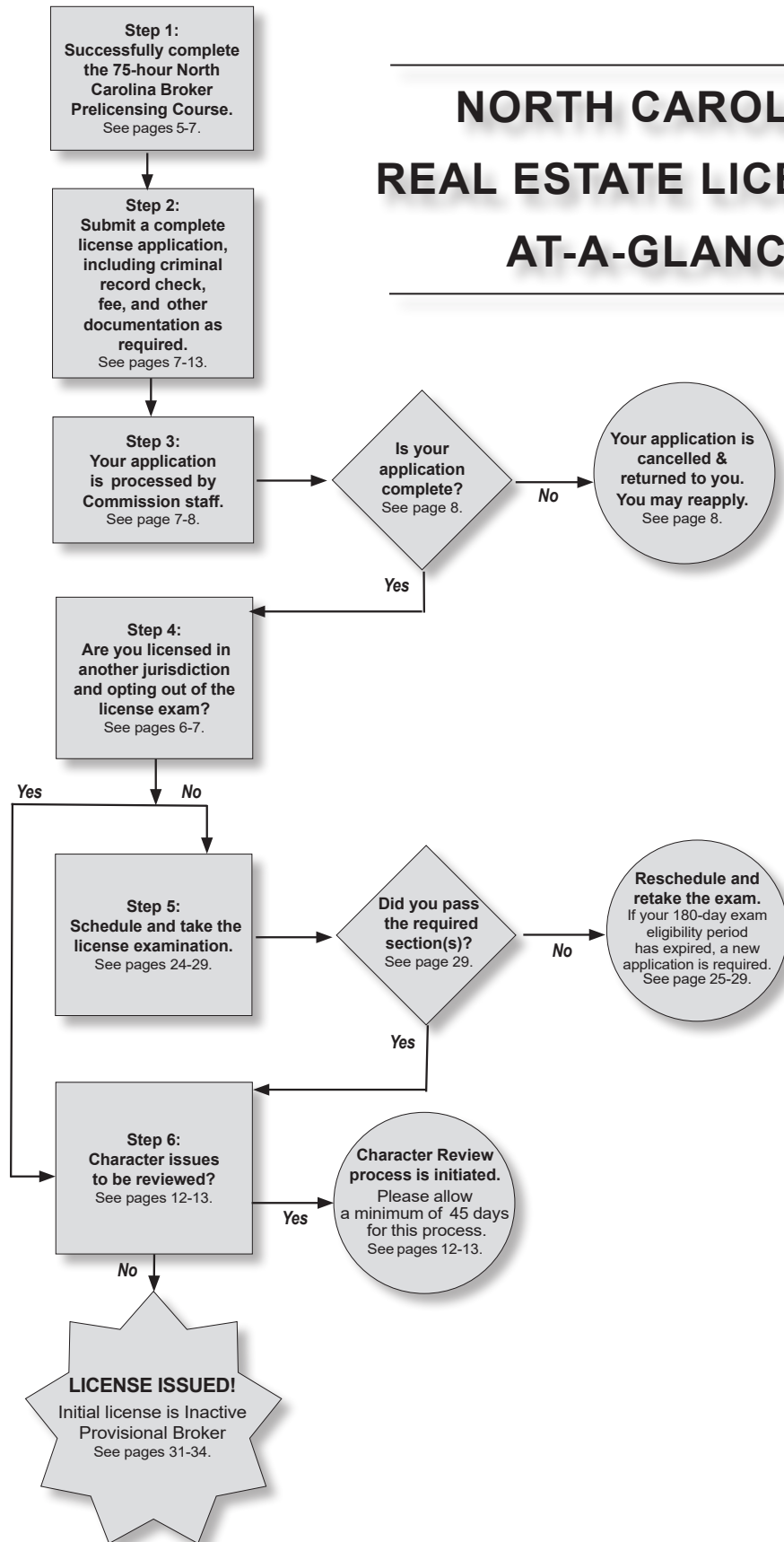
License Reinstatement

All North Carolina real estate licenses expire on June 30 of each year. To maintain a **current** license, a licensee must pay the annual license renewal fee between May 15 and June 30.

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

NOTE: For a full Explanation of Reinstatement Requirements, go to the "Reinstate Your License" page on the Commission's website or contact the Commission's Education and Licensing Division.

NORTH CAROLINA REAL ESTATE LICENSING AT-A-GLANCE



NORTH CAROLINA REAL ESTATE COMMISSION
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RALEIGH NC 27619-7100

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