

SECTION FIVE

LICENSING AND EDUCATION REVIEW



1. Maya is a provisional broker. She completes CE (General Update course and an approved Elective) on April 22, 2017, but fails to pay the \$45 renewal fee by June 30, 2017.
 - A. What will be the status of Maya’s license on July 1? _____
 - B. May Maya continue working with clients and customers? _____
 - C. What must Maya do to reinstate her license on active status between Jul. 1-Dec. 31, 2017?
Step 1: _____
Step 2: _____

2. Sharon, a homeowner who does not have a real estate license places a “For Sale by Owner” sign in her yard. On the sign, Sharon writes: “I’ll pay \$500 to anyone who helps me find a buyer for this house.” May Sharon legally pay a \$500 fee to an unlicensed individual who refers a buyer? _____

3. Tyler has an inactive NC broker license. He pays his renewal fee every year but has not taken any CE for six (6) years. One of Tyler’s friends wants to sell her house and asks him to recommend a broker. May Tyler refer his friend to a broker and collect a referral fee? _____
Would the answer change if Tyler makes the referral while his license is inactive, but he activates his license before his friend’s house closes six (6) months later? _____

4. Milton is the broker-in-charge for XYZ Realty. Four (4) full brokers and two (2) provisional brokers are affiliated with his office. Milton completes the correct CE by June 10 but forgets to renew his license by June 30.
 - A. What will be the status of Milton’s license on July 1? _____
 - B. What will be the license status of the six (6) affiliated licensees? _____

 - C. What must Milton do to reinstate his license on active status? _____
 - D. Once Milton’s license is active, what must he do to regain BIC or BIC-Eligible status? _____

Learning Objectives

After completing this Section, you should be able to:

- define license statuses/categories;
- explain how to maintain a current and active license;
- describe how to attain BIC status & *BIC-Eligible* status; and
- explain how to regain BIC and *BIC Eligible* status.

License Categories

NOTE: ALL licenses EXPIRE June 30 every year unless renewed.

Individual Broker Licenses

North Carolina is a “broker only” state, meaning there are not separate salesperson and broker licenses. Instead, there are several categories or levels of broker license as described below.

Provisional Broker (PB)

- This is the entry-level license status.
- Upon satisfying all the license qualification requirements (including passing the state license examination), most license applicants are initially issued a provisional broker license, or technically, a broker license on provisional status. The wall license will read “broker,” but their pocket card will indicate license type as “PB” for “provisional broker.”
- A provisional broker cannot operate independently. S/he must be under the supervision of a broker-in-charge to be on active status and able to provide brokerage services.
- A provisional broker may remove provisional status by completing the 90-hour Postlicensing education program. The program consists of three (3) thirty-hour courses, at least one of which must be completed by the license anniversary date in each of the first three (3) years following licensure in order for a licensee to be eligible to maintain an active license. [Rule 58A .1902.] Failure to complete at least one course in each of the first two (2) years, and all three (3) within three (3) years, will result in the provisional broker’s license being placed on inactive status.

Broker (B)

- This is the primary individual license.
- Once a provisional broker completes the Postlicensing education program, the provisional status is removed and the individual becomes a “full” broker.
- A “full” broker can engage in brokerage:
 - 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. If the broker-owner doesn't qualify to become a BIC, then s/he must hire a broker with the requisite experience to serve as BIC of the owner's company.

Broker-in-Charge (BIC)

- A broker-in-charge is another status level of the broker license, commonly referred to as a broker-in-charge designation.
- Every licensee actively engaging in brokerage should either HAVE OR BE a broker-in-charge.
 - Each real estate firm must have a broker-in-charge designated with the Commission for each office.
 - Each broker-sole proprietor who will handle trust funds that must be deposited in a trust account, or has other licensees affiliated with him or her, or advertises/promotes brokerage services in any manner (including distribution of business cards or listing property for sale or lease) must first designate himself or herself as a broker-in-charge.
- To qualify to be a **broker-in-charge**, a “full” broker must have two (2) years full-time or (equivalent part-time) brokerage experience in any state within the five-year period prior to designation or be found by the Commission to possess equivalent qualifications.

Firm License (C)

- A firm license is a license issued to a business entity (other than a sole proprietorship).
- A business entity (whether a corporation, limited liability company, limited partnership, general partnership, association, joint venture, etc.) must first apply for and obtain a North Carolina real estate firm broker license *before* the entity may engage in real estate brokerage in North Carolina or receive income from North Carolina real estate brokerage activity.
- To qualify for firm licensure, the entity must have a **qualifying broker (QB)** (i.e., an officer, manager, or general partner) who has an individual North Carolina “full” broker license on active status. [Rule 58A .0502(b).] The qualifying broker role is separate and distinct from the BIC role. One person may serve as both QB and BIC at one office location, but the QB is not required to be a BIC anywhere.
- Sole proprietorships don't need a firm license because no entity has been created.

Limited Nonresident Commercial License (LCB)

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

- lives in a state other than North Carolina (NC),
- has an active real estate broker or salesperson license in another state where his/her primary place of real estate brokerage business is located,
- wants to enter NC to engage in a commercial transaction as an affiliated agent with his/her out-of-state brokerage company, and

- will not become a member of a NC brokerage company and thus will not have a BIC for NC licensing purposes. However, s/he 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.
- A nonresident who applies for this restricted license is not required to take the NC Broker Prelicensing course or to pass the license examination.
- 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).
- A Limited Nonresident Commercial License DOES NOT convert to a resident North Carolina license if the individual moves to North Carolina or formally associates with an NC real estate company. 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.

Current and Active License

To lawfully engage in brokerage activity, an individual or entity must have a CURRENT real estate broker license on *ACTIVE STATUS* at the time the licensee provides the brokerage services. Renewing a license every year allows the person or entity to keep the license; *if you fail to pay the annual renewal fee on time, you no longer will have a license*. You may renew and keep a license for years without it being on active status, but you may NOT engage in brokerage services during that period.

State law provides that **ALL LICENSES expire on June 30 and may be renewed 45 days prior to expiration**. [G.S. 93A-4(c).] Thus, brokers may renew their licenses each year from May 15-June 30.

Current vs. Expired Individual License



Current means the annual renewal fee (\$45) was paid between May 15-June 30.



Expired means the renewal fee was not paid prior to June 30 *and the person/entity no longer has a license*.

The renewal fee must be *received* by the Commission by 11:59:59 pm on June 30, or the former licensee will no longer have a license as of 12:01am on July 1 and must immediately cease all brokerage activity until s/he is actively licensed again. Licensees are required to renew their licenses online at the Commission’s website.



BEST PRACTICE: Be sure to print your payment confirmation notice after renewing your license!

There is no grace period.* If your license expires on June 30, you may not engage in brokerage activities on July 1. You may not resume brokerage practice until your license has been reinstated and back on “active” status.

* Brokers who serve in the military and are on active deployment during the renewal period may be granted special consideration under federal law.

Reinstating an Expired Individual License

Rule 58A .0505 dictates requirements for reinstatement of provisional and “full” broker licenses. Following is brief overview of reinstatement requirements as of July 1, 2017.

License expired up to 6 months:

Pay \$90 reinstatement fee online.

License expired more than six months and up to two years:

Successfully complete one (1) 30-hour Postlicensing course and submit reinstatement application with reinstatement fee. (Course must be completed within 6 months prior to submitting reinstatement application.)

-OR-

Submit reinstatement application with reinstatement fee and pass National and State sections of license exam.

License expired more than two years:

Successfully complete 75-hour NC Broker Prelicense course; submit a license application with \$100 original application fee and all required documentation; pass National and State sections of license exam.

For a detailed review of reinstatement requirements, please visit the “**Reinstate your License**” page on the Commission’s website. You may also contact the Commission’s Education & Licensing Division for specific instructions.

Current vs. Expired Firm License

Firm licenses must be renewed each year by paying the \$45 renewal fee during the May 15-June 30 period. It is the obligation of the QB (**qualifying broker**) to both renew the entity’s license each year (as well as his/her individual broker license) *and* periodically verify with the North Carolina Secretary of State’s Office that the company remains in good standing; by rule, the QB is to notify the Commission in writing within 10 days if the entity is either voluntarily or administratively dissolved, or has a revenue suspension, or its authority to do business in NC is revoked or withdrawn.

As with individuals, an entity that fails to renew its license by June 30 will not have a license as of July 1. A QB may reinstate the entity’s license as follows:

License expired up to 6 months:

Pay \$90 reinstatement fee online.

[If the QB’s individual broker license is on active status, the firm’s license will be returned to active status as soon as the reinstatement fee is processed.]

License expired more than six months and up to two years:

Submit a firm license application with \$90 reinstatement fee and all required documentation.

License expired more than two years:

Submit a firm license application with \$100 original application fee and all required documentation.

Active vs. Inactive Individual Licenses

To legally receive any income from brokerage activity, *including referral fees*, you must have an **ACTIVE North Carolina license** at the time you provide the brokerage service or make the referral.

To maintain active status, you must both timely renew your license *and* complete the appropriate **8 hours of Continuing Education by June 10** each year. Provisional Brokers must also timely complete **Postlicensing Education** and be affiliated with a Broker-in-Charge.

Continuing Education (CE)

MINIMUM REQUIRED CE:

Update (GenUP or BICUP) **and** a Commission-approved Elective
by JUNE 10 every year!

Provisional Brokers & non-BIC Brokers must take:	Brokers-in-Charge and Brokers who have attained BIC-Eligible status** must take:
GenUp (General Update) AND One (1) Commission-approved Elective	BICUP (Broker-in-Charge Update) AND One (1) Commission-approved Elective

***BIC-Eligible status is attained only after certain conditions are met, as will be explained in the section titled **Attaining BIC and BIC-Eligible Status**. To determine whether you have BIC-Eligible status, log into your license record on the Commission’s website.*

If you don’t complete the correct CE courses by June 10, your license will be changed to “inactive” status on July 1. You may continue to work through June 30, because your license remains active between June 11–June 30, but you must CEASE all brokerage activity at 12:01AM on July 1, as you no longer have a license you may use. You may not resume brokerage practice until your license is back on “active” status.



I took the Update in May but forgot to take an elective by June 10. Can’t I go online and take an elective on June 20?

No. There is nothing you can do to correct a CE deficiency between June 11 and June 30. Providers of real estate CE courses in NC are not allowed to offer CE during the black-out period. The black-out period is necessary to allow sponsors to notify the Commission who

has completed what CE courses by the June 10 deadline, so the Commission can update its databases and determine who is eligible to have an active status as of July 1.



My license is Inactive because I didn't take CE. What do I need to do to reactivate it?

[**NOTE:** Having a license on inactive status means you still have a license because you paid the renewal fee, but you may not engage in brokerage activity.]

To correct a CE deficiency and reactivate a license, you must:

1. complete the current year's CE requirement in full (i.e., take the General Update + 1 Commission-approved elective);
AND
2. take either 1 or 2 approved electives to make up for the *number of hours you did not complete* during the preceding license year;
AND THEN
3. submit the Activate License form to the Commission (REC 2.08 - available online).



BIC ALERT: The Commission doesn't automatically activate licenses. While a licensee is eligible to return to active status once s/he completes all required CE (8-16 hours), the BIC and/or licensee **must notify the Commission that you want to activate your license** by submitting the Activate License form to the Commission (REC 2.08).

Why must you send a form to activate?

The moment a licensee no longer has a license s/he may use, i.e., inactive, expired, revoked, or suspended, all office or affiliation information is erased from the licensee's record, leaving only the individual's residence address and personal information. When the licensee wishes to resume brokerage activities, s/he must reconstruct his/her record by notifying the Commission of the company's name, office address and BIC with which the broker is affiliating.

BOTTOM LINE

Minimum CE needed to reactivate is eight (8) hours: GenUP + 1 elective.
Maximum CE needed to reactivate is sixteen (16) hours: GenUP + 3 electives.

NOTE: To activate his/her license, a provisional broker must:

- 1) cure any CE deficiency,
AND
- 2) be current with postlicensing education,
AND
- 3) be affiliated with a BIC.

NOTE: A licensee may renew his/her license year-after-year without completing any CE or postlicensing education. In such case, the licensee would be maintaining a license on inactive status and would not be able to legally provide **any** brokerage services or collect any money for brokerage activities, including referral fees. When the licensee decides to return to active status, the maximum

CE s/he must take will be 16 hours, i.e., the GenUP and three Commission-approved electives, and submit the activation form (REC 2.08). A PB who didn't complete all required postlicensing education must also take all three 30-hour courses within a three (3) year window to reactivate, in addition to the 16 hours of CE.



Since entities don't take education, what determines whether a firm's license is on active or inactive status?

The entity must have a QB (Qualifying Broker) whose license is on active status. As long as the entity has a QB, the entity's renewed firm license will also be on active status.

If the QB allows his/her license to go inactive or expire on July 1, then the company's license will be inactive, meaning no one may engage in brokerage under the company's umbrella. The firm license won't be reactivated until either the QB returns his/her individual license to active status or the company appoints a new actively licensed broker who is an officer, manager, or general partner to serve as QB. Losing a BIC only takes one office down, but losing a QB takes the entire firm down.

Postlicensing Education

Provisional brokers (PB) must complete a total of 90 hours of Postlicensing education. The program consists of three 30-hour courses and a different course must be completed in each of the first three (3) years following initial licensure to be eligible to actively engage in real estate brokerage. [Note: Postlicensing education must be completed *in addition to* CE.]

Examples of Postlicensing Education Deadline Dates	
License Issuance Date	Anniversary Dates / Postlicensing Education Deadlines
August 3, 2017	August 3, 2018; August 3, 2019; and August 3, 2020
February 25, 2018	February 25, 2019; February 25, 2020; and February 25, 2021
July 14, 2018	July 14, 2019; July 14, 2020; and July 14, 2021

Failure to complete a Postlicensing course by the license anniversary date in any of the first three years will cause the provisional broker's license to immediately be placed on inactive status. To be eligible for active status, the PB must complete any missed Postlicensing courses (one, two, or three 30-hour courses), plus be current with CE.

UNDERSTAND that a PB whose license is made inactive due to a Postlicensing education deficiency will continue to have a license as long as s/he pays the renewal fee every year, but s/he will not be able to use the license or engage in any form of brokerage, including referrals, because the license is on inactive status. To activate the license, the PB must cure any Postlicensing and Continuing Education deficiencies plus affiliate with a BIC.

SUMMARY: Maintaining a Current and Active License

Provisional Brokers	“Full” Brokers (non-BIC)	Brokers-in-Charge AND Brokers with BIC-Eligible Status
<ol style="list-style-type: none"> 1. Renew license each year between May 15-June 30 2. Complete GenUP + 1 Elective by June 10 each year (after first renewal) 3. Complete one 30-hour Postlicensing course by license anniversary date each of the first 3 years 4. Maintain affiliation with a broker-in-charge 	<ol style="list-style-type: none"> 1. Renew license each year between May 15-June 30 2. Complete GenUP + 1 Elective by June 10 each year 	<ol style="list-style-type: none"> 1. Renew license each year between May 15-June 30 2. Complete BICUP + 1 Elective by June 10 each year



Sally has renewed her “full” broker license every year, but hasn’t taken any CE since 2011.

- A. What is the status of Sally’s license? _____
- B. How many classes must Sally take to activate her license? _____
- C. Which classes must she take? _____
- D. Will Sally’s license be “active” once she completes the course(s)? YES ____ NO ____
Why or Why not? _____
- E. Assume Sally was a Broker-in-Charge before her license changed to “inactive” status. Will that change the courses she should take now to reactivate? YES ____ NO ____
When she reactivates, will she be BIC or BIC-Eligible? YES ____ NO ____

Broker-in-Charge Status

To *qualify* for Broker-in-Charge status, you must have:

1. a “full” broker license (not provisional) on active status;
AND
2. two (2) years of full-time brokerage experience or equivalent part-time experience, within the five (5) year period preceding designation.

What is *full-time* brokerage experience?

The intent is that the individual’s primary occupation is real estate brokerage. Accordingly, the rough formula is:

50 weeks/year at 40/hours per week = 2000 hours/year x 2 years = **4000 hours total**.

Thus, when a broker can honestly say s/he has 4000 hours of brokerage experience within the preceding five (5) years, s/he may request to be designated a broker-in-charge. Qualifying “brokerage experience” is any lawful brokerage activity as a salesperson, provisional broker, or broker in North Carolina or any other state.



Stan has held a broker license on “active” status since 2008, but he has not been working in the real estate brokerage business. He has renewed his license and taken the required CE each year.

Does Stan qualify to declare himself as BIC? YES ____ NO ____

Why or Why not? _____

To be designated as Broker-in-Charge:

1. **Submit the *Broker-in-Charge Declaration* form (REC 2.04) to the Commission.**

By signing the form, you are certifying that you:

- a. have an active “full” broker license,
- b. possess the required brokerage experience, and
- c. will fulfill the BIC duties enumerated on the back of the form.

2. **Complete the Commission’s 12-hour *Broker-in-Charge Course* either:**

within three (3) years PRIOR TO submitting the declaration form

OR

within 120 days AFTER submitting the declaration form.

Note: Merely taking the *12-hour Broker-in-Charge Course* does NOT automatically make you a BIC. The course will help prepare and qualify you to become a BIC, but *you will never be a BIC until you request designation as BIC by submitting the Broker-in-Charge Declaration form (REC 2.04 - available on the Commission's website)*. By submitting the form you notify the Commission of your desire to be a BIC for a named company at a specific office address.

BIC-Eligible Status

BIC-Eligible is a defined term and a specific license status. Once achieved, *BIC-Eligible* status enables a broker to step down as BIC, whether for a few weeks or months or years, and later be re-designated as BIC simply by submitting a *Broker-in-Charge Declaration* form (REC 2.04) to the Commission.

As long as the broker has maintained *BIC-Eligible* status by timely renewing his/her license and completing the correct CE each year, the broker will not be required to take the *12-hour Broker-in-Charge Course* upon redesignation.

To attain *BIC-Eligible* status, a broker must:

1. **Satisfy all broker-in-charge qualification requirements** (full broker license on active status + two (2) years full-time brokerage experience within the preceding five (5) years);

AND

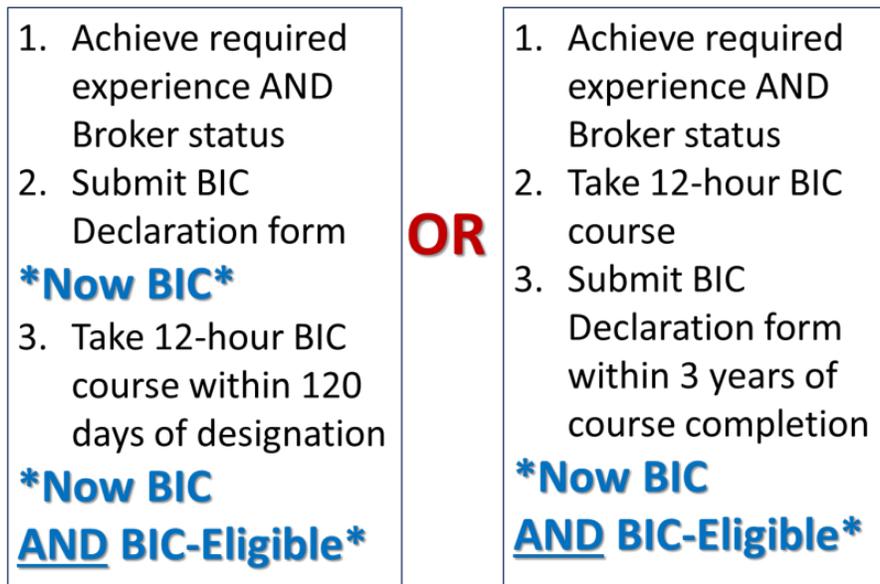
2. **Submit the *Broker-in-Charge Declaration* form** (REC 2.04);

AND

3. **Complete the *12-hour Broker-in-Charge Course*** either within three (3) years prior to declaring as BIC or within 120 days after sending the *Broker-in-Charge Declaration* form (REC 2.04).

The following table illustrates the two (2) paths to achieve BIC-Eligible status.

Two Paths to *BIC-Eligible* Status



NOTE: The Commission's *12-hour Broker-in-Charge Course* is not a *prerequisite* to sending the Commission the Broker-in-Charge Declaration form. You may submit the BIC Declaration form before taking the 12-hour class.

If you do not take the 12-hour course prior to submitting the BIC Declaration form, you must complete the course within 120 days of being designated as BIC. If you fail to complete the class within the 120 day window, you will be removed as BIC. In such case, you will not be allowed to re-declare as a BIC anywhere in NC until you first successfully complete the *12-hour Broker-in-Charge Course*.

How to Maintain *BIC-Eligible* Status

Once a broker attains BIC-Eligible status, s/he may maintain that status indefinitely by:

1. **renewing his/her license between May 15-June 30 each year;**

AND

2. **completing the *BICUP* (*Broker-in-Charge Update*) CE course plus 1 NCREC-approved CE Elective by June 10 each year.**

To maintain BIC-Eligible status, a broker must continue taking the BICUP + 1 Elective every license year after declaring even when not actively serving as a BIC. **Failure to take the BICUP in any given license year will result in loss of BIC and/or BIC-Eligible status the following July 1.**



Rosalie, a “full” broker, submits the *Broker-in-Charge Declaration* form to the Commission on October 15, 2016, and receives a *Notice of License Record Change* from the Commission informing her that she was designated as broker-in-charge on October 20, 2016. She completes the *12-hour Broker-in-Charge Course* on January 12, 2017.

- A. When did Rosalie achieve BIC status? _____
- B. Has Rosalie achieved *BIC-Eligible* status? YES ____ NO ____
If so, when? _____
- C. When may Rosalie begin taking the BICUP course? _____
- D. When MUST Rosalie begin taking the BICUP course? _____

Loss of *BIC-Eligible* Status

A broker will lose BIC and/or BIC-Eligible status if:

- 1. his/her license is inactive, expired, surrendered, suspended or revoked,
OR
- 2. s/he fails to take the BICUP course during any license year.

Regaining Broker-in-Charge and *BIC-Eligible* Status

A broker who attains but later loses *BIC-Eligible* status must complete the following steps **in the order indicated to regain BIC and/or *BIC-Eligible* status.**

- 1. Do whatever is necessary to return the license to active status, i.e., pay reinstatement fee and/or complete required continuing education;
THEN
- 2. Submit the Activate License form to the Commission (REC 2.08);
THEN
- 3. Complete the Commission’s *12-hour Broker-in-Charge Course*,
AND THEN
- 4. Submit the *Broker-in-Charge Declaration* form requesting designation (REC 2.04).

NOTE: *you must possess the experience required for initial designation at the time you re-designate.*

What Happens if a BIC's License Expires or Goes Inactive?

When a BIC's license expires or goes inactive on July 1, his/her office is out of business. The "full" brokers will still be on active status, but no longer affiliated with the company, and all provisional brokers will be on inactive status (even though they may have completed their CE and paid their renewal fees) because they no longer have a supervising BIC.

To avoid such a devastating situation, a Broker-in-Charge Declaration form (REC 2.04) should be submitted to the Commission prior to June 30, designating a new broker-in-charge for the office.



How can the office be resurrected while the former BIC is expired or inactive?

It depends on whether the former BIC was acting only as BIC for the office or was both BIC for the office *and* QB for the entity.

If the former BIC was serving only as BIC...

While that office no longer exists, the firm still has an active license so long as it has a QB. The QB may appoint a new broker to serve as BIC and direct that broker to submit a *Broker-in-Charge Declaration* form (REC 2.04) form to the Commission. Once the form is processed, the newly designated BIC must file activation/affiliation forms (REC 2.08) to re-associate all full and provisional brokers with the newly recreated office.

If the former BIC was both the BIC *and* the QB...

Simply designating a new BIC won't solve the firm's problem because the firm's license will be on *inactive status* (assuming it was renewed) because it doesn't have a QB (i.e., an officer, manager, or general partner with an active NC broker license).

As long as the QB's license is not on active status then the firm's license won't be on active status, meaning the company can't engage in brokerage anywhere in NC. The company's license will remain on inactive status until the former QB either

- 1) activates his/her individual license,
- OR
- 2) is replaced as QB.

Answers to Discussion Questions

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1) Maya is a provisional broker. She completes CE on April 22, 2017, but she fails to pay the \$45 renewal fee by June 30, 2017.

- A. What will be the status of Maya's license on July 1? *Answer: Expired*
- B. May Maya continue working with clients and customers? *Answer: No – she does not have a license.*
- C. What must Maya do to reinstate her license on active status between Jul. 1-Dec. 31, 2017?
Step 1: *Answer: Pay the \$90 reinstatement fee online at www.ncrec.gov.*
Step 2: *Answer: Submit an Activation form, showing affiliation with a BIC.*

2) Sharon, a homeowner who does not have a real estate license places a “For Sale by Owner” sign in her yard. On the sign, Sharon writes: “I’ll pay \$500 to anyone who helps me find a buyer for this house.” May Sharon legally pay a \$500 fee to an unlicensed individual who refers a buyer?

Answer: No. No one may give an unlicensed person or entity any compensation or “consideration,” i.e., any “thing of value,” for brokerage activity. Sally could offer an incentive to a buyer, but not an unlicensed person for referring a buyer to her.

3) Tyler has an inactive NC broker license. He pays his renewal fee every year but has not taken any CE for six (6) years. One of Tyler's friends wants to sell her house and asks him to recommend a broker. May Tyler refer his friend to a broker and collect a referral fee?

Answer: No. Tyler's license must be on Active status when he makes the referral in order to legally collect a referral fee.

Would the answer change if Tyler makes the referral while his license is inactive, but he activates his license before his friend's house closes six (6) months later?

Answer: NO, because his license was inactive at the time he made the referral, which was the activity requiring a license.

4) Milton is the broker-in-charge for XYZ Realty. Four full brokers and two provisional brokers are affiliated with his office. Milton completes the correct CE (BICUP course and an elective) by June 10 but forgets to pay his renewal fee by June 30.

A. What will be the status of Milton's license on July 1?
Answer: Expired. Milton will no longer have a license.

B. What will be the license status of the 6 affiliated licensees?
Answer: The full brokers will still be on active status, but each at their home address and no longer affiliated with the company; the two provisional brokers will be on inactive status at their home addresses because they no longer have a supervising BIC.

- C. What must Milton do to reinstate his license on active status?

Answer: Milton must 1) pay the \$90 reinstatement fee online before December 31; and 2) submit the Activate License form (REC 2.08).

Note: *Milton is able to immediately reactivate his license only because he completed the required education the preceding license year; in other words, there was no CE deficiency; he just didn't pay his money on time.*

- D. Once Milton's license is active, what must he do to regain BIC or BIC-Eligible status?

Answer: Milton must first complete the Commission's 12-hour Broker-in-Charge course, regardless of when he last took it, and then submit the Broker-in-Charge Declaration form (REC 2.04) to recreate his office. He then would submit affiliation forms online (REC 2.08) to re-associate his six agents.

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Sally has renewed her "full" broker license every year, but hasn't taken any CE since 2011.

- A. What is the status of Sally's license?

Answer: Inactive.

- B. How many classes must Sally take to activate her license?

Answer: 4 classes (4 hours each for total of 16 hours)

- C. Which classes must she take?

Answer: General Update (GenUP) for current year plus 3 electives.

- D. Will Sally's license be Active once she completes the course(s)?

Answer: No.

Why or Why not?

Answer: She must submit the Activate License form (REC 2.08).

- E. Assume Sally was a Broker-in-Charge before her license changed to Inactive status.

Will that change the courses she should take now to reactivate? *Answer: No.*

When she reactivates, will she be BIC or BIC-Eligible? *Answer: No.*

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Stan has held a broker license on Active status since 2008, but he has not been working in the real estate brokerage business. He has renewed his license and taken the required CE each year.

Does Stan qualify to be designated as BIC? *Answer: No.*

Why or why not? *Answer: Although his license was on active status, Stan has no actual brokerage experience during the past five (5) years.*

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Rosalie, a "full" broker, submits the Broker-in-Charge Declaration form to the Commission on October 15, 2016, and receives a *Notice of License Record Change* from the Commission informing

her that she was designated as broker-in-charge on October 20, 2016. She completes the *12-hour Broker-in-Charge Course* on January 12, 2017.

- A. When did Rosalie achieve BIC status? *Answer: October 20, 2016.*
- B. Did Rosalie achieve BIC Eligible status? *Answer: Yes.*
If so, when? *Answer: As soon as the 12-hour Broker-in-Charge Course posted to her record, e.g., January 13.*
- C. When MAY Rosalie begin taking the BICUP course?
Answer: As soon as she was designated broker-in-charge (October 20, 2016).
- D. When MUST Rosalie begin taking the BICUP course?
Answer: Brokers are not required to take the BICUP course until the first full license year after the license year in which they declare as BIC. Rosalie was designated broker-in-charge on October 20, 2016, so she may choose to take the GenUp course during that license year (July 1, 2016-June 10, 2017). She MUST begin taking the BICUP course during the next license year (July 1, 2017-June 10, 2018) and every year thereafter to maintain her BIC-eligible status, even if there are periods when she is not acting as a BIC at any location.

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