

What does a license actually look like?

Before we learn about the different aspects about the status of a license, let's take a close look at the license certificate.

Aside from introducing you to the license itself, this will help you understand what fees are paid when certain changes are made that affect the appearance of the license.



The Company License

The Company license contains:

- **Company name**
- **Expiration date**
- **Company office address**
- **Qualifying Broker's name**



The Broker License

The Broker license contains:

- **Broker's name**
- **Expiration date**
- **Company's name**
- **Company's office address**

Did you notice what is NOT on the Broker license?

- **Broker's personal address**
- **It does not specify qualifying or associate broker**



The Salesperson License

The Salesperson license contains:

- **Salesperson's name**
- **Expiration date**
- **Company's name**
- **Company's office address**

Did you notice what is NOT on the Salesperson license?

- **Qualifying Broker's name**
- **Salesperson's personal address**





The Temporary Salesperson License

The Temporary Salesperson license contains:

- Salesperson's name
- Expiration date
- Company's name
- Company's office address

Did you notice what is NOT on the Salesperson license?

- Qualifying Broker's name
- Salesperson's personal address

© 2020 ABA Enterprises, LLC | All Rights Reserved



5

5



This is the end of the current unit.
Please proceed to the next unit.

© 2020 ABA Enterprises, LLC | All Rights Reserved

6

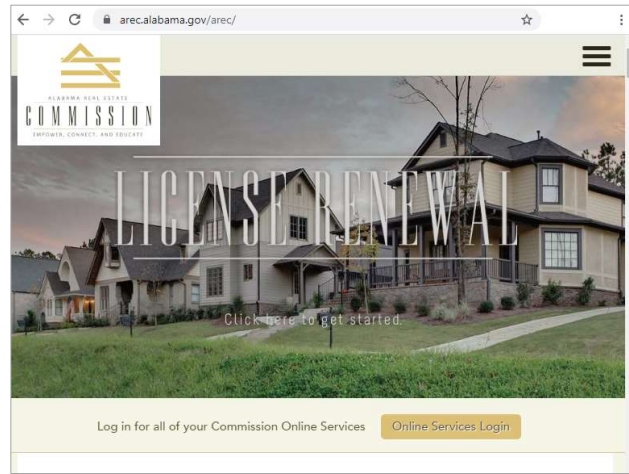
6

Transferring a License

Transferring a salesperson, broker or company license requires specific steps and notifications.

Keep in mind that the law was written “B.I.” - before internet!

So, according to the law, all notices must be submitted “in writing,” but in the real world, licensees are able to make these changes on-line via the Alabama Real Estate Commission’s **On-Line Services** portal called **CMAF**.



How does a licensee change qualifying brokers?

First, the licensee gives written notice to the Commission that he wishes to be inactive. While the licensee’s goal is to switch to a new broker, the license can’t be transferred from the old broker directly to the new broker. It must be transferred to the Commission first and then sent to the new broker, thus the step to become inactive.

Next, the licensee sends a copy of the written notice to old qualifying broker. At this point, the old broker “returns” the license to the Commission and the license is placed on inactive status.

Lastly, the new qualifying broker sends two things to the Commission: a statement assuming liability for licensee and a request for the transfer of the licensee’s license to his brokerage. This request will convert the licensee’s license from inactive to active.

How does a licensee change qualifying brokers?



© 2020 ABA Enterprises, LLC | All Rights Reserved

3

3

How does a qualifying broker “fire” a licensee?

- The qualifying broker gives written notice to the licensee;
- The qualifying broker gives written notice to the Commission; and
- The qualifying broker “returns” licensee’s license back to the Commission, at which point the licensee become inactive.

So, since the salesperson or associate broker is now inactive, what does he need to do immediately if he wishes to continue practicing real estate?

That’s right! Find a new qualifying broker!



© 2020 ABA Enterprises, LLC | All Rights Reserved

4

4

How does a company “fire” a licensee?

- The company notifies the Commission in writing;
- The company notifies broker/salesperson in writing; and
- The company returns the broker’s or salesperson’s license to the Commission, at which point the license become inactive.



How does a qualifying broker “quit” being the qualifying broker a company?

- The qualifying broker gives written notice to the company; and
- The qualifying broker gives written notice to the Commission.



IS a fee charged for license changes?

Whether or not a fee is charged for a license change depends on the type of change.

FEE CHARGED:

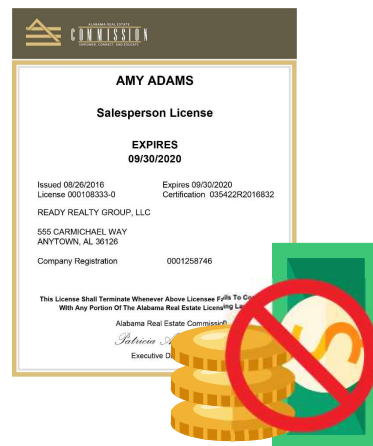
A \$25.00 fee per license is charged for any change that affects the appearance of the license.

- Change of personal name
- Change of company name
- Change of qualifying broker by a company
- Change of company's address

**NO FEE CHARGED:**

NO fee is charged for any changes that will not affect the appearance of a license:

- Change of personal address
- Change of personal phone number
- Change of company phone number
- Change of company website



Licensee Change of Address Deadlines

If a licensee changes his business or residential address, the licensee must notify the Commission **in writing** within a specific deadline.



If the licensee lives inside the state of Alabama:

Within 30 days of the change

If the licensee lives outside the state of Alabama:

Within 10 days of the change



**This is the end of the current unit.
Please proceed to the next unit.**

License Renewal Deadlines

Every active and inactive real estate license (salespersons, brokers and real estate companies) is renewed **every two years on the even numbered years**.

There are **two important deadlines** for license renewal:

First renewal deadline:

August 31st of the even-numbered years

Final renewal deadline:

September 30th of the even-numbered years



License Renewal Deadlines

- The **FIRST** license renewal deadline **without penalty** is **August 31st** of the even-numbered years. Licensees should submit the proper renewal form and pay the appropriate fees by August 31 to avoid paying a **\$150 penalty fee** charged by the Commission.
- The **FINAL** deadline to renew a license is **September 30th** of the even-numbered years. The licensee will pay the normal renewal fee, PLUS the **\$150 penalty fee**.

Salesperson Renewal	Fee
Salesperson License	\$170
ACRE Fee	\$15
Total Salesperson Renewal Fee by Aug 31	\$185
Penalty Fee	\$150
Total Fee after Aug 31	\$335

License Renewal Deadlines

- A license period runs **from October 1 to September 30th** of the even-numbered years. For example, from October 1, 2018 to September 30, 2020.
- Technically every salesperson, broker and company license **expires at midnight on September 30th** of the even numbered years.
- If the license is not renewed by September 30th, it automatically **converts to inactive** on October 1st, but luckily there is a 12-month grace period.
- An expired license may be renewed for **up to 12 months** after the September 30th deadline.



License Renewal Deadlines

- If the license is not renewed within the 12-month grace period, then **the license will lapse** (which means it will end permanently!)
- When a license has lapsed, the entire licensing process will need **to be repeated from the very start**, meaning the individual must go back to real estate school!
- If there are special hardship circumstances, the Commission may allow later renewal upon payment of all fees and penalties.



Can a temporary license be renewed?

No, a temporary license cannot be renewed because a temporary license is only valid for one year.

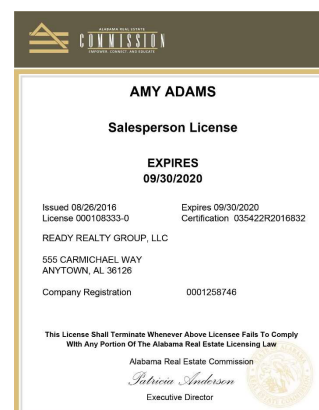
If a temporary license has not been converted to an original license within that one-year period, it will expire, and the licensing process must be repeated beginning with the salesperson pre-license class.

**Must an inactive license be renewed?**

In order to remain valid, yes, an inactive license must be renewed every two years.

If a licensee does not plan to practice real estate, his license can remain on inactive status indefinitely as long as it is regularly renewed.

However, if it is not renewed every two years just like an active license, then the license is in danger of lapsing and the licensing process must be repeated beginning with the salesperson pre-license class.





**This is the end of the current unit.
Please proceed to the next unit.**

Continuing Education

Continuing Education (CE) are courses that develop an individual's knowledge and skills in a specific area of interest or profession.

For licensees, **CE classes revolve around the obligation of protecting consumers in the real estate transaction**, not furthering his personal knowledge of the real estate business.

Remember, the primary goal of the Commission is to protect the consumer, not the licensee.



Continuing Education

To successfully renew an active license, a licensee must:

- Complete **15 hours of CE** by the **September 30th of every even year** deadline.
- If the license has not been renewed and the required CE courses have not been completed by September 30th deadline, the license will become inactive and all real estate activity must cease until the license is properly renewed.



What does the 15-hours of CE consist of?

CE Requirements	Hours
Risk Management: Initial Contact to Accepted Offer*	3
State-approved electives	12
Elective #1	3
Elective #2	3
Elective #3	3
Elective #4	3
Required Total Number of CE Hours	15

****ALL Licensees are required to take
Risk Management: Initial Contact to Accepted Offer****

Attendance and Participation Standards of CE

Alabama real estate license law stipulates specific guidelines and requirements for CE credits:

- A student must be **present for 100%** of the CE course to receive credit. He cannot arrive late or leave early.
- Any hours in excess of 15 cannot be accumulated and carried forward into subsequent renewal periods.
- A licensee can take a CE course in another state and receive credit for it in Alabama as long as appropriate documentation is submitted to the Commission in advance of taking the course.



Exemption from Continuing Education Requirements

There are four situations in which a licensee would be exempt from the CE requirement:

- Completion of the required **30-Hour Salesperson Post-License course**
- Completion of the **60-Hour Broker Pre-License course**
- Time served as a member of the **state legislature** during each license renewal period
- If a licensee is both **65 years old prior to October 1, 2000** and has held a real estate license continuously **for 10 years prior**



Does an inactive licensee need to complete CE before reactivating a license?

Yes and no. It depends on how long the license has been inactive.

To reactivate an inactive license that was previously active during the current license period, a licensee:

- Does not need to take CE to reactivate;
- Pay the appropriate fees and reactive the license (\$25);
- Renew as active by August 31th; and
- Complete the CE requirements before the regular renewal deadline of September 30th.



Does an inactive licensee need to complete CE before reactivating a license?

To reactivate an inactive license that has not been active AT ALL during the current license period, a licensee must:

- Take 15 hours of CE immediately before reactivation;
- Pay the appropriate fees and reactive the license (\$25);
- Renew as active by August 31th; and
- Complete another 15 hours of required CE before the regular renewal deadline of September 30th.



**This is the end of the current unit.
Please proceed to the next unit.**

Evidence of Transfer of a License

34-27-34(c)

According to Alabama real estate license law,
“A licensee shall not perform any act for which a license is required after his or her association with a qualifying broker has been terminated or changing qualifying broker until a new active license has been issued.”



Evidence of Transfer of a License

In order to keep conducting business while waiting for the new qualifying broker to receive his license, the following applies:

- Any license being transferred may be **mailed by certified or registered mail with return receipt requested** to AREC, along with their required form(s), license certificate(s) and fee(s).
- The paid receipt serves as evidence of a new license.



Evidence of Transfer of a License

- Effective date of transfer is the date of mailing provided all forms and fees were submitted correctly.
- Applicants have **10 days** after AREC receives mailing to correct any incorrect forms or fees.
- If not corrected, the attempted transfer is considered not complete and the license is placed on inactive status.



License Renewal Forms

The Commission mails renewal forms prior to **August 1 of the final year** of each license period to the licensee's place of business if an active or to his residence if inactive.

- The qualifying broker then is responsible for notifying his licensees of the license renewals.
- If the licensee fails to receive a renewal form, the licensee is responsible for letting the Commission know that he didn't received a renewal notice by **August 10** of the even years.





**This is the end of the current unit.
Please proceed to the next unit.**