

Becoming a Real Estate salesperson

By Dave Krenk 1/14/2016

Contact the Nebraska Real Estate Commission (NREC) and ask them to send you an application packet. Ask for a printed copy of the Nebraska Real Estate Act (online is also available).

Follow the instructions provided and complete the application. You will need to either attach a passport-type photo or send them one via email. Submit the application along with the application fee.

You will receive a letter from NREC requesting any additional information they need (if any) and instructions on how to complete the background check. Do this soon as the background check takes around four weeks after you have submitted fingerprints. Take all paperwork to the agency where you will get fingerprints done. The Nebraska State Patrol has their own form so they may or may not use the one provided by NREC.

Take the required 60 hours of Real Estate classes. You can take classes in person or online. Results are usually sent to NREC but it is a good idea to keep copies of your proof of completion.

Take an exam prep course of your choice. Realestateexpress.com by McKissock is a good one and is only about \$69. If you fail the State portion of the exam, send them your failure notice and they will refund your tuition. This is helpful because retakes are \$150.

Read the Nebraska Real Estate Act. This was written by Lawyers and will likely remain as the most boring thing you have ever read. Make it a point to find and highlight the legal wording that supports the definitions and concepts you learned about in your classes and exam prep.

The actual State exam has questions that are based on definitions and a certain amount of general knowledge, but the more tricky questions are those that give you situations and require to apply the legal concepts. If possible, get together with your mentor and spend some time talking about license law. Also remember that some questions will be from the standpoint of being a broker, not just a salesperson.

When you have met all requirements with NREC, they will release your name to AMP, the testing contractor. You simply go to the AMP website and schedule your testing time. Read the provided information (from the original NREC packet) carefully as there are a lot of rules about the testing process, what type of calculator you are allowed to use, etc.

Take the tests. The National test is 2.5 hours, and the State test is 1.5 hours. You will receive your test results upon completion. If you pass both portions, you will have 30 days to complete the licensing requirements with NREC. If you have to do a retake, submit the fee to NREC, study some more, and schedule the retake. Once you pass the retake, the 30-day clock starts ticking.

Prior to licensing, you will need proof of Errors & Omission insurance. NREC has a group policy available but check with your Broker as they may have their own policy available.

NREC will need to know what broker you will be working with and they will collect your license fee for that year. If you do not have a Broker, you can have the license issued as Inactive. If you test in November or December, you can pay for the entire year (not prorated) or choose to have your license activated the following January 1.

You will need to have a separate Checking and Savings account for your Real Estate activities to avoid comingling personal and business funds. Mileage, supplies, fees, advertising and much more are all deductible so discuss this with your accountant or tax preparer and keep all receipts and records. You will need to fund at least the checking account because there will be some fees that start immediately (see RAL, below). The Savings account will be useful for setting aside money for Income Taxes (again, talk to your accountant or tax preparer)

Once you have been employed by a Broker, they will have their own paperwork for you to complete. Most Brokers will likely need the above account numbers to pay you commissions or debit your account for office fees.

Set up an appointment with the Realtor's Association of Lincoln (RAL). They will send you some information before your visit and set you up with access to the MLS and the Supra eKey system that will allow you access to key boxes. You will pay an initiation fee, prorated dues, and fees for the eKey system. In January, I paid about \$905 (in January the prorated dues are at a maximum).

Note that the Supra eKey is debited directly from your new checking account (on the day of your visit) so make sure it is funded. MLS fee (\$40/mo) and eKey fee (\$21/mo) will start shortly so be sure the account is funded. Keep an eye on this account as it may be a while before you have your first commission check.

RAL will give you dates for the training classes (2). Be sure to attend.

Meet with your Broker for any training that they require.

Treat it like a Million-dollar business!