

GETTING A TEXAS REAL ESTATE LICENSE



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TEXAS A&M UNIVERSITY

Texas Real Estate Research Center

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Getting a Texas Real Estate License



Who Needs a Real Estate License?

Selling, leasing, or managing real estate can be a rewarding occupation. But if these acts are performed for another for compensation, a license is required by Texas law. Practicing brokerage activity without a license can result in administrative and criminal action against the individual or business entity if the activity does not qualify for an exemption.

Brokerage Activity encompasses just about any activity involving the sale, exchange, purchase, or lease of real property performed for a third party for compensation (direct or indirect). The specific acts covered are set out in Texas Occupations Code [§1101.002](#) and include:

- listing;
- soliciting offers;
- locating, procuring, assisting or attempting to locate or procure property or purchasers;
- negotiating;
- promoting; referring; preparing written analysis of estimated price;
- auctioning;
- selling or buying options;
- assisting with short sales; and
- collecting rent on single-family residential property.

Exemptions from the requirement to be licensed exist for a limited number of situations, which are listed in Texas Occupations Code [§1101.005](#). The most common ones are an attorney licensed in Texas conducting a transaction under a court order, written will, trust document, or pursuant to a foreclosure; an onsite apartment complex manager; an employee of a builder; or owner or employee of an owner who leases that owner's property. A license is not required for a person acting on their own behalf or a license holder's clerical assistant who does not perform brokerage activities (TREC Rule [§535.5](#)).



Who Regulates Real Estate Licenses?

The Texas Legislature created the Texas Real Estate Commission (TREC) to administer [Chapter 1101](#) of the Texas Occupations Code, the statute setting out real estate license requirements and activities to safeguard consumers of real estate services in Texas. TREC has the authority to adopt and enforce rules necessary to implement Chapter 1101. These administrative rules can be found in the Texas Administrative Code, Title 22, Chapters 531 through 543 (TREC Rules).

The commission consists of nine members appointed by the governor, six of whom are brokers while three are members of the public. TREC maintains a full-time staff under an executive director to carry out the agency's responsibilities.



General Qualifications for an Individual Real Estate License

All applicants for a real estate sales or broker license must meet the following statutory qualifications:

- be 18 years of age or older;
- be a U.S. citizen or lawfully admitted alien;
- meet TREC requirements for honesty, trustworthiness, and integrity;
- complete required course work; and
- demonstrate competency by passing the license exam.



Fitness Determination Application – A First Step for Some

Paying for the required course work, filing an application, and taking the exam for a real estate license can be time-consuming and expensive. Anyone with a prior criminal offense conviction, unpaid judgment, disciplinary action against another occupational or professional license, or who has performed unlicensed activity, should consider filing a [Fitness Determination Application](#) before taking classes and filing an application for a license. It does not cost as much as an application and will allow TREC to determine if the requirements for honesty, trustworthiness, and integrity will be met prior to devoting time and money trying to obtain a license. Be sure to disclose all criminal offenses, including misdemeanors and ones that resulted in probation, community supervision, or deferred adjudication. The form provides space to explain the circumstances of items disclosed. TREC Rule [§535.52](#) sets out in more detail what TREC considers when determining an applicant's fitness for a license.



Steps for Obtaining a Real Estate Sales Agent License

Take and Submit Qualifying Education

Required qualifying education can be taken before or after an application is filed. However, since an application is good for one year from the date of filing, many people choose to start their education before filing an application to make sure they like the subject matter enough to continue or to give themselves enough time to complete the course work. Qualifying education consists of 180 classroom hours of the following approved courses:

- **Principles of Real Estate I** (30 classroom hours). An overview course focusing on real estate practices and licensure, distinctions between personal and real property, titles to and conveyances of real estate, deeds, encumbrances and liens, legal descriptions, ethics of practice as a license holder, fair housing laws, and the Texas Real Estate License Act (TRELA).
- **Principles of Real Estate II** (30 classroom hours). The second overview course focuses on real estate math, appraisal, finance and regulations, real estate specialties, real estate investment, leases, property management, estates, title to property, and closing procedures.
- **Law of Agency** (30 classroom hours). This focuses on the types of agency relationships between a license holder and the client, fiduciary duty, creating and terminating the agency relationship, ethics, disclosures, deceptive trade practices, and consumer protection.
- **Law of Contracts** (30 classroom hours). This course includes basic real estate law; elements of a contract; required use of TREC promulgated forms; unauthorized practice of law; offer and acceptance; owner disclosure requirements; remedies for breach; statute of frauds; and contingencies, addenda, and amendments.
- **Promulgated Contract Forms** (30 classroom hours). A course covering understanding and using current promulgated contract forms, TREC rules governing use of the forms, the



development of promulgated forms, and the unauthorized practice of law.

- **Real Estate Finance** (30 classroom hours). This covers monetary systems, government loan programs, loan applications, processes and procedures, equal credit opportunity laws, loan instruments, alternative financial instruments, lender closing costs, defaults, and foreclosure.

Classes must be taken from a TREC-approved [qualifying education provider](#) and are available in classroom, online, or correspondence format depending on the provider. TREC's webpage of qualified providers lists the name and format of each course approved for a specific provider; click on the dropdown arrow. Clicking on the name of a provider will bring up that provider's website. Providers are required to have students sign a pre-enrollment agreement setting out, among other things, the tuition for the course, refund policy, attendance policy, and exam procedures and fees, if applicable. Daily course instruction cannot exceed 12 hours. All qualifying courses will have a final examination the student must pass to get course credit.

On completion of each qualifying course, the provider issues the student a course completion certificate. A copy of course completion certificates is submitted to TREC at the time of or after filing an application. Some colleges and universities offer the qualifying courses, and TREC accepts a college transcript showing credit for the course(s) instead of a completion certificate. TREC staff will convert semester or quarter credits to classroom hour equivalents when analyzing the applicant's transcript, but basically one semester hour translates to 15 classroom hours, and one-quarter hour translates to ten classroom hours.

File an Application

The application for a real estate sales agent license can be filed with TREC online using their [Online Licensing Service](#). New users must first use the "sign-up" block to set up a username and password. The required [fee](#) is paid online using a credit card. A paper application can be filed by mail. The required fee must accompany the application and can be in the form of a cashier's check, personal check, or money order payable to TREC.

Applicants need to provide basic identifying information, including their Social Security number, which

will be kept confidential. Information about any criminal offenses (other than misdemeanor traffic tickets), other occupational licenses, unpaid judgments, or prior unlicensed activity also have to be disclosed. If the answer to certain questions is "yes," the applicant is asked to also submit a [Background History Form](#) to provide more detail and an explanation about that particular item. Attach a separate form for each additional license, judgment, or crime that needs to be reported. Answer all questions fully and honestly. Lying on an application is grounds for denial of a license. Having certain prior history does not automatically disqualify an applicant from getting a license. However, it may delay the process while TREC evaluates the matter and any current mitigating circumstances. In many cases, a regular or probationary license is still issued.

The application is valid for one year from the date of filing. Course completion certificates cannot be submitted to TREC until an application is on file. Applicants who do not complete the requirements and pass the licensure exam during that one-year period have to file a new application to get a license. Applicants can track the status of their applications online using TREC's [Application Status Tracker](#).

Get Fingerprinted and Pass Background Check

The law requires each applicant be fingerprinted so a criminal history background check can be performed. Morpho Trust is the vendor that collects and submits the fingerprints to the Texas Department of Public Safety, who sends the results to TREC. To submit fingerprints, applicants first must obtain an Identogo ID from the [Fingerprints Requirements](#) page on TREC's website by entering their TREC ID number (given after an application is filed) or their name and birthdate. Once the Identogo ID is obtained, the applicant can go to [identogo.com](#) to schedule an appointment at its nearest location. A fee may be collected at the time the fingerprints are taken.

TREC notifies the applicant if an investigation into the applicant's criminal history is initiated. If this happens, the time to process the application takes longer.

Applicants who have previously submitted fingerprints for a TREC or Texas Appraiser Licensing & Certification Board (TALCB) license do not have to get new fingerprints taken. However, TREC cannot accept

fingerprints taken for any other reason, including for another state-issued license or concealed weapon carry permit.

Pass the Exam

License exams are administered by PearsonVue, a testing service company. The [PearsonVue website](#) is full of good information about test locations, scheduling an exam, testing policies, test content outlines, and study resources. Their [Candidate Handbook](#) takes a future test taker through all the steps of the process and includes sample test questions for the exam. Candidates pay PearsonVue an exam administration fee by credit card, debit card, or voucher when they schedule an exam. Payment is not accepted at test centers.

- **Authorization to sit for the exam.** Once all pre-licensing education requirements are met and a complete application has been filed with the appropriate fee paid, TREC sends the applicant an eligibility letter that includes an ID number indicating that the applicant is an eligible candidate to sit for the examination. Candidates cannot schedule an exam prior to receiving this ID number.
- **Scheduling the exam.** PearsonVue has testing centers throughout Texas and at some military installations around the globe. Their website lists locations. Candidates must request an exam at least 24 hours in advance, either online or via telephone at 800-997-1248. No walk-in examinations are available. Each candidate is given four (4) hours to take the two-part exam. Before making a reservation, candidates should have the following information available: legal name; physical mailing address, email address, and daytime telephone number; TREC-ID# as provided on the eligibility letter received from TREC; the name of the examination; the preferred examination date and test center location (a list appears on their website and on the back cover of the *Candidate Handbook*).
- **Exam Structure and Content.** The real estate sales agent license consists of a national portion and a state portion. The national portion was developed by PearsonVue and reflects the nature and scope of tasks performed by real estate agents nationwide and the knowledge and skills they need to perform them. It

consists of 85 questions (80 scored questions and five pretest questions that do not count in the exam score) with 150 minutes allotted for completion. The [content outline](#) for the national portion sets out how many questions there will be for each topic. The state portion consists of approximately 40 questions (30 scored and five to ten pretest) with 90 minutes allotted for completion. It focuses on Texas-specific real estate law, regulations, and practices. A [content outline](#) with the number of questions on each topic is available.

- **Studying for the Exam.** In addition to the sample questions contained in the *Candidate Handbook*, national portion practice tests are available from PearsonVue online for a small fee. Candidates should review their pre-license course materials. Some providers offer license exam prep courses for a fee. No education credit is given by TREC for these courses.
- **Taking the Exam.** On the day of the exam, candidates should bring two forms of identification, with one being government issued with a photo and signature and the second containing a valid signature. Identifications must be in English. Candidates should arrive 30 minutes prior to their scheduled exam time to allow for check-in and a photograph that is added to their score report. Candidates must also give a digital signature and sign a Candidate Rule Agreement form. No paper, books, or personal items, including cellphones, watches, wallets, and purses, are allowed in the exam room. Lockers are provided for storage of these items. Acceptable calculators are allowed.

Before the exam begins, candidates will take a tutorial on the computer so he is comfortable with how it works. Timing of the exam begins when the candidate looks at the first question. The exam automatically stops when the allotted time has expired. All exams are monitored. The monitor will stop the exam if there is any evidence of cheating or violation of test center rules and report the incident to TREC. Once the exam is finished, the candidate receives a pass or fail score report at the test center. To pass the exam, a candidate must answer at least 56 questions correctly on the national portion and 21 questions correctly on the state portion.

- **Retaking the Exam.** Candidates who fail the exam are given a score report indicating the areas of the exam that were not passed. For test security reasons, actual questions missed are not disclosed. Candidates must wait at least 24 hours before rescheduling an exam. Only the portion of the exam that was failed (national or state) needs to be retaken. Scheduling a retake exam is done in the same manner as scheduling for the original exam, and candidates must pay a new fee. If the candidate fails the exam three times, he cannot retake the exam again until additional qualifying education is completed and submitted to TREC. Thirty classroom hours are required if one portion of the exam was not passed in three attempts, while 60 classroom hours are required if both portions of the exam were not passed in three attempts.
- **Accommodations.** PearsonVue will make reasonable test accommodations for individuals with documented disabilities. Candidates should make any request for accommodations at the time of scheduling the exam and include a clear explanation of the functional limitation and documentation from a professional who diagnosed or treats the condition. Accommodations can be requested using PearsonVue's [Reasonable Adjustments Request System](#), which is a secure, online system for making the request and submitting supporting documentation. PearsonVue may take up to ten business days to review the request.

Find a Sponsor

Within five to ten business days after the applicant passes both parts of the examination and passes the fitness determination, TREC will issue a real estate sales agent license in *inactive status*. That means the new agent cannot practice real estate brokerage yet. *To become active*, the agent must find a broker who is willing to sponsor the agent. A sponsorship request to a broker can be made using TREC's [Online Licensing Service](#). The username and password established to file an application is used for this purpose. Once the broker accepts the request, TREC issues an active license.

Have or Acquire Geographic Competency

Keep in mind that although residency is no longer required to get a real estate sales agent license, Texas Occupations Code [§1101.652\(a\)\(6\)](#) requires all license holders to be geographically competent. That means the license holder knows and “considers market conditions for the specific geographic area in which the license holder is providing a service.” Under TREC Rule [§535.2](#), the sponsoring broker is responsible for ensuring their sponsored agents either already have geographic competence or assist agents in acquiring it, so pick a sponsor who is engaged in the development of their agents.

Take Additional Education Before First Renewal

New real estate agents are not done with education requirements when they receive their license. There is an additional 90 hours of qualifying education courses that must be completed before their first license renewal (two years from the last day of the month of the date the license was issued). In addition, they must take Legal Update I & II. If this education is not completed by their renewal date, agents are not be able to renew in active status until it is finished.



Steps for Obtaining an Individual Broker License

Take Qualifying Education

Educational requirements for a broker license are set out in TREC Rule [§535.56](#) and consist of the 270 classroom hours of qualifying education required for a real estate sales agent license by the end of their first renewal. These must include the 30-classroom-hour Real Estate Brokerage Course completed not more than two years before the broker application date. In addition, broker license applicants must complete 630 classroom hours of education from TREC-approved qualifying or continuing education courses, or courses taken for credit from an accredited college or university in the following areas: accounting,



advertising, architecture, business or management, construction, finance, investment, law, marketing, and real estate. An applicant who has earned a bachelor's degree or higher from an accredited college or university will be deemed to have met the additional 630-classroom-hour requirement on submission of a college transcript showing the degree awarded.

Acquire Experience Points

Applicants for a broker license must have at least four years active experience as a licensed real estate sales agent or broker during the 60 months preceding the filing of an application. TREC has developed a point system for types of real estate transaction in TREC Rule [§535.56](#). Applicants must have 360 experience points to be eligible to take the broker license exam. Experience points are reported to TREC on a [Supplement A - Qualifying Experience Report form](#) at the time the application is filed. Experience points reported after the application is filed are reported on [Supplement B](#). A transaction identification list for each transaction claimed must be provided with the experience reports. Both Experience Report forms must be signed by the applicant's sponsoring broker.

File an Application

Applications for a broker license can be filed with TREC online using their [Online Licensing Service](#). New users must first use the "sign-up" block to set up a username and password. The required [fee](#) will be paid online using a credit card. They can also file a paper application by mail. The required fee must accompany the application and can be in the form of a cashier's check, personal check, or money order payable to TREC.

Applicants need to provide basic identifying information, including their Social Security number, which will be kept confidential. Information about any criminal offenses (other than misdemeanor traffic tickets), other occupational licenses, unpaid judgments, or prior unlicensed activity have to be disclosed. If the answer to certain questions is "yes," the applicant will be asked to submit a [Background History Form](#) to provide more detail and an explanation about that particular item. Attach a separate form for each additional license, judgment, or crime that needs to be reported. Answer all questions fully and honestly. Lying on an application is grounds for denial of a license.

Having certain prior history does not automatically disqualify an applicant from getting a license. However, it may delay the process while TREC evaluates the matter and any current mitigating circumstances. In many cases, a regular or probationary license will still be issued.

The application is valid for one year from the date of filing. Course completion certificates and Experience Reports cannot be submitted to TREC until an application is on file. Applicants who do not complete the requirements and pass the licensure exam during that one-year period will have to file a new application to get a license. Applicants can track the status of their applications online using TREC's [Application Status Tracker](#).

Get Fingerprinted and Pass Background Check

If the broker applicant has previously submitted fingerprints for a TREC or TALCB license, they do not have to get new fingerprints taken. TREC will use the fingerprints on file to run a new criminal background history check.

Otherwise, the law requires that each applicant be fingerprinted so a criminal history background check can be performed. Morpho Trust is the vendor that collects and submits the fingerprints to the Texas Department of Public Safety, who sends the results to TREC. To submit fingerprints, applicants first must obtain an Identogo ID from the [Fingerprints Requirements](#) page on TREC's website by entering their TREC ID number (given after an application is filed) or their name and birthdate. Once the Identogo ID is obtained, the applicant can go [Identogo.com](#) to schedule an appointment at its nearest location. A fee may be collected at the time the fingerprints are taken. TREC notifies the applicant if an investigation into the applicant's criminal history is initiated. If this happens, it will take longer to process the application.

Pass the Exam

License exams are administered by PearsonVue, a testing service company. The [PearsonVue website](#) is full of good information about test locations, scheduling an exam, testing policies, test content outlines, and study resources. Their [Candidate Handbook](#) takes a future test taker through all the steps of the process

and includes sample test questions for the exam. Candidates pay PearsonVue an exam administration fee by credit card, debit card, or voucher when they schedule an exam. Payment is not accepted at the test centers.

- **Authorization to sit for the exam.** Once all broker license education and experience requirements are met and a complete application has been filed with the appropriate fee paid, TREC sends the applicant an eligibility letter that includes an ID number indicating the applicant is eligible to sit for the examination. Applicants cannot schedule an exam prior to receiving this ID number.
- **Scheduling the exam.** PearsonVue has testing centers throughout Texas and at some military installations around the globe. A list of locations is on their website. An exam must be requested at least 24 hours in advance, either online or via telephone at 800-997-1248. No walk-in examinations are available. Each broker candidate has four (4) hours to take the two-part exam. Before making a reservation, candidates should have the following information available: legal name; physical mailing address, email address, and daytime telephone number; TREC-ID# as provided on the eligibility letter received from TREC; name of the examination; preferred examination date and test center location (a list appears on their website and on the back cover of the *Candidate Handbook*).
- **Exam Structure and Content.** The real estate broker license consists of a national portion and a state portion. The national portion was developed by PearsonVue and reflects the nature and scope of tasks performed by real estate agents nationwide and the knowledge and skills they need to perform them. It consists of 85 questions (80 scored questions and five pretest questions, which do not count in the exam score) with 150 minutes allotted for completion. The [content outline](#) for the national portion sets out the number of questions for each topic. The state portion consists of approximately 60 questions (50 scored and 5-10 pretest) with 90 minutes allotted for completion. The state portion includes ten case study questions that may be narrative scenarios or related to contract form use. It focuses on

Texas-specific real estate law, regulations, and practices. A [content outline](#) with the number of questions on each topic is available.

- **Studying for the Exam.** In addition to the sample questions contained in the *Candidate Handbook*, national portion practice tests are available from PearsonVue online for a small fee. Candidates should review the education they took for credit toward their broker license. Some providers offer license exam prep courses for a fee. TREC does not give education credit for these courses.
- **Taking the Exam.** On the day of the exam, candidates should bring two forms of identification, with one being government-issued with a photo and signature and the second containing a valid signature. Identifications must be in English. Candidates should arrive 30 minutes prior to their scheduled exam time to allow for check-in and a photograph that will be added to their score report. Candidates must also give a digital signature and sign a Candidate Rule Agreement form. No paper, books, or personal items, including cellphones, watches, wallets, and purses, are allowed in the exam room. Lockers are provided for storing these items. Acceptable calculators are allowed.

Before the exam begins, the candidate will take a tutorial on the computer, so they are comfortable with how it works. Timing of the exam begins when the candidate looks at the first question. The exam automatically stops when the allotted time expires. All exams are monitored. The monitor will stop the exam if there is any evidence of cheating or violation of test center rules and report the incident to TREC. Once the exam is finished, the candidate receives a pass or fail score report at the test center. To pass the exam, a candidate must answer at least 60 questions correctly on the national portion and 38 questions correctly on the state portion.
- **Retaking the Exam.** Candidates who fail the exam will be given a score report indicating the areas of the exam they did not pass. For test security reasons, actual questions missed will not be disclosed. Candidates must wait at least 24 hours before rescheduling an exam. The candidate needs to retake only the portion of the



exam that he failed (national or state). Scheduling a retake exam is done in the same manner as scheduling for the original exam, and a new fee needs to be paid. If the candidate fails the exam three times, he cannot retake the exam until additional qualifying education is completed and submitted to TREC. Thirty classroom hours are required if one portion of the exam was not passed in three attempts, while 60 classroom hours are required if both portions of the exam were not passed in three attempts.

- **Accommodations.** PearsonVue will make reasonable test accommodations for individuals with documented disabilities. Any request for accommodations should be made at the time of scheduling the exam and include a clear explanation of the functional limitation and documentation from a professional who diagnosed or treats the condition. Accommodations can be requested using PearsonVue's [Reasonable Adjustments Request System](#), which is a secure, online system for making the request and submitting supporting documentation. PearsonVue may take up to ten business days to review the request.

Have or Acquire Geographic Competency

For brokers, as with sales agents, Texas Occupations Code [§1101.652\(a\)\(6\)](#) requires all license holders be geographically competent. That means the license holder knows and “considers market conditions for the specific geographic area in which the license holder is providing a service.”



Steps for Obtaining a Business Entity Broker License

Under Texas Occupations Code [§1101.351\(a-1\)](#), business entities that engage in brokerage activities in Texas must be licensed by TREC before they can perform brokerage services. This requirement also applies to an entity owned by a current real estate license holder for the sole purpose of receiving compensation earned by that license holder (TREC Rule [§535.4\(g\)](#)).

Qualifications

The business entity (corporation, limited liability company, general partnership, limited partnership, limited liability partnership) must:

- be authorized to transact business in Texas;
- designate an active Texas real estate broker to act on behalf of the entity; or
- if created outside Texas, be licensed as a broker in another state or, if no such licensure exists in that state, be lawfully engaged in real estate broker activities in that state.

Designate a Qualified Broker

The business entity must designate an active individual broker to act on its behalf for all brokerage activity before it can be licensed. The designated broker must be a managing officer of the entity and in good standing with the commission. Pursuant to TREC Rule [§535.53](#), an individual broker is not considered to be in good standing if:

- the broker's license is revoked or suspended, including probated revocation or suspension;
- a business entity licensed by TREC while the broker was the designated broker for that business entity had its license revoked or suspended, including probated revocation or suspension, in the past two years;
- the broker has any unpaid or past due monetary obligations to TREC, including administrative penalties or recovery fund payments; or
- a business entity licensed by TREC has any unpaid or past-due monetary obligations to TREC, including administrative penalties or recovery fund payments, that were incurred while the broker was the designated broker for the entity.

The designated broker must have fingerprints on file with the Texas Department of Public Safety for TREC so a new criminal history background check can be performed.

File an Application

Applications for a broker entity license can be filed with TREC online using their [Online Licensing Service](#). New users must first use the “sign-up” block to set up a username and password. They will pay the required

[fee](#) online using a credit card. They can also file a paper application by mail. The required fee must accompany the application and can be in the form of a cashier's check, personal check, or money order payable to TREC.

Both the designated broker and the entity's president, limited liability company manager, or managing general partner must sign the entity application.

Information about any criminal offenses (other than misdemeanor traffic tickets), other occupational licenses, unpaid judgments, or prior unlicensed activity have to be disclosed for both the entity and the designated broker. If the answer to certain questions is "yes," the applicant will be asked to submit a [Background History Form](#) to provide more detail and an explanation about that particular item. Attach a separate form for each additional license, judgment, or crime that needs to be reported. Answer all questions fully and honestly. Lying on an application is grounds for denial of a license. Having certain prior history does not automatically disqualify an applicant from getting a license. However, it may delay the process while TREC evaluates the matter and any current mitigating circumstances. In many cases, a regular or probationary license will still be issued.

The application is valid for one year from the date of filing. Applicants can track the status of their applications online using TREC's [Application Status Tracker](#).

Submit Required Documents

- **Franchise Tax Account Status** printout from the [Texas Comptroller of Public Account's Office](#) provides proof the business entity is authorized to conduct business in Texas. The copy of the page provided to TREC must be issued within 21 days prior to the date the application is filed.
- **Proof of Managing Authority** is necessary to show the designated broker has management authority for the entity as required by TREC Rule [§535.53](#). The documentation necessary to show that authority will differ based on the type of entity.
 - o For corporations, acceptable documentation includes corporate resolution or meeting minutes signed by the directors or all shareholders; articles of Incorporation and/

or bylaws (and amendments, if any) to show who can sign the corporate resolution or minutes; and officer and directors listed on the Franchise Tax Account Status page.

- o For Limited Liability Companies (LLCs), documentation includes the operating agreement signed by all members, certificate of formation, company resolution, and officer and directors listed on the Franchise Tax Account Status page.
- o For partnerships, the necessary documentation would be the Partnership Agreement showing the designated broker as a general partner.

TREC staff will contact the entity if additional information is required after review of the submitted documents.

- **Proof of Ownership or E & O Insurance Coverage**

Pursuant to TREC Rule [§535.53](#), the entity must provide proof the designated broker owns 10 percent or more of the business entity or provide evidence that the entity maintains errors and omissions insurance in the amount of \$1 million per occurrence. Proof of ownership documentation will vary based on the type of entity.

- o For corporations, acceptable documentation can be stock certificates, IRS Schedules K-1 or C or G, or corporate resolutions or minutes, signed by all directors or shareholders (must also include articles of Incorporation or bylaws).
- o For LLCs, acceptable documentation can be the operating agreement, signed by all members, or IRS Schedules K-1 or C.
- o For partnerships, acceptable documentation can be the Partnership Agreement, signed by all partners or IRS Schedules K-1 or C.

Entities must submit proof of insurance on TREC's [Certificate of Insurance for a Broker Entity](#) form. TREC staff will contact the entity if additional information is required after review of the submitted documents.





Special Rules for Military Service and Military Spouses

The Texas Legislature has enacted several laws for the benefit of active military, military spouses, and veterans to help with obtaining occupational licenses in Texas. TREC has procedures in place to expedite and assist military personnel and their spouses who either hold a current real estate license in another state that has substantially equivalent licensing requirements or have held the type of license they are

now applying for in Texas in the past five years. Those applicants should attach the [Supplemental Form for Military Service Members, Military Veterans, and Military Spouses](#) to the license application submitted to TREC.

The [Credit for Military Experience Form](#) allows an active duty or veteran of the United States military to apply to put credit for applicable education, experience, or training acquired during their service toward requirements for a real estate sales or broker license. TREC staff will review the submitted request and any documentation. The decision on what credit can be awarded is made on a case-by-case basis.





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