

254 CMR: BOARD OF REGISTRATION OF  
REAL ESTATE BROKERS AND SALESMEN

254 CMR 2.00: LICENSURE

Section

2.00: Licensure

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- (1) Purpose. 254 CMR 2.00 sets forth the application procedures, examination, experience, good moral character requirements for licensure.
- (2) Applications. Applications for licenses shall be made on forms furnished by the Board and shall be accompanied by the prescribed fee.
- (3) Examinations. No broker or salesperson license shall be issued to any individual unless such individual satisfactorily passes a written examination conducted by the Board or its agent. Prior to taking the examination applicants must submit certification to the Board that the required education has been completed. This certification shall be valid for a period not to exceed 24 months following the date on which the education was completed. Any applicant who is an attorney at law in good standing of this Commonwealth shall not be required to take such examination.
- (4) Re-examination. An individual who fails to pass the written examination for a real estate broker or salesperson may be re-examined by paying the prescribed fee.
- (5) License Fees. An individual who has been notified of passing the examination for real estate broker or salesperson must pay the prescribed fee within 30 days from the date of notification. If the required fee is not paid within the specified time period the individual shall be required to be re-examined and pay the prescribed fee for such examination. This requirement may be waived by the Board upon showing of good cause.
- (6) Experience Requirement for License as a Broker. A salesperson seeking licensure as a real estate broker must:
  - (a) Be employed or affiliated with a licensed real estate broker in performing those activities as defined (for licensed salespeople) in M.G.L. c. 112, § 87PP for at least three years. The Board shall determine the form and manner to verify such employment or affiliation.
  - (b) Be employed or affiliated with such licensed real estate broker for a minimum of 25 hours per calendar week under the supervision of such broker.
  - (c) Obtain licensure as a real estate broker within two years of the date that such employment or affiliation as a real estate salesperson is terminated.
- (7) Moral Character. Each individual seeking a license as a broker or salesperson shall furnish evidence of good moral character. Applications for a license shall be accompanied by the recommendations of three reputable citizens, not related to the applicant, who reside in or have their place of business in the Commonwealth. Each recommendation shall certify that the individual bears a good reputation for honesty and fair dealing and shall recommend that a license be granted to such individual.
- (8) Personal Appearance. Applicants may be required to appear at the office of the Board for an interview.
- (9) Qualification Reports. The Board may require each individual seeking a license to submit a report from an independent source pertaining to the individual's previous occupation or any other information which is material to the qualification of such individual for a license.
- (10) Surety Bonds. No broker's license shall issue or be renewed until such broker gives the Board the bond required by M.G.L. c. 112, § 87TT.

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2.00: continued

(11) Business Entities. No licensee may engage in the business of real estate brokering in a corporation, limited liability company (LLC), partnership, limited liability partnership (LLP), association or society unless the entity is licensed by the Board.

No broker's license shall issue to a corporation, LLC, partnership, LLP, association or society unless an officer in such corporation, society or association or partner in a partnership is a licensed broker in the Commonwealth and designated as the broker of record for the entity. The broker of record must be currently licensed at all times, otherwise the license of the entity shall cease. The broker of record shall be in responsible charge of the business entity and personally responsible for the acts of the entity and its employees and agents.

(12) LLC, LLP Insurance. An LLC and LLP must maintain professional liability insurance which meets the following minimum standards:

(a) The insurance shall cover negligence, wrongful acts, errors and omissions and insure the LLC and its officers or the LLP and its partners as required by M.G.L. c. 156C, § 65 and M.G.L. c. 108A, § 45(8)(a).

(b) The insurance shall be in an amount for each claim of at least \$50,000 multiplied by the number of individual licensees employed by, or officers of, the LLC, and in an aggregate amount of at least \$150,000 multiplied by the number of individual licensees who are employed by, or officers of, the LLC.

(c) The insurance shall be in an amount for each claim of at least \$50,000 multiplied by the number of individual licensees employed by, or partners of, the LLP, and in an aggregate amount of at least \$150,000 multiplied by the number of individual licensees who are employed by, or partners of, the LLP.

(d) The requirements of 254 CMR 2.00(12) shall be satisfied if the LLC or LLP maintains insurance sufficient to provide coverage at a level of at least \$300,000 for each claim with an aggregate top limit of liability for all claims, during any one year, of at least \$1,000,000; and

(e) The insurance required by 254 CMR 2.00(12) may provide that it does not apply to any dishonest, fraudulent, criminal, or malicious act or omission of the insured LLC, or any officer or employee thereof, or the LLP, or any partner or employee thereof.

(f) Cancellation or any other interruption in required insurance coverage shall require the LLC or LLP to immediately cease the practice of real estate brokering until such time as the LLC or LLP is in compliance with 254 CMR 2.00(12).

(g) An LLC or LLP must notify the Board within five business days, if the LLC or LLP insurance coverage is canceled or otherwise interrupted. Failure to provide required notice to the Board will subject the LLC and its officers or the LLP and its partners who are licensed by the Board to disciplinary action pursuant to M.G.L. c. 112, § 87AAA.

(h) An LLC or LLP may be required to provide verification of compliance with 254 CMR 2.00(12), satisfactory to the Board, when it seeks initial licensure, the renewal of such license and at any other time at the request of the Board.

(13) Reciprocal Licensure. The Board may issue a real estate salesperson or brokers license to individuals licensed in other states or jurisdictions without requiring the satisfaction of the education and examination requirements where such other state or jurisdiction has laws similar to the Commonwealth governing the practice of real estate brokering and extends the same privilege to licensed Massachusetts real estate brokers and salespersons. Applicants for reciprocal licensure shall apply on the form provided by the Board and pay the prescribed fee.

(14) License Renewal. Any license renewal sought after license expiration must be on the form provided by the Board and verify to the Board's satisfaction completion of continuing education as required by M.G.L. c. 112, § 87XX½, and be accompanied by the prescribed fee.

REGULATORY AUTHORITY

254 CMR 2.00: M.G.L. c. 13, § 56; c. 112, §§ 87RR, 87SS and 87TT.