



FREE GUIDE FOR ILLINOIS BROKERS

Will I Lose My License?

What every Illinois broker should know before
stepping back from real estate.

By D.J. Paris

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The short version

SHORT ANSWER

An Illinois broker license stays active only while a brokerage sponsors it. Leave your brokerage and it goes inactive immediately. Inactive licenses can't earn new referral fees, but they still must be renewed, with CE, by April 30 of every even-numbered year. Next deadline: April 30, 2028. Miss it and the license expires.

This guide walks through what each license status means, what you still have to do while you're not practicing, how referral fees work, and the mistakes that cost brokers money. Every rule here is drawn from the Illinois Real Estate License Act (225 ILCS 454), its rules (68 Ill. Adm. Code 1450) and IDFPR's own forms.

1. The three license statuses

Status	What it means	Can you practice?	Can you earn new referral fees?
Active	Current, and sponsored by a brokerage	Yes	Yes, through your sponsoring brokerage
Inactive	Current, but no brokerage sponsors it	No	No
Expired	You missed the April 30 renewal	No	No

Illinois rules are blunt about it: "Practicing or offering to practice on an expired or inactive license shall constitute unlicensed practice."

2. What happens the day you leave your brokerage

- Your license automatically becomes inactive immediately when the sponsorship ends.
- Whoever ends it must notify IDFPR within 24 hours.
- There's no deadline to find a new sponsor. An inactive license can stay inactive as long as you keep renewing it.
- Commission for work you did while you were still sponsored can still be paid to you afterward.

D.J.'S TAKE

I keep my own Illinois license active, and real estate isn't my profession. But every so often a friend asks me, "Do you know a good agent?" Each one of those questions is a referral I'd lose if my license were sitting inactive.

3. Your three options when you stop practicing

Option	Typical cost	Earn referral fees?	Best for
Stay at your brokerage	\$0 to thousands a year, depending on desk, MLS and association fees	Yes	Brokerages that charge you nothing to stay
Go inactive	No company fee. You still renew and do CE.	No	People expecting zero referrals, or whose new job bars referral fees
License holding company	About \$75 to \$122 a year, plus the state's \$35 transfer fee	Yes	Staying active, skipping dues, still getting paid for referrals

4. Your renewal calendar

Every Illinois broker license expires on April 30 of each even-numbered year, active or inactive. The state renewal fee is \$200.

When you were first licensed	What you need to renew (per IDFPR's 2026 fact sheet)
Before Nov. 1, 2023	12 hours: a 6-hour core course (at least 2 hours of fair housing) plus 6 elective hours, including sexual harassment prevention training
Nov. 1, 2023 to Oct. 31, 2025	45 hours of post-license education
On or after Nov. 1, 2025	45 hours of post-license education, completed by April 30, 2028

CE rules can change between cycles. Check IDFPR's current fact sheet before you sign up for courses.

Your renewal checklist

1. Write down your deadline: April 30, 2028. Set a reminder for March 1, 2028.
2. Look up your license on IDFPR and confirm your status and expiration date.
3. Figure out which CE you need from the table above.
4. Take your CE early, and keep your completion certificates.
5. Renew and pay the \$200 fee before April 30.
6. Check your status again after renewing.

D.J.'S TAKE

Put April 30, 2028 in your calendar right now. I'll wait. Then add a second reminder 60 days earlier, because nobody in history has enjoyed doing 12 hours of CE the weekend before a deadline.

5. If your license already expired

Time since it expired	What you need to do	State fees
Up to 2 years	Renew with proof of CE	\$200 renewal + \$75 late fee
2 to 5 years	Restoration application (IDFPR Form IL505-0760), CE for each lapsed term	\$75 late fee + every lapsed renewal fee
More than 5 years	Meet all new-applicant requirements	New-applicant fees

6. How referral fees work in Illinois

- Referring clients for pay is licensed activity. The Act's definition of a broker includes anyone who, for compensation, "assists or directs in procuring or referring of leads or prospects."
- Fees come through your sponsoring brokerage. A sponsored licensee may accept compensation only from their sponsoring broker.
- No fees to unlicensed people. Illinois rules don't allow referral fees to an unlicensed person who isn't a principal to the transaction.
- An inactive license can't earn fees for new referrals. Fees earned while you were still sponsored can still be paid.

Home sale price	Agent's commission (2.5%)	Referral fee (25%)	You keep at 80%
\$250,000	\$6,250	\$1,562.50	\$1,250
\$350,000	\$8,750	\$2,187.50	\$1,750
\$500,000	\$12,500	\$3,125	\$2,500

Examples only. Commissions and referral percentages are negotiated deal by deal.

D.J.'S TAKE

This is the one that stings. Your neighbor buys a house with the agent you recommended, and the referral check you'd have gotten simply doesn't exist, because your license was inactive that month.

7. Five mistakes that cost brokers money

1. Assuming "inactive" means you can skip renewal.
2. Making a referral while inactive.
3. Taking a referral fee directly from another agent instead of through your brokerage.
4. Paying a referral fee to an unlicensed friend.
5. Letting the license lapse "for a while."

8. Questions to ask any license holding company

1. What's the full first-year cost, including one-time fees?
2. What share of each referral fee do I keep?
3. How and when do I get paid?
4. Can I refer to any agent I choose?
5. How quickly will you release my license when I leave?
6. Will a real person answer the phone?

FREE 2-MINUTE LICENSE CHECK-UP

Not sure whether to stay put, go inactive or hold your license with us? Call D.J.'s team at 312.238.9796 and ask for a two-minute license check-up. We'll tell you straight, even if the answer is "go inactive."

Keep your license active for \$109 a year

Illinois Real Estate License Holding is a wholly owned subsidiary of Kale Realty. We sponsor your license so it stays active, and you keep 80% of every referral fee. No MLS fees, no association dues, no desk fees, and you can leave anytime to practice again.

What it costs: \$109 a year, plus a one-time \$24 setup fee. The state also charges a \$35 transfer fee (plus a small convenience fee if you pay online), which you pay directly to IDFPR. That's it from us.

Hold your license: illinoisrealestatelicenseholding.com/forms

Thinking about joining? Call 312.238.9796

Already a member? Call 312.939.5253

Email: info@illinoisrealestatelicenseholding.com

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About the author

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Sources

Illinois Real Estate License Act, 225 ILCS 454: sections 1-10 (definitions), 5-40 (sponsorship), 5-50 and 5-70 (education), 10-5 (compensation).

68 Ill. Adm. Code 1450: sections 1450.115 (terminating sponsorship), 1450.130 (fees), 1450.140 (renewal; practicing on an inactive or expired license), 1450.145 (restoration), 1450.780 (referral fees).

IDFPR: Request to Change License Status from Active to Inactive (Form IL505-0783); Restoration application (IL505-0760); 2026 Real Estate Broker CE fact sheet; sponsorship instructions.

This guide is general information, not legal advice. Rules change. Confirm current requirements with IDFPR before you act.