REAL ESTATE RESOURCES ACADEMY

# GEORGIA REAL ESTATE EXAM TEST PREP STUDY GUIDE

National exam review • Georgia license law • Side-by-side comparisons • Math formulas • Practice questions

Verified against current official sources

**VERIFIED 2026 EDITION**

Reviewed against current GREC, PSI, and federal source materials, with a dedicated section comparing national exam content to Georgia-specific rules.

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## About This Guide

This guide is a focused review for candidates preparing for the Georgia real estate salesperson exam, which tests both national real estate concepts and Georgia-specific license law. Part I places national and Georgia rules side by side so you can see exactly where they overlap and where Georgia diverges. Parts II and III give you a full topic-by-topic reference for each portion of the exam, followed by math formulas, 30 practice questions, and a 7-day review plan.

*Study for understanding, not memorization. Exam questions often change the scenario while testing the same underlying rule.*

## Source Verification

This edition was reviewed against current official materials and re-verified against current GREC, Georgia Secretary of State, and federal sources, including PSI's real-estate testing resources, the Georgia Secretary of State's current Georgia Real Estate Commission rules (Chapter 520-1), O.C.G.A. Title 43, Chapter 40, GREC materials identifying PSI as Georgia's exam provider, HUD fair-housing guidance, CFPB regulations for RESPA/TILA/ECOA, and EPA lead-based-paint disclosure guidance.

Exam fees, scheduling procedures, testing locations, and administrative policies can change. Always confirm those operational details directly with PSI/GREC before scheduling.

# PART I — NATIONAL VS. GEORGIA: SIMILARITIES & DIFFERENCES

A side-by-side view of where Georgia rules mirror national standards and where Georgia law adds its own requirements. Use this section to quickly spot which topics need extra state-specific memorization.

The Georgia salesperson exam blends a national portion, covering concepts tested in most states, with a Georgia-specific portion covering Chapter 520-1 of the GREC rules. Some topics are nearly identical in both halves of the exam; others carry a Georgia-only twist that is easy to miss if you only study national material. The table below flags each relationship so you know where to focus extra review time.

| | |
|---|---|
| **SAME** — Georgia follows the national standard as-is | **GEORGIA ADDS DETAIL** — same core idea, extra Georgia procedure |
| **GEORGIA-SPECIFIC** — a distinct Georgia number, form, or deadline | **GEORGIA-UNIQUE** — a rule with no real national counterpart |

## Topic-by-Topic Comparison

| Topic | National Standard | Georgia Rule | Relation |
|---|---|---|---|
| **Fair housing protections** | Federal Fair Housing Act bars discrimination based on race, color, national origin, religion, sex, familial status, and disability. | Georgia licensees must comply with the same seven federally protected classes; Georgia has not added extra state-level protected classes through GREC rule. | SAME |
| **Agency & repr esentation** | Generic fiduciary-style duties: loyalty, obedience, disclosure, confidentiality, accounting, reasonable care. | Georgia's Brokerage Relationships in Real Estate Transactions Act (BRRETA) formally defines client vs. customer status and codifies which duties apply to each. | GEORGIA ADDS DETAIL |
| **Real estate math** | Commission, LTV, cap rate, GRM, proration, and area formulas are tested the same way on any state exam. | Georgia math questions use the identical formulas; no state-specific calculation methods apply. | SAME |
| **Deeds & title transfer** | General warranty, special warranty, and quitclaim deeds convey title with varying levels of warranty. | Georgia recognizes the same deed types, but most Georgia financing uses a security deed (a conveyance of title to the lender as security) rather than a traditional mortgage lien. | GEORGIA-SPECIFIC |
| **Closing process** | National content generally treats closings as an escrow or settlement-agent function without requiring attorney involvement. | Georgia is an attorney-closing state: preparing the deed and conducting the closing is legally considered the practice of law, so a licensed Georgia attorney must be involved. | GEORGIA-UNIQUE |
| **Trust funds / earnest money** | General principle: licensees must safeguard client funds and avoid commingling. | Georgia adds specific procedures: funds go to the broker as soon as practicably possible, deposits follow written-agreement rules, and the broker must reconcile the trust account in writing at least monthly. | GEORGIA ADDS DETAIL |
| **Advertising rules** | Advertising must not violate fair-housing law or misrepresent the property. | Georgia additionally requires broker supervision, use of the firm name, written seller/owner permission before advertising, and disclosure when a listing belongs to another firm. | GEORGIA ADDS DETAIL |
| **License number format** | National content does not test a specific license-number format. | Georgia license numbers combine a license-type letter with a six-digit Commission-issued number (for example, S000004 for a salesperson), and this number must appear on brokerage engagements and offers. | GEORGIA-SPECIFIC |
| **Continuing education** | National content does not test a specific CE hour requirement, since this varies significantly by state. | Georgia requires 36 CE hours every 4-year renewal period (including 3 hours of license law); brokers must also complete 18 broker-specific hours within that total, effective July 1, 2025. | GEORGIA-SPECIFIC |
| **Postlicense education** | Not a national exam topic; postlicense requirements are state-specific everywhere. | Georgia requires a 25-hour (or longer) Commission-approved postlicense course within the licensee's first year; 9 of those hours also count toward the first CE renewal. | GEORGIA-SPECIFIC |

| Topic | National Standard | Georgia Rule | Relation |
|---|---|---|---|
| **License activation window** | Not tested nationally; timing rules vary by state. | A Georgia salesperson must apply within 3 months of passing the exam to avoid a higher fee, and within 12 months of passing or the exam must be retaken. | **GEORGIA-SPECIFIC** |
| **Record retention** | General principle: brokers should keep transaction records for a reasonable, defined period. | Georgia requires brokers to retain contracts, brokerage engagements, closing statements, and leases for three years, and trust-account reconciliations for three years as well. | **GEORGIA ADDS DETAIL** |
| **RESPA Section 8** | Federal law prohibiting kickbacks and unearned fee splits on federally related mortgage settlement services. | Applies in Georgia exactly as written federally; Georgia trust-account rules are a separate, additional layer of state regulation on top of RESPA, not a replacement for it. | **SAME + GA LAYER** |
| **Discipline & enforcement** | General principle: a state regulatory board can discipline licensees for violations. | The Georgia Real Estate Commission (GREC) has express statutory and rule-based authority (Chapter 520-1) to discipline for license-law violations and specified improper conduct. | **GEORGIA-SPECIFIC** |

## What This Means for Your Study Plan

- If a topic is tagged **SAME**, one round of national review covers you for both exam portions.
- If a topic is tagged **GEORGIA ADDS DETAIL**, learn the national concept first, then layer the Georgia procedure on top — the underlying idea is not new, but the specifics are testable.
- If a topic is tagged **GEORGIA-SPECIFIC** or **GEORGIA-UNIQUE**, treat it as a dedicated memorization item. These are the rules most likely to trip up candidates who over-rely on generic national prep materials.

# PART II — NATIONAL REAL ESTATE REVIEW

National focus areas: property ownership, land use, valuation, financing, agency, disclosures, contracts, title transfer, real estate practice, calculations, and specialty topics.

## 1. Property Ownership

**Real property**
Land plus things permanently attached to it, together with legal rights associated with ownership.

**Bundle of rights**
Commonly summarized as possession, control, enjoyment, exclusion, and disposition.

**Fixture**
Personal property that becomes real property through attachment and intent. Use MARIA as a memory aid: Method, Adaptation, Relationship, Intention, Agreement.

**Freehold estate**
An ownership interest of indefinite duration, such as fee simple or a life estate; the holder owns the property itself, not just the right to use it for a set time.

**Leasehold estate**
A tenant's right to possess and use real property for a defined period under a lease; the tenant holds a possessory interest, while the landlord retains ownership.

**Fee simple**
The broadest private ownership estate; potentially indefinite duration, freely transferable, with no conditions attached.

**Fee simple defeasible**
A fee simple interest that can be cut short if a stated condition occurs. A fee simple determinable ends automatically on the condition (e.g., 'so long as'); a fee simple subject to condition subsequent requires the grantor to act to retake the property (e.g., 'but if').

**Life estate**
Ownership measured by the lifetime of a named person. A remainder may follow; a reversion may return to the grantor.

**Concurrent ownership**
Any form of co-ownership by two or more people; every form of concurrent ownership involves an undivided interest, meaning each owner has rights to the whole property rather than a specific physical portion.

**Tenancy in common**
The default form of concurrent ownership when a deed does not specify otherwise. Co-owners may hold unequal shares, each with an undivided interest, and there is no automatic survivorship.

**Joint tenancy**
Co-ownership with right of survivorship, created only when the four unities are present: Possession, Interest, Time, and Title (PITT), all acquired equally and simultaneously via the same deed.

**Severalty**
Ownership by one person or one legal entity.

| | |
|---|---|
| **Encumbrance**<br>A claim, lien, easement, restriction, or other burden affecting title or use. | **Easement**<br>A nonpossessory right to use another's land for a specific purpose. |
| **Easement by necessity**<br>Arises when a parcel is landlocked and access across an adjoining parcel is required to reach a public road; created by operation of law rather than by agreement. | **Easement by prescription**<br>Arises from open, notorious, continuous, and hostile use of another's land for the period required by state law, similar in concept to adverse possession but for use rather than title. |

## 2. Land Use Controls & Regulations

**Police power**
Government authority supporting zoning, building codes, health/safety rules, and land-use regulation.

**Eminent domain**
Government power to take private property for public use with just compensation; condemnation is the legal process.

**Taxation**
Government power to impose property taxes.

**Escheat**
Property may revert to the state when an owner dies without heirs and without a valid will, subject to state law.

**Zoning**
Public land-use regulation. A variance typically provides relief from strict application due to hardship; a nonconforming use may continue when lawful before a zoning change.

**Deed restrictions**
Private restrictions recorded against property; they are different from zoning.

## 3. Valuation & Market Analysis

**Market value**
The most probable price under typical competitive-market conditions, assuming informed parties and no undue pressure.

**Sales comparison approach**
Compares the subject with recent comparable sales and adjusts comparables for differences.

**Cost approach**
Land value + cost new – depreciation. Often useful for newer or special-purpose properties.

**Income approach**
Values income-producing property using its earning ability.

**Capitalization**
Value = Net Operating Income ÷ capitalization rate.

**CMA vs appraisal**
A comparative market analysis helps estimate a likely listing/sale range; an appraisal is an opinion of value performed by a qualified appraiser under applicable law.

## 4. Financing

**Promissory note**
Evidence of the borrower's debt and promise to repay.

**Mortgage/security instrument**
Creates the lender's security interest in the real estate.

**Amortized loan**
Periodic payments reduce principal and pay interest over the loan term.

**LTV**
Loan amount ÷ property value (or applicable lending value) × 100.

**Discount points**
Prepaid interest; one point equals 1% of the loan amount.

**Acceleration clause**
Allows the lender to declare the entire remaining loan balance immediately due, typically after a borrower default.

**Alienation clause**
A due-on-sale clause allowing the lender to require full repayment if the borrower transfers/sells the property without the lender's consent.

**Judicial foreclosure**
A court-supervised foreclosure process; used in states that require a lawsuit before a property can be sold to satisfy the debt.

**Nonjudicial foreclosure**
A foreclosure process carried out under a power-of-sale clause without going through court, generally faster than judicial foreclosure where state law permits it.

**Title theory vs. lien theory**
In a title-theory state, the lender holds legal title as security until the debt is repaid. In a lien-theory state, the borrower holds title and the lender merely holds a lien against the property.

**PMI**
Private mortgage insurance is generally required on conventional loans when the down payment is below 20%; it protects the lender, not the borrower, against default.

**MIP**
Mortgage insurance premium is required on FHA-insured loans, functioning similarly to PMI but specific to the FHA loan program.

**FHA**
Federal Housing Administration insures qualifying mortgages; it does not directly lend most consumer mortgage funds.

**VA**
VA home-loan guaranty helps eligible borrowers; VA generally guarantees a portion rather than acting as the originating lender.

**Conventional loan**
A loan not insured or guaranteed by a federal government housing program.

**RESPA**
Section 8 prohibits kickbacks/referral fees and unearned fee splits involving federally related mortgage settlement services; implemented by Regulation X.

| TILA | ECOA |
| --- | --- |
| Truth in Lending Act requires disclosure of credit terms such as APR and finance charges, and provides certain rescission rights; implemented by Regulation Z. | Federal fair-lending law prohibiting discrimination in credit transactions on protected bases including race, color, religion, national origin, sex, marital status, age, public-assistance income, and exercising certain consumer-credit rights. |

## 5. Agency & Brokerage Relationships

**Principal/client**
A party who has established an agency/brokerage relationship with a broker.

**Customer**
A party receiving limited/ministerial assistance without becoming the broker's client, depending on state law.

**Fiduciary-style duties**
Common agency concepts include loyalty, obedience to lawful instructions, disclosure, confidentiality, accounting, and reasonable care.

**Special agent**
An agent authorized to perform a limited task or transaction; real estate sales agents commonly operate as special agents of their broker's client.

**Dual agency**
Representation of opposing parties in the same transaction where permitted and properly disclosed/consented to under state law.

**Designated agency**
A brokerage assigns one licensee to represent the seller and a different licensee from the same firm to represent the buyer, so each party has a designated advocate instead of the firm acting as a single dual agent.

**Material fact**
A fact that could influence a reasonable party's decision in a transaction.

**Adverse material fact**
A material fact that would negatively affect a party's decision (such as a known defect or a title problem); general agency principles call for honest disclosure of these facts even when unfavorable to the disclosing party's own client.

**Opinion (puffing) vs. fact**
Puffing is subjective sales talk or opinion ("this is a fantastic layout") and is generally not actionable. A false statement of fact ("the roof is five years old" when it is not) can expose the speaker to liability.

**Compensation & disclosure**
Agency compensation arrangements, and any payments or referral fees connected to a transaction, generally must be disclosed to the licensee's client as part of the duty of disclosure and to avoid undisclosed conflicts of interest.

**Termination of agency**
An agency relationship commonly ends through completion of the purpose, expiration of its term, mutual agreement, death or incapacity of either party, destruction of the property, or revocation/renunciation by either party (which may create liability if done improperly).

## 6. Property Disclosures & Environmental Issues

**Federal Fair Housing Act**
Protects against housing discrimination based on race, color, national origin, religion, sex, familial status, and disability.

**Lead-based paint**
Federal disclosure rules generally apply to most residential housing built before 1978. Buyers typically receive required disclosures/pamphlet and an opportunity for lead inspection/risk assessment.

**Stigmatized property**
Disclosure duties vary by state; know the distinction between physical/material defects and nonphysical stigmas.

**Latent defect**
A defect not readily observable by ordinary inspection.

**Megan's Law / sex-offender information**
Rules on disclosure and access vary; exam questions generally emphasize following applicable law and directing consumers to official sources rather than making unsupported representations.

## 7. Contracts

**Valid contract essentials**
Competent parties, lawful objective, offer and acceptance, consideration, and required form under applicable law.

**Express vs. implied**
An express contract states its terms in words, oral or written. An implied contract arises from the parties' conduct and circumstances rather than stated words.

**Bilateral contract**
Promise exchanged for promise.

**Unilateral contract**
A promise accepted by performance.

**Executed vs executory**
Executed means fully performed; executory means obligations remain.

**Void**
No legal effect from inception.

**Voidable**
Valid until rescinded by a party with the legal right to do so.

**Unenforceable**
May be valid but cannot be enforced because of a legal defense such as failure to satisfy a required form.

**Fraud / misrepresentation**
Fraud is an intentional false statement of material fact made to induce someone to enter a contract; misrepresentation can be innocent or negligent. Either can make a contract voidable by the injured party.

**Contingency**
A condition that must be satisfied or waived for obligations to proceed as written.

**Assignment**
Transfer of contractual rights to a third party; the original party (assignor) generally remains liable unless released.

**Novation**
Substitutes a new party or new agreement for an original one, with all parties' consent, and releases the original party from further liability -- unlike an assignment, where the original party can remain responsible.

**Listing agreement types**
Exclusive right to sell: the listing broker is paid regardless of who finds the buyer. Exclusive agency: the seller may still sell independently without owing a commission. Open listing: any broker who procures a buyer earns the commission. Net listing: the broker keeps everything above a set seller proceeds figure; discouraged or restricted in many states.

**Termination of contract**
A contract can end through full performance, mutual agreement (rescission), breach by a party, impossibility of performance, or operation of law (such as expiration of a deadline).

## 8. Transfer of Title

**Deed**
Written instrument used to transfer title to real property; state law controls exact requirements.

**Requirements for a valid deed**
Generally: a competent grantor, an identifiable grantee, words of conveyance, an adequate legal description, consideration, and the grantor's signature; delivery to and acceptance by the grantee is also required for the conveyance to be effective.

**Granting clause**
The words in a deed (such as "grant, bargain, and sell") that state the grantor's present intent to convey the property to the grantee.

**Habendum clause**
The "to have and to hold" clause that follows the granting clause and defines the type and extent of the estate being conveyed.

**Grantor / grantee**
Grantor conveys; grantee receives.

**General warranty deed**
Provides the broadest warranties/covenants of title, covering defects from the entire history of the property, not just the grantor's period of ownership. It is generally the most favored deed by buyers because it offers the strongest protection.

**Special warranty deed**
Generally warrants only against title problems arising during the grantor's ownership.

**Bargain and sale deed**
Implies the grantor holds title and the right to convey it, but includes no express warranties against defects arising before the grantor's ownership.

**Quitclaim deed**
Conveys whatever interest the grantor has, if any, without warranties of title.

**Deed of trust**
A three-party security instrument (borrower, lender, and trustee) used in many states in place of a mortgage, allowing nonjudicial foreclosure through the trustee under a power of sale.

**Voluntary alienation**
Transfer of title by the owner's own choice, through forms such as a deed (sale or gift) or a will (devise) at death.

**Involuntary alienation**
Transfer of title without, or against, the owner's choice, through forms such as foreclosure, eminent domain, tax sale, escheat, or intestate succession (dying without a will).

**Recording**
Public recording gives notice and helps establish priority under state recording law.

**Abstract of title**
A condensed, chronological history of all recorded documents and proceedings affecting title to a property.

**Abstractor**
The person or company who researches public records and prepares the abstract of title used to evaluate a property's chain of title.

**Title insurance**
Protects against covered title defects subject to policy terms; lender and owner's policies protect different interests.

## 9. Real Estate Practice

**Antitrust**
Competitors must not fix commission rates, allocate markets, rig bids, or engage in group boycotts.

**Fair housing in advertising**
Advertising cannot indicate a preference, limitation, or discrimination based on protected status.

**Independent contractor**
Tax/worker classification does not erase licensing-law supervision requirements.

**Property management**
Typically includes leasing, rent collection, accounting, maintenance coordination, and owner reporting under a management agreement.

**Risk management**
Document facts, use approved forms/processes, protect confidential information, account for funds, and avoid practicing law.

## 10. Real Estate Calculations

**Commission**
Sale price × commission rate.

**Property tax proration**
Annual tax ÷ applicable time unit × number of units owed; follow the problem's stated 360/365-day convention.

**Area**
Rectangle: length × width.

**Acre**
43,560 square feet.

**Front foot**
Price or value per linear foot of frontage.

**Cap rate**
NOI ÷ value. Value = NOI ÷ cap rate.

**GRM**
Sale price ÷ gross monthly rent; estimated value = GRM × gross monthly rent.

**LTV**
Loan ÷ value × 100.

**Points**
Loan amount × point percentage.

## 11. Specialty Areas

**Leases**
Know estate for years, periodic tenancy, tenancy at will, and tenancy at sufferance.

**Commercial/investment**
Focus on NOI, capitalization, lease structures, and cash-flow concepts.

**Property management**
Know trust funds, security deposits, management agreements, and fiduciary/accounting concepts.

**Condominiums/cooperatives**
Condo owners generally hold title to a unit plus an interest in common elements; cooperative residents typically own shares in a corporation plus a proprietary lease/occupancy right.

## National Math Cheat Sheet

| Formula | Use |
|---|---|
| Commission = sale price × rate | Sales commission |
| Loan-to-value = loan ÷ value × 100 | LTV percentage |
| Points = loan × point rate | Discount points |
| Simple interest = principal × rate × time | Basic interest |
| NOI = gross operating income – operating expenses | Income property |
| Value = NOI ÷ cap rate | Capitalization |
| Cap rate = NOI ÷ value | Capitalization |
| GRM = price ÷ gross monthly rent | Gross rent multiplier |
| Estimated value = GRM × gross monthly rent | GRM valuation |
| Area rectangle = L × W | Square footage |
| 1 acre = 43,560 sq ft | Land conversion |
| GA transfer tax = $1 per first $1,000 (or fraction) + $0.10 per additional $100 (or fraction) | Georgia deed recording (seller-paid) |
| GA intangible tax = $1.50 per $500 (or fraction) of loan amount (≈ loan × 0.3%), capped at $25,000; applies only if any principal is due more than 62 months out | Georgia long-term security deed recording |

*Exam tip: write the formula first, then substitute the numbers. Many errors come from using the right numbers in the wrong relationship.*

# PART III — GEORGIA STATE-SPECIFIC REVIEW

This section focuses on key Georgia rules for salesperson candidates. The current Georgia Real Estate Commission rules are published by the Georgia Secretary of State under Department 520.

## 1. Licensing & Status

**Active affiliation**
Every active Georgia salesperson, community association manager, and associate broker must be licensed under an active Georgia broker and generally cannot be licensed under more than one Georgia broker at the same time.

**When brokerage work may begin**
A salesperson may not begin real estate brokerage activities merely because an application was submitted; the broker must have received the wall certificate of licensure.

**Inactive license**
An inactive licensee may not perform real estate brokerage activity except with respect to real estate owned solely by that inactive licensee, subject to the rule's conditions.

**Exam-to-license timing**
A salesperson who passes the exam must apply for an active or inactive license within 3 months or face an increased application fee; failure to activate within 12 months requires retaking the exam.

**Postlicense education**
Georgia salespersons are required to complete an approved 25-hour-or-longer salesperson postlicense course within the first year of licensure, subject to the limited extension/equivalency provisions in law/rule.

**Continuing education**
Active license renewal requires 36 instructional hours during the four-year renewal period, including at least 3 hours on Georgia license law.

## 2. Brokerage Engagements & Relationships

**BRRETA** (the Brokerage Relationships in Real Estate Transactions Act, O.C.G.A. Title 10, Chapter 6A) is the Georgia law that created the modern client/customer framework described below. It exists because, historically, agency law left it unclear which duties a licensee actually owed to buyers versus sellers who had not signed a formal representation agreement. BRRETA resolved that ambiguity by defining brokerage engagements, spelling out exactly which duties a licensee owes a client versus a customer, and giving licensees a statutory framework for designated and dual agency.

**Brokerage engagement**
A written contract creating a client relationship, such as a listing agreement, buyer-broker agreement, property-management agreement, or exclusive tenant-representation agreement.

**Client vs customer**
A client has entered a brokerage engagement. A customer has not, but may receive ministerial acts.

**Exclusive agreements**
Each exclusive brokerage agreement must fully state its terms and have a definite expiration date.

**Copy at signing**
When securing a brokerage engagement, the licensee must furnish each signer a true copy at that time.

**Net brokerage engagements**
Georgia Commission rules prohibit brokers from accepting net brokerage engagements.

**Dual agent**
Georgia rules define a dual agent as a broker simultaneously having a brokerage relationship with both seller and buyer, or landlord and tenant, in the same transaction; apply applicable disclosure/consent rules.

## 3. Advertising

**Broker supervision**
Advertising by salespersons, associate brokers, and community association managers must be under the direct supervision of their broker and in the name of the firm.

**Written permission**
A licensee may not advertise real estate for sale, rent, lease, or exchange without written permission from the owner, authorized agent, or owner of a leasehold estate.

**Misleading advertising**
Advertising that is misleading, inaccurate in a material fact, or misrepresents real estate is prohibited.

**Listed with another firm**
When advertising property listed with another firm, required disclosure of that fact and the listing firm's name applies unless properly waived in writing.

**Licensee-owned property**
A licensee cannot advertise in a way that makes the offer appear to come from an unlicensed private party. Special broker notice/approval rules apply when an affiliated licensee advertises personally owned property.

## 4. Trust Accounts & Earnest Money

**Turn funds over promptly**
A licensee must place cash, checks, or other items of value received in a brokerage capacity into the custody of the broker as soon as practicably possible.

**Deposit rule**
Unless otherwise agreed in writing by the interested parties, the broker promptly deposits trust funds in a federally insured account designated as a trust account and registered with the Commission.

**Interest-bearing trust account**
Before depositing funds into an interest-bearing trust account, the broker must obtain written agreement indicating who receives the interest.

**Monthly reconciliation**
A broker required to maintain a trust/escrow account must prepare a written reconciliation at least monthly comparing trust liability with reconciled bank balances.

**Three-year retention**
Monthly reconciliation statements are reviewed by the broker and maintained for three years.

**Disbursement**
Trust funds are disbursed according to the contract or recognized circumstances such as rejection/withdrawal of an offer, closing, signed written agreement, interpleader, court order, or a reasonable interpretation of the contract.

**Earnest-money refunds**
Refunds of earnest money must be paid by check or credited at closing.

## 5. Transaction Documents

**License numbers**
A licensee preparing or signing a brokerage engagement or offer to purchase, sell, lease, or exchange must include the six-digit Commission license number of each participating firm and licensee.

**Copies**
A licensee must provide a copy of any real-estate transaction document to each individual signing it; accepted documents are distributed to each signer and participating brokerage firm as required.

**Record retention**
Brokers must keep required transaction documents, including sales contracts, brokerage engagements, closing statements, and leases, for three years.

**No falsification**
Licensees may not falsify transaction documents or knowingly misrepresent key transaction facts such as sales price, down payment, earnest money, security deposits, or the form of trust funds.

**Financing contingency**
A financing-contingent sales contract must accurately include required financing terms.

## 6. Licensees Acting as Principals

**Disclosure**
A licensee buying or leasing property listed with the licensee or firm must clearly disclose the licensee's position as buyer/tenant and include that disclosure in the contract.

**Personal activity and broker**
Affiliated licensees have duties to notify/involve their broker as required when dealing with personally owned property or personal transactions.

**Trust funds on owned property**
Georgia rules contain specific trust-account requirements for funds received on licensee-owned property.

## 7. Georgia Fair Housing & Professional Conduct

**Federal floor**
Georgia licensees must comply with federal Fair Housing Act protections: race, color, national origin, religion, sex, familial status, and disability.

**Commission authority**
The Commission may discipline licensees for violations of license law/rules and specified unfair or improper conduct.

**Document what matters**
Use written agreements, accurate transaction documents, proper disclosure, and broker supervision. Many state questions test whether the required act was documented, disclosed, deposited, or delivered.

## 8. The Georgia Real Estate Commission (GREC)

GREC is the state agency that licenses and regulates Georgia real estate professionals. Understanding its structure, licensing tiers, and enforcement powers rounds out the Georgia portion of the exam.

**Commission structure**
GREC has six members, each appointed by the Governor and confirmed by the state Senate to staggered five-year terms. Five members must be Georgia-resident licensees with at least five years of active real estate experience; the sixth is a consumer member with no real estate industry ties.

**The Commissioner**
The Commissioner is a full-time employee hired by the Commission to run day-to-day operations; the Commissioner is not one of the six appointed members and does not vote on Commission matters.

**Meetings & quorum**
The Commission meets at least monthly, and a quorum requires at least four of the six members to be present to conduct business.

**Salesperson licensure**
Requires completion of a 75-hour GREC-approved prelicense course, passing the state exam, and meeting age (18 to activate) and background-check requirements.

**Broker licensure**
Requires active status as a salesperson (or CAM) for at least 3 of the preceding 5 years (or 5 years as a broker), completion of a 60-hour broker prelicense course, passing the broker exam, and being at least 21 years old to activate.

**CAM licensure**
A community association manager must meet the salesperson-level requirements plus complete an additional 75 hours of CAM-specific coursework approved by the Commission.

**Unfair trade practices**
Georgia law prohibits licensees from engaging in a defined list of unfair trade practices, including refusing to sell, rent, or negotiate with someone based on race, color, religion, sex, disability, familial status, or national origin, and other practices such as misrepresentation, commingling client funds, or failing to properly account for trust monies.

**Disciplinary actions**
For a proven violation, GREC may refuse to grant or renew a license, issue a reprimand, suspend or revoke a license, impose a fine (up to $1,000 per violation, capped at $5,000 in a single proceeding), require additional education, require independent accountant reports on a broker's trust account, or restrict a license.

**Recovery Fund**
The Real Estate Education, Research, and Recovery Fund compensates consumers (not licensees) who obtain an uncollectible court judgment against a Georgia licensee for a license-law violation. The Commission maintains a minimum $1 million balance, funded partly by a fee paid with each original license application, and payouts are capped at $25,000 per transaction.

## Georgia Key Memory Anchors

**ACTIVE SALESPERSON** → affiliated with an active Georgia broker.

**EXCLUSIVE BROKERAGE AGREEMENT** → written terms + definite expiration date + copy to signer.

**ADVERTISING** → broker supervision + firm name + written permission to advertise.

**TRUST FUNDS** → to broker ASAP; prompt deposit unless parties agree otherwise in writing.

**TRUST ACCOUNT** → monthly written reconciliation; reconciliation records kept 3 years.

**TRANSACTION DOCUMENTS** → copies to signers; broker records generally kept 3 years.

**POSTLICENSE** → 25+ hours in first year (subject to rule/law exceptions/extensions).

**CE** → 36 hours per 4-year renewal period, including 3 hours of license law.

## Federal Law Quick Review

| Law / Rule | Exam-ready takeaway |
|---|---|
| **Civil Rights Act of 1866** | Prohibits racial discrimination in property transactions with no statutory exemptions; the earliest federal fair-housing-type protection, predating and existing alongside the Fair Housing Act. |
| **Fair Housing Act** | Housing discrimination prohibited based on race, color, national origin, religion, sex, familial status, and disability. |
| **CFPB** | The Consumer Financial Protection Bureau is the federal agency that writes and enforces the regulations implementing RESPA, TILA, and ECOA, including Regulations X, Z, and B. |
| **RESPA Section 8 / Regulation X** | No kickbacks/referral fees for settlement-service business on federally related mortgage loans; no unearned fee splits. |
| **TILA / Regulation Z** | Truth in Lending Act disclosure rules for consumer credit terms, including APR, finance charges, and certain rescission rights; a separate regulation from RESPA/Regulation X. |
| **MDIA** | The Mortgage Disclosure Improvement Act amended TILA to require early loan-term disclosures and a waiting period before certain mortgage loans can close. |
| **TRID** | The TILA-RESPA Integrated Disclosure rule combines TILA and RESPA disclosures into the Loan Estimate and Closing Disclosure forms used in most residential mortgage transactions. |
| **ECOA / Regulation B** | Credit discrimination prohibited on protected bases including race, color, religion, national origin, sex, marital status, age, public assistance income, and certain protected-rights activity. |
| **Lead-Based Paint Disclosure Rule** | Applies to most pre-1978 housing; required disclosure/pamphlet and buyer inspection opportunity, subject to exemptions and waiver rules. |
| **Sherman Antitrust Act** | Avoid price fixing, market allocation, bid rigging, and group boycotts. |

# PART IV — PRACTICE QUESTIONS

These are 100 original educational questions covering both national exam content and Georgia-specific rules, including 20 scenario-based items. They are not actual PSI or Georgia licensing exam questions.

**1. An owner holds an ownership interest of indefinite duration in a property, meaning the owner holds the property itself rather than just a right to use it for a set time. Which broad category of estate does this describe?**

A. Leasehold estate
B. Freehold estate
C. Estate for years
D. Periodic tenancy

**2. A newly licensed Georgia salesperson wants to begin listing and selling property immediately after submitting the license application, before the broker has received anything from the Commission. Under Georgia rule, may the salesperson begin brokerage activity at this point?**

A. Yes, submitting the application is sufficient
B. No, the broker must have received the wall certificate of licensure first
C. Yes, but only for listings under $200,000
D. Yes, if supervised by another salesperson

**3. A tenant signs a one-year lease giving the tenant the right to possess and use an apartment, while the landlord retains ownership of the building. Which category of estate does the tenant hold?**

A. Freehold estate
B. Fee simple defeasible
C. Life estate
D. Leasehold estate

**4. A Georgia salesperson holds an inactive license and wants to help a friend sell the friend's house for a commission. Under Georgia rule, is this activity generally permitted while the license is inactive?**

A. No, an inactive licensee may not perform brokerage activity except regarding real estate the licensee solely owns
B. Yes, inactive licensees may broker any transaction
C. Yes, but only for family members
D. No, inactive licensees may never buy or sell any real estate

**5. A grantor conveys land to a school district 'so long as the land is used for a public school.' Years later, the district stops using the land for a school. Under this type of conveyance, what happens to the property?**

A. Nothing changes; the district keeps the land permanently
B. The land escheats to the state instead
C. The estate automatically ends and reverts to the grantor or the grantor's heirs
D. The district must petition a court before any change occurs

**6. A candidate passes the Georgia salesperson exam in January but does not submit a license application until August of the same year, seven months later. Under Georgia rule, what is the most likely consequence of this delay?**

A. No consequence at all
B. An increased application fee, because the application was filed more than 3 months after passing
C. Automatic license denial
D. A requirement to complete continuing education first

**7. Every form of concurrent ownership, whether tenancy in common or joint tenancy, shares one common feature regarding how each owner holds their interest in the property. What is that shared feature?**

A. Each owner holds a physically separate portion of the property
B. Each owner holds an undivided interest in the whole property
C. Only one owner may occupy the property at a time
D. Ownership shares must always be equal

**8. A candidate passes the Georgia salesperson exam but waits 14 months before applying for a license, well past the deadline Georgia allows. Under Georgia rule, what must the candidate do at this point?**

A. Pay a late fee and proceed normally
B. Retake the licensing examination
C. Complete only the postlicense course
D. Apply directly for a broker license instead

**9. Two buyers take title on the same deed, at the same time, with equal, undivided interests and equal rights of possession, and the deed also grants a right of survivorship. Which four unities must be present to validly create this joint tenancy?**

A. Price, Income, Tax, and Term
B. Possession, Income, Time, and Tenancy
C. Possession, Interest, Time, and Title (PITT)
D. Principal, Interest, Taxes, and Insurance

**10. A newly licensed Georgia salesperson must complete a Commission-approved postlicense course of at least a certain length within the first year of licensure. How many hours does this course generally require?**

A. 10 hours
B. 25 hours or longer
C. 60 hours
D. 75 hours

**11. A property owner allows a neighboring landowner to cross a portion of their land to reach a public road, because the neighboring parcel would otherwise have no legal access. Which nonpossessory right does this describe?**

A. Easement by prescription
B. License
C. Easement by necessity
D. Encroachment

**12. During a four-year renewal period, an active Georgia salesperson must complete a minimum number of continuing education hours, including a required number of hours specifically on license law. What are these minimums?**

A. 36 total hours, including at least 3 hours of license law
B. 12 total hours, including 1 hour of license law
C. 60 total hours, including 10 hours of license law
D. 8 total hours, with no license law requirement

**13. A neighbor has used a footpath across an adjoining lot openly, continuously, and without permission for the number of years required by state law. The neighbor now claims a permanent right to keep using the path. Which type of easement is the neighbor claiming?**

A. Easement by necessity
B. Easement by prescription
C. Easement in gross
D. Easement appurtenant only

**14. A Georgia broker's associate has just renewed her license for a new four-year period. Because she holds a broker-level license rather than a salesperson license, Georgia rule also requires her to complete a set number of broker-specific continuing education hours within that total, effective July 1, 2025. How many broker-specific hours does she need?**

A. 3 hours
B. 18 hours
C. 9 hours
D. 36 hours

**15. A city denies a homeowner's request to build a detached garage that would violate the required side-yard setback. The homeowner argues that strict enforcement would create an unnecessary hardship given the shape of the lot. Which zoning relief is the homeowner requesting?**

A. Variance
B. Nonconforming use
C. Spot zoning
D. Conditional use permit

**16. A Georgia broker enters into a written listing agreement with a seller that establishes a formal brokerage relationship. Under Georgia law, which term describes the seller's status once this agreement is signed?**

A. Customer
B. Client
C. Principal only, with no other status
D. Third party

**17. A property owner dies without a will and without any identifiable heirs. Under applicable state law, ownership of the property will most likely pass to which party?**

A. The county school board
B. The property's most recent tenant
C. The state, through escheat
D. The decedent's creditors automatically

**18. A Georgia broker prepares an exclusive listing agreement with a seller. Under Georgia rule, which of the following must this agreement include?**

A. A definite expiration date and full statement of its terms
B. A guaranteed minimum sale price
C. GREC approval before signing
D. A requirement that the broker also represent the buyer

**19. An appraiser estimates the value of an older single-family home by comparing it to three similar homes that recently sold in the same neighborhood, adjusting for differences in features. Which appraisal approach is being used?**

A. Sales comparison approach
B. Cost approach
C. Income approach
D. Capitalization approach

**20. A Georgia broker proposes to a seller that the broker will keep any sale proceeds above a stated minimum price as the broker's entire commission. Under Georgia Commission rules, is this type of arrangement permitted?**

A. Yes, if disclosed in writing
B. Yes, without any conditions
C. Only for commercial property
D. No, net brokerage engagements are prohibited

**21. A buyer's agent tells a client that a home is worth significantly more than recent comparable sales support, relying only on the seller's asking price. The client later learns the agent never reviewed any comparable sales data before making that claim. Which duty has the agent most likely failed to uphold?**

A. Confidentiality
B. Loyalty to the seller
C. Obedience to the seller
D. Reasonable care

**22. A Georgia broker represents both the seller and the buyer in the same transaction after both parties provide informed consent as required by Georgia rule. Which term does Georgia use to describe the broker's role in this situation?**

A. Subagent
B. Transaction customer
C. Dual agent
D. Ministerial agent

**23. A borrower's monthly mortgage payment includes principal, interest, property taxes, and homeowners insurance, all combined into a single payment collected by the lender. Which acronym describes this combined payment?**

A. APR
B. LTV
C. GRM
D. PITI

**24. Georgia's BRRETA law was enacted primarily to resolve which historical ambiguity in real estate agency practice?**

A. Whether commissions could be negotiated

B. Whether deeds needed to be recorded

C. Whether a licensee's duties to buyers and sellers were clearly defined absent a signed representation agreement

D. Whether brokers could advertise online

**25. A buyer obtains a loan of $180,000 to purchase a home valued at $225,000. What is the loan-to-value ratio for this transaction?**

A. 65%

B. 70%

C. 80%

D. 90%

**26. A Georgia salesperson wants to run a newspaper advertisement for a listed property. Under Georgia rule, whose name and supervision must this advertisement reflect?**

A. The broker's direct supervision and the firm's name

B. The salesperson's name only, without broker involvement

C. The seller's personal name only

D. The Commission's approval stamp

**27. A borrower is charged 1.5 discount points on a $200,000 loan at closing. How much will the borrower pay in points?**

A. $1,500

B. $2,000

C. $3,000

D. $15,000

**28. A Georgia licensee wants to advertise a property that is for sale by owner and not listed with any brokerage. Under Georgia rule, what must the licensee obtain before advertising this property?**

A. Written permission from the owner or an authorized party

B. Nothing, since it is not listed with a brokerage

C. Verbal permission from a neighbor

D. Approval from a competing brokerage

**29. A borrower makes a down payment of less than 20% on a conventional loan, so the lender requires the borrower to purchase mortgage insurance to protect the lender's interest. What is this type of insurance called on a conventional loan?**

A. PMI

B. MIP

C. APR

D. Hazard insurance

**30. A Georgia salesperson posts an online ad for a rental property that inaccurately states the square footage in order to attract more inquiries. Under Georgia rule, this advertisement is most likely considered:**

A. Acceptable puffing
B. Permitted if corrected verbally later
C. Misleading and prohibited advertising
D. Permitted because it is an online-only ad

**31. A borrower obtains an FHA-insured loan and is required to pay mortgage insurance specific to that federal loan program, regardless of the down payment amount in most cases. What is this insurance called?**

A. PMI
B. MIP
C. Title insurance
D. Hazard insurance

**32. A Georgia salesperson owns a rental property personally and wants to advertise it for lease using their own name, without indicating that they are a licensed real estate professional. Under Georgia rule, is this advertisement generally acceptable?**

A. Yes, because the licensee owns the property personally
B. No, a licensee cannot advertise in a way that makes the offer appear to come from an unlicensed private party
C. Yes, without any broker notice requirements
D. No, because licensees can never advertise property they personally own

**33. A borrower defaults on a loan, and the promissory note contains a clause allowing the lender to declare the entire remaining balance immediately due rather than waiting for the full loan term. Which clause allows the lender to do this?**

A. Alienation clause
B. Habendum clause
C. Acceleration clause
D. Granting clause

**34. A brokerage firm's marketing department publishes a listing that describes a home's location as being in a highly rated school district, when in fact the home is zoned for a different, lower-rated school. A buyer relies on this claim when making an offer. Which advertising principle has most likely been violated under Georgia rule?**

A. The requirement to use the firm's name only
B. The requirement to obtain owner permission
C. The rule limiting advertising to licensed agents
D. The prohibition on misleading or materially inaccurate advertising

**35. A homeowner sells a property without paying off the existing mortgage or getting the lender's consent to the transfer. The loan documents contain a clause allowing the lender to demand full repayment as soon as the property is sold. Which clause allows this?**

A. Alienation clause
B. Acceleration clause
C. Defeasance clause
D. Escalation clause

**36. A Georgia licensee receives an earnest money check from a buyer during a brokerage transaction. Under Georgia rule, what must the licensee do with these funds?**

A. Hold the check personally until closing
B. Deposit the funds into the licensee's personal account
C. Place the funds into the broker's custody as soon as practicably possible
D. Return the funds directly to the buyer's lender

**37. A lender in a certain state holds legal title to a property as security until the loan is repaid, while the borrower retains possession and use of the property. Which theory of mortgage law does this describe?**

A. Lien theory
B. Escrow theory
C. Title theory
D. Equity theory

**38. A Georgia broker wants to deposit client trust funds into an interest-bearing trust account. Under Georgia rule, what must the broker obtain before making this deposit?**

A. Nothing; interest-bearing accounts are automatically permitted
B. Approval from the buyer's lender only
C. A court order authorizing the account
D. A written agreement identifying who will receive the interest

**39. A real estate licensee represents only the seller in a transaction and owes fiduciary duties solely to that seller, while the buyer receives only fair and honest dealing. Which agency relationship does this describe?**

A. Dual agency
B. Single agency (seller's agent)
C. Transaction brokerage
D. Designated buyer agency

**40. A Georgia broker who is required to maintain a trust account must prepare a written reconciliation comparing trust liability with the reconciled bank balance. How often must this reconciliation occur?**

A. Only at license renewal
B. At least monthly
C. Annually
D. Only when a complaint is filed

**41. A brokerage firm assigns one licensee to represent the seller and a different licensee from the same firm to represent the buyer in the same transaction, so each party has an individual advocate rather than the firm acting as a single dual agent. What is this arrangement called?**

A. Designated agency
B. Subagency
C. Transaction brokerage
D. Customer-level service

**42. Georgia rule requires a broker's monthly trust account reconciliation statements to be reviewed and maintained by the broker for a specific period of time. How long is this retention period?**

A. 1 year
B. 5 years
C. 7 years
D. 3 years

**43. A seller's agent knows the roof was patched after a storm but never properly repaired, which would matter to a buyer's decision. A prospective buyer asks the agent directly whether the roof has ever had storm damage. What should the agent do with this adverse material fact?**

A. Say nothing, since the seller did not authorize disclosure
B. Tell the buyer to ask the seller and refuse to answer
C. Disclose the known material fact honestly, consistent with legal disclosure obligations
D. Deny that the roof was ever damaged

**44. A real estate contract in Georgia is terminated after the buyer properly withdraws an accepted offer under its contingencies. Which of the following is a recognized basis under Georgia rule for disbursing the associated earnest money held in trust?**

A. Rejection or withdrawal of the offer, closing, a signed written agreement, interpleader, court order, or reasonable interpretation of the contract
B. Only a court order, with no other basis permitted
C. Verbal agreement between the agents only
D. The listing broker's sole discretion at any time

**45. A listing agent describes a home as having a 'charming, cozy layout' during a showing, which is the agent's subjective opinion rather than a specific factual claim. Which concept describes this type of statement?**

A. Fraud
B. Adverse material fact
C. Misrepresentation
D. Puffing (opinion)

**46. A Georgia broker's bookkeeper discovers that the trust account's reconciled bank balance does not match the broker's trust liability ledger for the month, revealing a discrepancy that had gone unnoticed. Which requirement is designed to catch this kind of discrepancy quickly?**

A. The annual license renewal audit
B. The requirement for at least monthly written trust account reconciliation
C. The requirement to advertise only under the firm's name
D. The requirement to retain postlicense certificates

**47. A brokerage's compensation arrangement with a lender includes a referral payment tied to loans closed for the brokerage's buyer clients. Under general agency principles regarding compensation and disclosure, what must happen with this arrangement?**

A. Nothing, since compensation details are private business matters
B. It only needs disclosure if the buyer specifically asks
C. It never needs disclosure if the amount is small
D. It must be disclosed to the licensee's client to avoid an undisclosed conflict of interest

**48. A Georgia licensee is preparing an offer to purchase on behalf of a buyer-client. Under Georgia rule, what must this offer include regarding the participating firms and licensees?**

A. Nothing beyond the parties' names
B. The licensee's home address
C. The licensee's continuing education transcript
D. The six-digit Commission-issued license number for each participating firm and licensee

**49. A property's seller and their listing agent verbally agree to end their brokerage relationship before the listing period expires, and both sign an agreement confirming the early end. Which reason for terminating agency does this represent?**

A. Mutual agreement
B. Death or incapacity
C. Destruction of the property
D. Automatic expiration only

**50. A Georgia broker must retain required transaction documents, including sales contracts, brokerage engagements, closing statements, and leases. Under Georgia rule, how long must these records generally be kept?**

A. 6 months
B. 1 year
C. 3 years
D. Indefinitely

**51. A seller is aware of a hidden structural defect that would not be discovered through a buyer's ordinary visual inspection. Which term best describes this type of defect?**

A. Patent defect
B. Latent defect
C. Material improvement
D. Encroachment

**52. A Georgia licensee knowingly lists an inflated sales price on a transaction document to help a buyer qualify for a larger loan. Under Georgia rule, this conduct is best described as:**

A. A permitted marketing strategy
B. Acceptable if the lender consents
C. Falsification of a transaction document, which is prohibited
D. Acceptable if the seller consents

**53. A home was built in 1965 and is being sold to a buyer with young children. Under federal law, which disclosure requirement is most likely to apply to this transaction?**

A. Radon gas disclosure required nationally
B. Mold remediation certificate
C. Lead-based paint disclosure and inspection opportunity
D. Termite bond transfer

**54. A Georgia licensee provides a copy of the signed purchase agreement to the buyer but not to the seller, believing only the party they personally represent needs a copy. Is this consistent with Georgia's transaction-document rule?**

A. Yes, only the licensee's own client needs a copy
B. Yes, because copies are optional under Georgia rule
C. No, because only the broker needs a copy
D. No, a copy must generally be provided to each individual who signed the document

**55. A seller's agent learns that a home's basement floods every spring, but the seller asks the agent not to mention it to buyers. A prospective buyer then directly asks the agent whether the basement has ever flooded. What should the agent do?**

A. Disclose the known material fact honestly, consistent with legal disclosure obligations
B. Follow the seller's instruction and say nothing
C. Tell the buyer to ask the seller and refuse to answer
D. Say the basement has never flooded

**56. A Georgia broker discovers a data-entry error in a closing statement after the transaction has closed, and promptly corrects it with an amended statement provided to all signers. Which principle does this action support?**

A. Accurate transaction documentation and recordkeeping required under Georgia rule
B. Net brokerage engagements
C. Dual agency consent
D. Advertising supervision requirements

**57. Two neighbors shake hands and agree that one will mow the other's lawn each week in exchange for a set payment, without writing anything down. Which type of contract have they created?**

A. Express contract
B. Implied contract
C. Unilateral contract only
D. Voidable contract

**58. A Georgia licensee wants to personally purchase a home that is listed with the licensee's own firm. Under Georgia rule, what must the licensee do regarding this purchase?**

A. Nothing beyond a verbal mention to the seller
B. Purchase the home through a family member instead
C. Wait until the listing expires before making an offer
D. Clearly disclose the licensee's position as buyer and include that disclosure in the contract

**59. A seller's agent shows a buyer around a home and consistently reduces the price offered by buyers for landscaping services after each showing, without any express agreement to do so. The buyer reasonably relies on this pattern and expects the same treatment. Which type of contract concept does this ongoing conduct-based arrangement suggest?**

A. Express contract
B. Bilateral contract only
C. Voidable contract
D. Implied contract

**60. A Georgia licensee's spouse wants to purchase a property that the licensee has listed through their brokerage firm, even though the licensee is not personally the buyer. Under Georgia's principal-disclosure expectations, what is generally required in this situation?**

A. Clear disclosure of the licensee's relationship and interest, consistent with Georgia's disclosure requirements for licensees connected to principals
B. No disclosure, since the spouse is the buyer, not the licensee
C. Automatic cancellation of the listing
D. Approval from a competing brokerage

**61. A contract was signed after one party made a false statement of material fact that induced the other party to sign. Under general contract law, which concept best describes this situation?**

A. Novation
B. Assignment
C. Express contract
D. Fraud/misrepresentation

**62. A Georgia licensee is personally leasing out a property they own, separate from any client transaction. Under Georgia rule, does the licensee still have duties related to notifying their broker of this personal activity?**

A. Yes, affiliated licensees have duties to notify or involve their broker as required for personally owned property
B. No, personal property is entirely outside broker oversight
C. No, only client transactions require broker involvement
D. Yes, but only if leased to another licensee

**63. A buyer under contract to purchase a home wants to transfer their rights under the contract to a different buyer, while the original buyer may still remain responsible if the new buyer defaults. Which concept describes this transfer?**

A. Novation
B. Fraud
C. Contingency
D. Assignment

**64. A Georgia licensee wants to sell a property owned solely by that licensee without going through another broker, while the licensee's own license is currently inactive. Under Georgia's inactive-license exception, when is this type of sale generally permitted?**

A. Never, regardless of license status
B. Only if the buyer is also a licensee
C. Only for commercial property
D. Only when the real estate is owned solely by that inactive licensee, subject to the rule's conditions

**65. All parties to a contract agree to substitute a brand-new buyer for the original buyer and to fully release the original buyer from any further liability under the agreement. Which concept describes this substitution?**

A. Assignment
B. Contingency
C. Puffing
D. Novation

**66. Georgia real estate licensees must comply with the federal Fair Housing Act's protected classes. Which of the following is one of those seven protected classes?**

A. Political party affiliation
B. Marital status
C. Familial status
D. Occupation

**67. A seller signs an agreement stating that the seller will owe a commission to the listing broker no matter who ultimately finds the buyer, including the seller acting alone. Which type of listing agreement is this?**

A. Exclusive right to sell listing
B. Open listing
C. Exclusive agency listing
D. Net listing

**68. The Georgia Real Estate Commission has authority to discipline licensees for violations of license law and rules, as well as other specified improper conduct. Which of the following best reflects this authority?**

A. GREC may only issue non-binding warnings
B. GREC has express statutory and rule-based authority to discipline licensees under Chapter 520-1
C. GREC has no authority over licensees once they are licensed
D. Only PSI can discipline licensees

**69. A deed only warrants against title defects that arose during the grantor's own period of ownership, not defects from before the grantor acquired the property. Which type of deed is this?**

A. General warranty deed
B. Special warranty deed
C. Quitclaim deed
D. Bargain and sale deed

**70. A Georgia licensee is investigated after a consumer complaint alleges that the licensee steered buyers away from certain neighborhoods based on national origin. If substantiated, which enforcement body has authority to discipline the Georgia license in this situation?**

A. Only a federal court
B. The Georgia Real Estate Commission
C. Only the local board of REALTORS®
D. Only PSI, the exam provider

**71. A buyer is comparing two deed offers from a seller and wants the broadest possible protection against any title defect, even those that arose long before the seller ever owned the property. Which type of deed should the buyer prefer, and why is it generally favored?**

A. A quitclaim deed, because it is simplest
B. A bargain and sale deed, because it is fastest to prepare
C. A general warranty deed, because it covers defects from the entire history of the property
D. A deed of trust, because it avoids foreclosure risk

**72. The Georgia Real Estate Commission is made up of a set number of members appointed by the Governor and confirmed by the state Senate. How many members serve on the Commission?**

A. Three
B. Nine
C. Twelve
D. Six

**73. A deed implies that the grantor holds title and the right to convey it but includes no express warranties against defects arising before the grantor's own ownership. Which type of deed is this?**

A. General warranty deed
B. Bargain and sale deed
C. Quitclaim deed
D. Deed of trust

**74. Five of the six GREC members must meet a specific licensing and residency background, while the sixth member represents a different interest entirely. What is required of that sixth member?**

A. The sixth member must also be a licensee with 10 years of experience
B. The sixth member must be a consumer member with no real estate industry ties
C. The sixth member must be a sitting state legislator
D. The sixth member must be a licensed attorney

**75. A security instrument involves three parties: a borrower, a lender, and a trustee who can conduct a nonjudicial sale under a power of sale if the borrower defaults. Which instrument is this?**

A. Deed of trust
B. Mortgage
C. Quitclaim deed
D. General warranty deed

**76. GREC employs a full-time staff member to run its day-to-day operations, separate from the six appointed Commission members. What is this position called, and does this person vote on Commission matters?**

A. The Commissioner; this person casts the tie-breaking vote
B. The Executive Broker; this person votes on all matters
C. The Director; this position does not exist
D. The Commissioner; this person does not vote

**77. A property owner voluntarily sells their home and signs a deed transferring title to the buyer by their own choice. Which broad category of title transfer does this represent, and what is another common form of it?**

A. Voluntary alienation; a will (devise) at death is another example
B. Involuntary alienation; foreclosure is another example
C. Escheat; eminent domain is another example
D. Adverse possession; a tax sale is another example

**78. A candidate wants to become a Georgia real estate salesperson and has just finished the required prelicense coursework before sitting for the state exam. How many hours of GREC-approved prelicense education were required to reach this point?**

A. 25 hours
B. 75 hours
C. 60 hours
D. 150 hours

**79. A lender forecloses on a defaulting borrower's home and the property is sold to satisfy the debt, entirely against the former owner's wishes. Which broad category of title transfer does this represent?**

A. Voluntary alienation
B. Recording
C. Involuntary alienation
D. Habendum

**80. A Georgia salesperson with four years of active licensure wants to upgrade to a broker license. Based on Georgia's experience requirement, does this salesperson likely qualify to apply, and what coursework is also required?**

A. No, brokers need 10 years of experience and no additional coursework
B. Yes, but only if the salesperson is at least 30 years old
C. Yes, since active status for at least 3 of the preceding 5 years qualifies, and a 60-hour broker prelicense course is also required
D. No, salespersons can never become brokers in Georgia

**81. A title company hires a specialist to research public records and compile a condensed, chronological history of all recorded documents affecting a property's title. What is this specialist called, and what document do they prepare?**

A. An appraiser, preparing a CMA
B. An abstractor, preparing an abstract of title
C. A notary, preparing a deed
D. An escrow officer, preparing a closing statement

**82. A candidate wants to become a licensed Georgia community association manager (CAM). Beyond the standard salesperson-level requirements, what additional coursework must this candidate complete?**

A. An additional 25 hours of coursework
B. An additional 150 hours of coursework
C. An additional 75 hours of CAM-specific coursework
D. No additional coursework is required

**83. Two competing brokerages agree to divide a metropolitan area into exclusive territories and avoid competing for listings in each other's assigned area. This conduct most likely violates which type of law?**

A. Antitrust law (market allocation)
B. Fair housing law
C. RESPA
D. State licensing law only

**84. Georgia law prohibits licensees from engaging in a defined list of unfair trade practices. Which of the following is one of those prohibited practices?**

A. Charging a commission higher than 6%
B. Refusing to sell or rent to someone based on race, color, religion, sex, disability, familial status, or national origin
C. Representing more than one buyer at a time
D. Advertising a property using the firm's name

**85. A licensee learns that a competing brokerage has systematically discouraged buyers from viewing homes in certain neighborhoods based on the racial composition of the area. Which discriminatory practice does this describe?**

A. Blockbusting
B. Redlining
C. Puffing
D. Steering

**86. GREC substantiates a complaint against a licensee for a serious violation of license law. Among the range of disciplinary tools available, which of the following could GREC impose as a monetary penalty, and what is the general cap on that penalty within a single proceeding?**

A. A fine of up to $100,000 per violation with no cap
B. Only jail time, with no fines available
C. A fine of exactly $500 regardless of the violation
D. A fine of up to $1,000 per violation, capped at $5,000 in a single proceeding

**87. A rectangular commercial lot measures 220 feet by 300 feet. How many square feet does the lot contain?**

A. 66,000
B. 6,600
C. 52,800
D. 660,000

**88. A consumer obtains a court judgment against a Georgia licensee for a license-law violation, but the licensee has no assets and the judgment cannot be collected. Which Georgia fund exists to help compensate the consumer in this situation, and who can access it?**

A. The Georgia Recovery Fund, which compensates licensees for lost commissions
B. The GREC Discipline Fund, which pays licensees' legal fees
C. There is no such fund in Georgia
D. The Real Estate Education, Research, and Recovery Fund, which compensates consumers with uncollectible judgments

**89. An income property generates annual gross operating income of $85,000 and annual operating expenses of $35,000. What is the property's net operating income (NOI)?**

A. $50,000
B. $85,000
C. $35,000
D. $120,000

**90. Georgia's Real Estate Education, Research, and Recovery Fund caps payouts at a certain amount per transaction and requires the Commission to maintain a minimum fund balance. What are these two figures?**

A. A $10,000 cap per transaction and a $500,000 minimum balance
B. No cap per transaction and a $100,000 minimum balance
C. A $5,000 cap per transaction and no minimum balance requirement
D. A $25,000 cap per transaction and a $1 million minimum balance

**91. A seller agrees to pay a 6% commission on a home that sells for $410,000, to be split evenly between the listing brokerage and the buyer's brokerage. How much will the listing brokerage receive?**

A. $24,600
B. $6,150
C. $12,300
D. $41,000

**92. Most Georgia real estate financing uses a conveyance of title to the lender as security for a debt, rather than a traditional mortgage lien. Which instrument does Georgia typically use for this purpose?**

A. Deed of trust only
B. Quitclaim deed
C. Security deed
D. General warranty deed only

**93. A borrower takes out a loan with a principal balance of $150,000 at a 6% annual simple interest rate. How much interest accrues in one year?**

A. $9,000
B. $900
C. $1,500
D. $90,000

**94. Preparing a deed and conducting a real estate closing in Georgia are considered the practice of law under Georgia rule. Because of this, which professional must generally be involved in a Georgia residential closing?**

A. A licensed Georgia attorney
B. A title insurance agent only, with no attorney required
C. The real estate broker only
D. The lender's underwriter only

**95. A Georgia seller closes on a home for $340,000. Using the state transfer tax formula of $1 for the first $1,000 plus $0.10 for each additional $100, approximately how much transfer tax is owed?**

A. $34
B. $340
C. $1.00
D. $3,400

**96. Georgia requires active license renewal every four years, a longer renewal cycle than the two-year cycle used in many other states. Within that four-year period, Georgia salespersons must complete a minimum number of continuing education hours. How many hours are required?**

A. 12
B. 24
C. 36
D. 48

**97. A Georgia lender records a security deed for a long-term loan of $250,000. Using the intangible recording tax rate of $1.50 per $500 of the loan amount, how much intangible tax is owed?**

A. $375
B. $1,500
C. $2,500
D. $750

**98. An out-of-state real estate agent tells a Georgia buyer that closings in Georgia work the same way as in the agent's home state, where a title company alone handles the closing without any attorney. Based on Georgia's attorney-closing requirement, is this statement accurate?**

A. Yes, Georgia closings never require attorney involvement
B. Yes, but only for cash transactions
C. No, Georgia closings generally require a licensed Georgia attorney because closing-related document preparation is considered the practice of law
D. No, only because PSI requires it

**99. A residential building is organized so that each owner holds title to an individual unit along with an undivided interest in shared areas such as hallways and parking lots. Which form of ownership does this describe?**

A. Cooperative
B. Timeshare
C. Tenancy in common
D. Condominium

**100. A buyer in Georgia asks why their loan documents refer to a 'security deed' instead of a 'mortgage,' since they have purchased homes in other states before. Which explanation most accurately reflects Georgia practice?**

A. Georgia does not permit any real property financing
B. Georgia commonly uses a security deed, which conveys title to the lender as security rather than creating a simple lien
C. A security deed and a mortgage are entirely unrelated legal concepts
D. Security deeds are only used for commercial property in Georgia

## Answer Key & Explanations

1. **B** — A freehold estate is an ownership interest of indefinite duration, such as fee simple or a life estate, distinguishing it from a leasehold, which is a tenant's temporary possessory right.

2. **B** — A salesperson may not begin real estate brokerage activities merely because an application was submitted; the broker must have received the wall certificate of licensure.

3. **D** — A leasehold estate is a tenant's possessory interest for a defined period under a lease; the landlord keeps the underlying ownership.

4. **A** — An inactive licensee may not perform real estate brokerage activity except with respect to real estate owned solely by that inactive licensee, subject to the rule's conditions.

5. **C** — This wording creates a fee simple determinable, a type of fee simple defeasible estate that ends automatically when the stated condition is no longer met.

6. **B** — A salesperson who passes the exam must apply for an active or inactive license within 3 months or face an increased application fee.

7. **B** — All concurrent ownership arrangements involve an undivided interest, meaning each owner has rights to the whole property rather than to a specific physical portion of it.

8. **B** — Failure to activate within 12 months of passing the exam requires the candidate to retake the examination.

9. **C** — Joint tenancy requires the four unities of Possession, Interest, Time, and Title (PITT), all acquired equally and simultaneously through the same deed.

10. **B** — Georgia salespersons are required to complete an approved 25-hour-or-longer postlicense course within the first year of licensure.

11. **C** — An easement by necessity arises when a landlocked parcel needs access across an adjoining parcel; it is created by operation of law rather than by agreement.

12. **A** — Active license renewal requires 36 instructional hours during the four-year renewal period, including at least 3 hours on Georgia license law.

13. **B** — An easement by prescription arises from open, notorious, continuous, and hostile use of another's land for the period required by state law, similar in concept to adverse possession but for use rather than title.

14. **B** — Effective July 1, 2025, Georgia brokers must complete 18 broker-specific continuing education hours within their overall CE requirement.

15. **A** — A variance provides relief from strict application of a zoning ordinance due to hardship.

16. **B** — A client has entered a brokerage engagement, which is a written contract creating a formal client relationship.

17. **C** — Escheat allows property to revert to the state when an owner dies without heirs and without a valid will.

18. **A** — Each exclusive brokerage agreement must fully state its terms and have a definite expiration date.

19. **A** — The sales comparison approach values a property by comparing it to recent comparable sales and adjusting for differences.

20. **D** — Georgia Commission rules prohibit brokers from accepting net brokerage engagements.

21. **D** — Reasonable care requires competent, informed service to a client, including reasonably supported pricing guidance rather than unverified claims.

22. **C** — Georgia defines a dual agent as a broker simultaneously having a brokerage relationship with both seller and buyer, or landlord and tenant, in the same transaction.

23. **D** — PITI stands for Principal, Interest, Taxes, and Insurance, the four components commonly combined into a single monthly mortgage payment.

24. **C** — BRRETA exists because agency law previously left it unclear which duties a licensee owed to buyers versus sellers who had not signed a formal representation agreement; BRRETA created the client/customer framework to resolve that ambiguity.

25. **C** — LTV = loan ÷ value × 100 = 180,000 ÷ 225,000 × 100 = 80%.

26. **A** — Advertising by salespersons must be under the direct supervision of their broker and in the name of the firm.

27. **C** — Points = loan amount × point rate = $200,000 × 0.015 = $3,000.

28. **A** — A licensee may not advertise real estate for sale, rent, lease, or exchange without written permission from the owner, authorized agent, or owner of a leasehold estate.

29. **A** — Private mortgage insurance (PMI) is generally required on conventional loans with a down payment below 20% and protects the lender, not the borrower, against default.

30. **C** — Advertising that is misleading, inaccurate in a material fact, or misrepresents real estate is prohibited under Georgia rule.

31. **B** — FHA loans require a mortgage insurance premium (MIP), which functions similarly to PMI but is specific to the FHA loan program.

32. **B** — A licensee cannot advertise in a way that makes the offer appear to come from an unlicensed private party; special broker notice/approval rules still apply to personally owned property.

33. **C** — An acceleration clause allows the lender to declare the entire remaining loan balance immediately due, typically after a borrower default.

34. **D** — This is a materially inaccurate advertising claim, which is prohibited under Georgia's advertising rules.

35. **A** — An alienation (due-on-sale) clause allows the lender to require full repayment if the borrower transfers or sells the property without the lender's consent.

36. **C** — A licensee must place cash, checks, or other items of value received in a brokerage capacity into the custody of the broker as soon as practicably possible.

37. **C** — In a title-theory state, the lender holds legal title as security until the debt is repaid, while a lien-theory state instead gives the borrower title and the lender only a lien.

38. **D** — Before depositing funds into an interest-bearing trust account, the broker must obtain written agreement indicating who receives the interest.

39. **B** — In single agency, the licensee represents only one party (here, the seller) and owes that party full fiduciary duties.

40. **B** — A broker required to maintain a trust account must prepare a written reconciliation at least monthly.

41. **A** — Designated agency assigns different licensees within the same firm to represent each side of a transaction individually, rather than having the firm act as one dual agent.

42. **D** — Monthly reconciliation statements are reviewed by the broker and maintained for three years.

43. **C** — An adverse material fact is a fact that would negatively affect a party's decision, and general disclosure duties call for honest disclosure of known material facts even when unfavorable.

44. **A** — Trust funds are disbursed according to the contract or recognized circumstances such as rejection/withdrawal of an offer, closing, signed written agreement, interpleader, court order, or a reasonable interpretation of the contract.

45. **D** — Puffing is subjective sales talk or opinion, generally not treated as an actionable false statement of fact.

46. **B** — The monthly written trust account reconciliation requirement is designed to catch discrepancies between the ledger and the bank balance quickly, before they grow.

47. **D** — Compensation arrangements and referral fees connected to a transaction generally must be disclosed to the licensee's client as part of the duty of disclosure and to avoid undisclosed conflicts of interest.

48. **D** — A licensee preparing or signing an offer must include the six-digit Commission license number of each participating firm and licensee.

49. **A** — An agency relationship can end through mutual agreement between the parties, along with other reasons such as completion of purpose, expiration, death or incapacity, destruction of the property, or revocation.

50. **C** — Brokers must keep required transaction documents for three years.

51. **B** — A latent defect is a defect not readily observable by ordinary inspection.

52. **C** — Licensees may not falsify transaction documents or knowingly misrepresent key transaction facts such as the sales price.

53. **C** — Federal lead-based paint disclosure rules generally apply to most residential housing built before 1978.

54. **D** — A licensee must provide a copy of any real-estate transaction document to each individual signing it, not just the licensee's own client.

55. **A** — Material facts affecting a buyer's decision generally must be disclosed honestly; an agent should not make false statements even if instructed to stay silent.

56. **A** — Georgia rule emphasizes accurate transaction documentation, and correcting an error promptly for all signers supports that requirement.

57. **A** — An express contract states its terms in words, whether oral or written; this spoken agreement is express even though it was not written down.

58. **D** — A licensee buying property listed with the licensee or firm must clearly disclose the licensee's position as buyer and include that disclosure in the contract.

59. **D** — An implied contract arises from the parties' conduct and circumstances rather than from stated words.

60. **A** — Georgia's principal-disclosure expectations call for clear disclosure of a licensee's relationship and interest even when a close family member, rather than the licensee personally, is the buyer.

61. **D** — Fraud or misrepresentation involves a false statement of material fact used to induce a party to enter a contract, and it can make the resulting contract voidable by the injured party.

62. **A** — Affiliated licensees have duties to notify/involve their broker as required when dealing with personally owned property or personal transactions.

63. **D** — An assignment transfers contractual rights to a third party, and the original party generally remains liable unless specifically released.

64. **D** — An inactive licensee may perform real estate brokerage activity with respect to real estate owned solely by that inactive licensee, subject to the rule's conditions.

65. **D** — A novation substitutes a new party or agreement for an original one with all parties' consent and releases the original party from further liability, unlike an assignment.

66. **C** — Familial status is one of the seven classes protected under the federal Fair Housing Act.

67. **A** — In an exclusive right to sell listing, the listing broker earns the commission regardless of who finds the buyer, including the seller.

68. **B** — The Georgia Real Estate Commission has express statutory and rule-based authority (Chapter 520-1) to discipline licensees.

69. **B** — A special warranty deed generally warrants only against title problems arising during the grantor's own period of ownership.

70. **B** — GREC has authority to discipline a Georgia real estate license for violations of professional conduct standards, including discriminatory steering.

71. **C** — A general warranty deed provides the broadest warranties of title, covering defects from the entire history of the property rather than just the grantor's period of ownership, which is why buyers generally favor it.

72. **D** — GREC has six members, each appointed by the Governor and confirmed by the Senate to staggered five-year terms.

73. **B** — A bargain and sale deed implies the grantor holds title and the right to convey it, but includes no express warranties against earlier defects.

74. **B** — Five GREC members must be Georgia-resident licensees with at least five years of active experience; the sixth is a consumer member with no real estate industry ties.

75. **A** — A deed of trust is a three-party security instrument (borrower, lender, and trustee) used in many states in place of a mortgage, allowing nonjudicial foreclosure through the trustee.

76. **D** — The Commissioner is a full-time employee hired to run day-to-day operations and is not one of the six appointed members, so the Commissioner does not vote on Commission matters.

77. **A** — Voluntary alienation is a transfer of title by the owner's own choice, through forms such as a deed (sale or gift) or a will (devise) at death.

78. **B** — Georgia salesperson licensure requires completion of a 75-hour GREC-approved prelicense course.

79. **C** — Involuntary alienation is a transfer of title without, or against, the owner's choice, through forms such as foreclosure, eminent domain, tax sale, escheat, or intestate succession.

80. **C** — Broker licensure requires active salesperson (or CAM) status for at least 3 of the preceding 5 years and completion of a 60-hour broker prelicense course, among other requirements.

81. **B** — An abstractor researches public records and prepares the abstract of title, a condensed chronological history of documents affecting a property's title.

82. **C** — A community association manager must meet the salesperson-level requirements plus complete an additional 75 hours of CAM-specific coursework approved by the Commission.

83. **A** — Agreeing to divide markets and avoid competing is a form of antitrust market allocation.

84. **B** — Georgia's unfair trade practices include refusing to sell, rent, or negotiate with someone based on protected characteristics such as race, color, religion, sex, disability, familial status, or national origin.

85. **D** — Steering involves directing buyers toward or away from areas based on protected characteristics.

86. **D** — GREC may impose fines of up to $1,000 per violation, capped at $5,000 in a single disciplinary proceeding, in addition to other disciplinary tools such as reprimand, suspension, or revocation.

87. **A** — Area = length × width = 220 × 300 = 66,000 square feet.

88. **D** — The Real Estate Education, Research, and Recovery Fund compensates consumers, not licensees, who obtain an uncollectible court judgment against a Georgia licensee for a license-law violation.

89. **A** — NOI = gross operating income – operating expenses = 85,000 – 35,000 = $50,000.

90. **D** — Payouts from the Recovery Fund are capped at $25,000 per transaction, and the Commission maintains a minimum fund balance of $1 million.

91. **C** — Total commission = 410,000 × 0.06 = $24,600; split evenly between two brokerages = $12,300 each.

92. **C** — Georgia typically uses a security deed, which conveys title to the lender as security for the debt.

93. **A** — Simple interest = principal × rate × time = 150,000 × 0.06 × 1 = $9,000.

94. **A** — Georgia is an attorney-closing state; a licensed Georgia attorney must generally be involved because closing-related document preparation is considered the practice of law.

95. **B** — Transfer tax = $1 for the first $1,000 + $0.10 × (3,390 additional $100 increments) = $1 + $339.00 = $340.00 total, following the statutory per-$1,000/per-$100 formula. This also matches the shortcut of Price ÷ 1,000 = $340,000 ÷ 1,000 = $340.00.

96. **C** — Georgia requires 36 continuing education hours within the four-year renewal period.

97. **D** — Intangible tax = ($250,000 ÷ 500) × $1.50 = 500 × $1.50 = $750, well under the $25,000 statutory cap per note.

98. **C** — Georgia closings generally require attorney involvement because Georgia treats closing-related document preparation as the practice of law.

99. **D** — A condominium involves individual unit ownership plus an undivided interest in common elements.

100. **B** — Georgia commonly uses a security deed, which conveys title to the lender as security, functioning similarly to but distinct from a traditional mortgage lien.

## 7-Day Final Review Plan

| Day | Focus |
|---|---|
| **Day 1** | Property ownership + land use + 25 minutes of math |
| **Day 2** | Valuation + financing + federal lending rules |
| **Day 3** | Agency + contracts + transaction scenarios |
| **Day 4** | Disclosures + fair housing + title transfer |
| **Day 5** | Georgia licensing + brokerage engagements + advertising |
| **Day 6** | Georgia trust accounts + transaction documents + mixed practice |
| **Day 7** | Full mixed review, missed-question notebook, formulas, and light review only |

*Do not cram new concepts the night before the exam. Use your final review to strengthen weak areas and confirm formulas/rules you already studied.*

## Official Sources Reviewed for This 2026 Edition

- PSI Real Estate Testing: https://www.psiexams.com/licensure/real-estate/
- PSI Test Program List — Georgia Real Estate Examination Program: https://www.psiexams.com/test-takers/program-list/
- Georgia Secretary of State — Georgia Real Estate Commission Rules, Chapter 520-1: https://rules.sos.ga.gov/gac/520-1
- Georgia Secretary of State — Department 520, 2026 Rules PDF: https://rules.sos.ga.gov/download_pdf.aspx?dept=Departments&pdf=Department+520+GEORGIA+REAL+ESTATE+COMMISSION&st=GASOS&year=2026
- Georgia Real Estate Commission — official licensing materials: https://grec.state.ga.us/
- HUD — Fair Housing Act Overview: https://www.hud.gov/helping-americans/fair-housing-act-overview
- CFPB — Regulation X / RESPA §1024.14: https://www.consumerfinance.gov/rules-policy/regulations/1024/14/
- CFPB — Regulation B / ECOA: https://www.consumerfinance.gov/rules-policy/regulations/1002/
- EPA — Real Estate Disclosures About Potential Lead Hazards: https://www.epa.gov/lead/real-estate-disclosures-about-potential-lead-hazards

**Important disclaimer:** This guide is an educational review aid and does not replace an approved prelicense course, official candidate bulletin, Georgia law/rules, or professional legal advice. Laws, rules, testing procedures, and exam content may change. Always verify current requirements with GREC and PSI.

# Acronyms Reference

Quick reference for abbreviations used throughout this guide.

| Acronym | Stands For |
|---|---|
| **APR** | Annual Percentage Rate |
| **BRRETA** | Brokerage Relationships in Real Estate Transactions Act (Georgia) |
| **CE** | Continuing Education |
| **CFPB** | Consumer Financial Protection Bureau |
| **CMA** | Comparative Market Analysis |
| **COLD AC** | Care, Obedience, Loyalty, Disclosure, Accounting, Confidentiality (mnemonic for the common-law fiduciary duties an agent owes a client) |
| **DTI** | Debt-to-Income (ratio); front-end and back-end DTI ratios measure housing and total debt payments against gross income |
| **ECOA** | Equal Credit Opportunity Act |
| **EPA** | Environmental Protection Agency |
| **FHA** | Federal Housing Administration |
| **GIM** | Gross Income Multiplier (the annual-income counterpart to GRM, used for income properties) |
| **GRM** | Gross Rent Multiplier |
| **GREC** | Georgia Real Estate Commission |
| **HUD** | U.S. Department of Housing and Urban Development |
| **LTV** | Loan-to-Value (ratio) |
| **NOI** | Net Operating Income |
| **O.C.G.A.** | Official Code of Georgia Annotated |
| **PITI** | Principal, Interest, Taxes, Insurance (the four components of a monthly mortgage payment) |
| **PITT** | Possession, Interest, Time, Title (mnemonic for the four unities required to create a joint tenancy) |
| **PSI** | PSI Services LLC (Georgia's real estate exam administrator) |

| Acronym | Stands For |
|---|---|
| **RESPA** | Real Estate Settlement Procedures Act |
| **TILA** | Truth in Lending Act |
| **VA** | U.S. Department of Veterans Affairs |

## Keep Studying With Real Estate Resources Academy

This guide tells you what to review.

RERA helps determine what **YOU** need to review next.

- Adaptive National and Georgia practice
- Weak-area training
- Mock exams
- Exam Readiness tracking
- Personalized study guides generated from your test results

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