Pass Georgia
REAL ESTATE EXAM PREP

STUDY EDITION
2026

SALESPERSON / STATE PORTION

Georgia State Exam Practice Test

A complete 52-question workbook, with a separate answer sheet and a clear explanation for every choice.

16	21	15
LAWS & RULES	GEORGIA PRACTICE	FINANCE & CLOSING

PRACTICE WITH PURPOSE

Know the rule. Make the call.

Original questions. The same form online.

OPEN ONLINE

How to use this workbook

One honest attempt is more useful than a perfect score you remember. Answer first. Study the explanation second.

01 **Take the test**
Answer sheet and all 52 questions — 03-17

02 **Check your work**
Answer key and three group subtotals — 18

03 **Learn from each answer**
Rules, rationales, worked math and lessons — 19

Choose one answer. Use only the facts in the scenario. Keep notes and the answer key closed until you finish.

Mark uncertainty. Fill the Guess box whenever you are unsure. A correct guess belongs in your review, too.

Use a fresh scenario next. Explain the rule in your own words, follow the lesson link, then try different questions on another day.

PRINT ONLY WHAT YOU NEED

Print pages 3-17 for the test and answer sheet. The key starts on page 18. Use US Letter at actual size.

The 16/21/15 allocation follows the July 1, 2026 PSI bulletin. These are original study questions, not actual or recalled PSI items. Matching the group counts does not cover every subtopic or make this a validated exam replica. No official timer or passing score is assigned; use current PSI appointment instructions for exam-day timing.

Source notes, page 45 / Next-session worksheet, page 49

Your answer sheet

Fill one circle per row. Check G for any guess or uncertain answer.

NAME _____ DATE _____

01 - 13						14 - 26						27 - 39						40 - 52					
	A	B	C	D	G		A	B	C	D	G		A	B	C	D	G		A	B	C	D	G
01	○	○	○	○	□	14	○	○	○	○	□	27	○	○	○	○	□	40	○	○	○	○	□
02	○	○	○	○	□	15	○	○	○	○	□	28	○	○	○	○	□	41	○	○	○	○	□
03	○	○	○	○	□	16	○	○	○	○	□	29	○	○	○	○	□	42	○	○	○	○	□
04	○	○	○	○	□	17	○	○	○	○	□	30	○	○	○	○	□	43	○	○	○	○	□
05	○	○	○	○	□	18	○	○	○	○	□	31	○	○	○	○	□	44	○	○	○	○	□
06	○	○	○	○	□	19	○	○	○	○	□	32	○	○	○	○	□	45	○	○	○	○	□
07	○	○	○	○	□	20	○	○	○	○	□	33	○	○	○	○	□	46	○	○	○	○	□
08	○	○	○	○	□	21	○	○	○	○	□	34	○	○	○	○	□	47	○	○	○	○	□
09	○	○	○	○	□	22	○	○	○	○	□	35	○	○	○	○	□	48	○	○	○	○	□
10	○	○	○	○	□	23	○	○	○	○	□	36	○	○	○	○	□	49	○	○	○	○	□
11	○	○	○	○	□	24	○	○	○	○	□	37	○	○	○	○	□	50	○	○	○	○	□
12	○	○	○	○	□	25	○	○	○	○	□	38	○	○	○	○	□	51	○	○	○	○	□
13	○	○	○	○	□	26	○	○	○	○	□	39	○	○	○	○	□	52	○	○	○	○	□

AFTER YOU FINISH

CORRECT _____ / 52

CORRECT GUESSES _____

TIME SPENT _____ minutes

Time spent is a study note, not an official exam limit. Score only after completing the full form.

Questions 01-04

Choose the best answer. Keep the answer key out of sight.

01 **Under Georgia's brokerage relationships law, a broker's office policy on whether the firm permits disclosed dual agency:**

A. Is a voluntary best practice recommended by trade associations
B. Must be filed with and approved by GREC before the firm may operate
C. Is required by statute, and the broker must develop and enforce it
D. Applies only to firms with more than ten affiliated licensees

02 **A person who provides community association management (CAM) services for a fee to Georgia associations generally needs:**

A. A CAM license or a real estate license
B. A real estate broker license only
C. No license, because no property is sold
D. A county business registration only

03 **A Georgia buyer asks her agent whether she should buy an owner's title policy. The agent should:**

A. Say it is unnecessary because the lender's policy protects the buyer
B. Promise that the policy will cover any title defect that arises
C. Explain the option and refer coverage questions to the closing attorney
D. Stay silent, since title insurance is outside brokerage duties

04 **How many hours of prelicense education does Georgia require for a salesperson license?**

A. 25 hours
B. 36 hours
C. 60 hours
D. 75 hours

Questions 05-07

Choose the best answer. Keep the answer key out of sight.

05 **A Georgia property transfers for $360,000 with a qualifying $288,000 secured note. Which pairing is correct before fractional adjustments?**

A Both taxes use $360,000
B Both taxes use $288,000
C Transfer tax uses $360,000; intangible tax uses $288,000
D Transfer tax uses $288,000; intangible tax uses $360,000

06 **Without any written agreement from the parties, a Georgia broker deposits earnest money into an interest-bearing trust account and keeps the interest it earns. This is:**

A Permitted, because the full deposit stays in the account
B Permitted, if the broker discloses the interest at closing
C A violation, because the parties never agreed in writing
D A violation only if the interest exceeds $100 a year

07 **At a Georgia closing, the seller signs the deed, but the buyer's lender wire has not yet reached the closing attorney's escrow account. The attorney may pay the seller's proceeds:**

A Immediately, because the seller has signed and delivered the deed
B Only once the lender's wire lands in the escrow account
C Only after the deed is recorded and returned by the clerk
D Only after a three-day waiting period that applies to all sales

WORKING SPACE

Questions 08-10

Choose the best answer. Keep the answer key out of sight.

08 **A new Georgia salesperson finishes the 25-hour post-license course during the first year of licensure. How does that course count toward continuing education for the first renewal period?**

A. It counts as 9 hours of continuing education
B. It counts as all 25 hours of continuing education
C. It does not count toward continuing education at all
D. It replaces the continuing education requirement for that period

09 **Under Georgia's brokerage relationships law, which statement best describes the duties a broker owes a client?**

A. Full fiduciary duties under general agency law
B. Whatever additional duties the client requests orally
C. Only the duties set out in BRRETA, unless the parties expressly agree to more in a signed writing
D. The same duties the broker owes every customer

10 **Before a claimant may recover from the Georgia Real Estate Education, Research and Recovery Fund, the claimant must generally first:**

A. Obtain an unsatisfied court judgment against the licensee
B. Exhaust the licensee's errors and omissions policy
C. Prove the licensee has been criminally convicted
D. File a complaint with the Commission and wait 30 days

WORKING SPACE

Questions 11-14

Choose the best answer. Keep the answer key out of sight.

11 **A Georgia salesperson wants to leave the sponsoring broker and stop practicing for a while but keep the license. The salesperson may:**

A. Place the license on inactive status
B. Keep the license active without a broker
C. Hold the license in escrow with GREC
D. Practice on their own as a salesperson

12 **The Georgia Real Estate Education, Research and Recovery Fund primarily exists to:**

A. Pay the Commission's day-to-day operating costs
B. Insure brokers against errors and omissions claims
C. Pay the fines the Commission imposes on licensees
D. Compensate consumers harmed by licensee violations

13 **A seller client tells the listing broker to tell buyers there are no other offers, when in fact there are two. What should the broker do?**

A. Repeat the seller's statement, because it protects a client confidence
B. Disclose the price and terms of both offers to every buyer
C. Say nothing at all to buyers about offers, under any circumstances
D. Refuse to state that there are no other offers, because the broker may not give customers false information

14 **A property is transferred without the lender's consent, and no federal exception protects the transfer. What does a due-on-sale clause in the security deed permit the lender to do?**

A. Declare the entire unpaid balance immediately due
B. Increase the interest rate to the usury ceiling
C. Take possession of the property without a foreclosure sale
D. Charge the borrower a prepayment penalty

Questions 15-18

Choose the best answer. Keep the answer key out of sight.

15 **The GCIC criminal history report an applicant submits with a Georgia license application must be issued no more than:**

A. 30 days before application
B. 90 days before application
C. 60 days before application
D. 180 days before application

16 **Who must conduct a real estate closing in Georgia?**

A. A Georgia-licensed attorney
B. A title company's closer
C. The listing broker's office
D. An independent escrow officer

17 **A Georgia home sells for $285,000, and the buyer finances $228,000 with a new loan. No existing loan is assumed. What is the state transfer tax?**

A. $228.00
B. $684.00
C. $285.00
D. $2,850.00

18 **An active Georgia salesperson who is not exempt from continuing education is preparing to renew. How much continuing education must the salesperson complete in the renewal period, and how much of it must cover license law?**

A. 24 hours, including 3 hours of license law
B. 36 hours, including 3 hours of license law
C. 36 hours, with no license-law minimum
D. 18 hours, including 3 hours of license law

Questions 19-22

Choose the best answer. Keep the answer key out of sight.

19 **Under Georgia's brokerage relationships law, a broker working with a customer owes that customer:**

A. Loyalty and obedience to lawful instructions
B. Truthful information and known adverse material facts
C. Confidentiality and promotion of the customer's interests
D. No duties, because there is no brokerage engagement

20 **Which age and schooling requirements must a Georgia salesperson license applicant meet?**

A. At least 21 years old with an associate degree
B. At least 18 years old with no schooling beyond the prelicense course
C. At least 19 years old with a bachelor's degree
D. At least 18 years old with a high school diploma or its equivalent

21 **A borrower conveys legal title directly to a lender as security for a debt, with no trustee. Which Georgia instrument is described?**

A. Mortgage
B. Deed of trust
C. Security deed
D. Land contract

22 **A Georgia listing engagement has expired. During it, the seller told the broker in confidence the lowest price the seller would accept. A buyer now asks the broker for that number. The broker:**

A. Must keep it confidential unless the seller allows disclosure or another exception applies
B. May disclose it, because the engagement has ended
C. Must disclose it, because the buyer asked directly
D. May disclose it to other licensees, but not to the buyer

Questions 23-26

Choose the best answer. Keep the answer key out of sight.

23 **A candidate passes the Georgia salesperson exam and applies for a license four months later. The application fee will be:**

A. Twice the standard fee
B. The standard fee
C. The standard fee plus a late penalty
D. Refused until the exam is retaken

24 **A Georgia buyer asks the buyer's agent to recommend a closing attorney. The agent may:**

A. Provide the names of several attorneys and let the buyer choose
B. Tell the buyer no attorney is needed for a cash purchase
C. Prepare the deed and closing documents to save the buyer money
D. Require the firm's preferred attorney as a condition of the sale

25 **A Georgia property has a fair market value of $300,000. What is its assessed value for property tax?**

A. $300,000
B. $180,000
C. $120,000
D. $12,000

26 **A Georgia salesperson asks a seller to pay the salesperson's share of the commission directly, without telling the salesperson's broker. Accepting that payment is:**

A. Permitted, because the sale has already closed
B. Permitted, if the salesperson reports it as taxable income
C. A violation, because the broker has not consented to it
D. A violation only if it exceeds the agreed commission split

Questions 27-30

Choose the best answer. Keep the answer key out of sight.

27 **A Georgia broker assigns one affiliated licensee to exclusively represent the seller and another to exclusively represent the buyer in the same transaction. This arrangement is:**

A Transaction brokerage
B Designated agency
C Dual agency
D Subagency

28 **Under Georgia law, a brokerage engagement must be:**

A Oral or written
B In writing
C Recorded with the county
D Approved by GREC

29 **A Georgia sales brokerage hires an unlicensed assistant. Which task may the assistant perform?**

A Negotiate contract terms with a cooperating agent
B Explain the terms of a listing agreement to a seller
C Schedule appointments and prepare marketing materials
D Show listed homes to buyers and answer their questions

30 **A Georgia landlord wants to end a tenancy at will. How much notice must the landlord give the tenant?**

A 30 days
B 60 days
C 90 days
D 7 days

Questions 31-34

Choose the best answer. Keep the answer key out of sight.

31 **A new Georgia salesperson received an original license this month. Which education requirement comes due first?**

A. A 25-hour post-license course within one year of licensure
B. A 25-hour post-license course before the first license renewal
C. 36 hours of continuing education within one year of licensure
D. A 3-hour license law course within one year of licensure

32 **A Florida resident holds a Florida real estate license in good standing, obtained by examination, and wants a Georgia license. Under the PSI bulletin, the candidate must:**

A. Apply by reciprocity with no Georgia exam
B. Take and pass the Georgia Supplement Exam
C. Wait one year after moving to Georgia, then apply
D. Complete the 75-hour prelicense course again

33 **A Georgia home has $420,000 fair market value, a stated $12,000 exemption from assessed value, and 30 mills. What is annual tax?**

A. $4,680
B. $5,040
C. $12,240
D. $12,600

34 **A Georgia broker receives and holds earnest money. The interested parties have given no written instructions to handle it differently. Where must the broker deposit it?**

A. Deposited in the broker's operating account
B. Deposited in a designated trust account
C. Given directly to the seller
D. Kept by the licensee who received it until closing

Questions 35-38

Choose the best answer. Keep the answer key out of sight.

35 **Six months into a written one-year lease with no rent escalation clause, a Georgia landlord's property taxes rise. The landlord may raise the rent before the lease ends:**

A. Only if the tenant agrees to amend the lease
B. After giving the tenant 60 days' written notice
C. Immediately, to pass through the tax increase
D. Once the tenant has paid rent late

36 **A Georgia borrower's home was sold yesterday at a power-of-sale foreclosure. The borrower now has enough money to pay the full debt. The borrower:**

A. May redeem within 12 months by paying the sale price
B. May redeem within 30 days by paying the full debt
C. Has no statutory right to redeem the property
D. May reinstate the loan by paying the arrears

37 **A Georgia licensee has placed the license on inactive status. Which of these may the licensee still do?**

A. Show and negotiate the former broker's listings
B. Manage rental property for other owners for a fee
C. Sell a house that the licensee owns alone
D. List a neighbor's home and collect a commission

38 **Maria is the qualifying broker for a Georgia firm with 20 affiliated licensees. Under Georgia license law, Maria's core responsibility is to:**

A. Guarantee the commissions owed to affiliated licensees
B. Supervise the affiliated licensees and their activities
C. Hold the firm's trust funds in an account in her own name
D. Personally handle every transaction the firm lists or sells

Questions 39-42

Choose the best answer. Keep the answer key out of sight.

39 **A Georgia salesperson's firm uses a sales contract form prepared by the firm's attorney instead of a Georgia REALTORS form. Is that permitted?**

A. No, every sale must use a Commission-issued form
B. Yes, licensees may complete contract forms prepared by legal counsel
C. Only if GREC approves the form for that transaction
D. Only if the salesperson also holds a law license

40 **A Georgia licensee tells a buyer client what a contract clause legally means for the buyer's rights. This conduct is best described as:**

A. The unauthorized practice of law by the licensee
B. Proper client service, if the explanation is accurate
C. Acceptable, since licensees may fill in contract forms
D. A problem only if the buyer later suffers a loss

41 **A mortgage broker pays a licensee solely for referring a buyer who closes a federally related mortgage loan. The licensee provides no other service for that payment. This is:**

A. Permitted if each fee is under $500
B. A kickback that violates RESPA
C. Permitted with written disclosure to the buyer
D. Permitted because both parties are licensed

42 **On a sales contract form prepared by legal counsel, a Georgia licensee fills in the property description, the price, the payment method, and the closing date. This is:**

A. Permitted under the Georgia license law
B. The unauthorized practice of law
C. Allowed only after a closing attorney approves each blank
D. Allowed only when the licensee represents the buyer

Questions 43-46

Choose the best answer. Keep the answer key out of sight.

43 **All of the following are within the Georgia Real Estate Commission's authority EXCEPT:**

A Investigating complaints against licensees
B Suspending or revoking a license
C Setting the commission rate licensees may charge
D Approving prelicense schools and courses

44 **A Georgia seller's broker receives a new offer after the property is already under contract. The listing engagement says nothing about offers received after a contract. The broker must:**

A Hold the offer until the first contract fails
B Return the offer without mentioning it to the seller
C Present the offer to the seller in a timely way
D Keep marketing the property to attract more offers

45 **A buyer purchases at $400,000 with a qualifying $320,000 long-term note secured by the property. The intangible recording tax is calculated on:**

A $400,000
B $80,000
C $160,000
D $320,000

46 **Which of the following would NOT ordinarily terminate a brokerage engagement?**

A Completion of the purpose of the engagement
B Expiration of the term stated in the agreement
C Mutual agreement of the client and the broker
D The affiliated licensee moving to another firm

Questions 47-49

Choose the best answer. Keep the answer key out of sight.

47 **Compared with judicial foreclosure, the main practical advantage of Georgia power-of-sale foreclosure to a lender is that it:**

A Eliminates the need to notify the borrower
B Prevents the borrower from curing the default at any point
C Guarantees the lender will recover the full loan balance
D Avoids filing suit, which shortens the timeline and reduces cost

48 **A Georgia property sells for $500,000 with a qualifying $375,250 secured note. What is the intangible recording tax?**

A $750.00
B $1,125.00
C $1,126.50
D $1,500.00

49 **A Georgia seller's broker knows the previous owner died of natural causes in the house last year. The buyer never asks about it. Under Georgia law, the broker:**

A Must disclose the death in writing before the buyer signs
B Has no liability for not volunteering it, but must answer truthfully if the buyer asks directly
C Must disclose it only if the buyer is the broker's client
D Must refuse to answer any question about it

WORKING SPACE

Questions 50-52

Choose the best answer. Keep the answer key out of sight.

50 **A Georgia lender is preparing a non-judicial foreclosure under a power of sale. All of the following are required EXCEPT:**

A. A court order authorizing the sale before it may be advertised
B. Conducting the sale on the first Tuesday of the month during legal sale hours
C. Giving the debtor the prescribed notice at least 30 days before the sale date
D. Publication of the notice of sale in the county's legal organ once a week for four weeks before the sale

51 **The listing broker pays the cooperating broker's commission out of the seller's proceeds. The cooperating broker has a written buyer brokerage engagement with the buyer. Whom does the cooperating broker represent?**

A. The seller, because the seller's money pays the commission
B. Both parties, as a dual agent
C. Neither party, as a transaction broker
D. The buyer, because payment does not decide the relationship

52 **A Georgia deed transfers for $410,050 in taxable consideration. What is the real estate transfer tax?**

A. $410.00
B. $410.05
C. $410.10
D. $411.00

WORKING SPACE

The answer key

One point per correct answer. A blank earns no point. Click a key to jump to its explanation.

NO.	KEY	GROUP	NO.	KEY	GROUP	NO.	KEY	GROUP	NO.	KEY	GROUP
01	C	P	14	A	F	27	B	P	40	A	P
02	A	P	15	C	L	28	B	P	41	B	P
03	C	F	16	A	F	29	C	L	42	A	P
04	D	L	17	C	F	30	B	P	43	C	L
05	C	F	18	B	L	31	A	L	44	C	P
06	C	L	19	B	P	32	B	L	45	D	F
07	B	F	20	D	L	33	A	F	46	D	P
08	A	L	21	C	F	34	B	P	47	D	F
09	C	P	22	A	P	35	A	P	48	C	F
10	A	L	23	A	L	36	C	F	49	B	P
11	A	L	24	A	P	37	C	L	50	A	F
12	D	L	25	C	F	38	B	L	51	D	P
13	D	P	26	C	P	39	B	P	52	C	F

L / LAWS & RULES

_____ / 16

P / GEORGIA PRACTICE

_____ / 21

F / FINANCE & CLOSING

_____ / 15

Use these subtotals to choose what to review. They describe this form, not your chance of passing PSI. Review correct guesses as well as misses, then check your understanding with fresh questions.

Review 01-02

GEORGIA PRACTICE

01 C. Is required by statute, and the broker must develop and enforce it

BRRETA requires every broker to develop and enforce a policy that either permits or rejects disclosed dual agency. A policy that exists only on paper does not satisfy the law, and the duty applies to every firm regardless of size, with no GREC filing step.

> RULE TO KEEP
>
> Every Georgia broker must develop and enforce an office policy that permits or rejects disclosed dual agency.

- **A** It is a legal requirement, not a voluntary practice.
- **B** The statute requires the policy but not a filing with or approval by GREC.
- **C** Correct. The broker must both develop and enforce the policy.
- **D** The requirement applies to every broker regardless of firm size.

Confidentiality and knowledge / Source 01 / Question 01

GEORGIA PRACTICE

02 A. A CAM license or a real estate license

Georgia treats community association management as brokerage activity. It licenses community association managers separately, with a 25-hour prelicense course, and a salesperson or broker license also covers the activity when the licensee works through a broker.

> RULE TO KEEP
>
> Community association management for a fee requires a CAM license or a real estate license in Georgia.

- **A** Correct. A CAM license or a salesperson or broker license covers the activity.
- **B** Misconception: only brokers may manage. A CAM or salesperson license also qualifies when working through a broker.
- **C** Misconception: licensing is only about sales. Georgia treats community association management for a fee as licensed activity.
- **D** Misconception: a local permit is enough. Counties do not license community association managers.

Community association management / Source 02 / Question 02

MY TAKEAWAY

Review 03-04

FINANCE & CLOSING

03 C. Explain the option and refer coverage questions to the closing attorney

The lender's policy protects only the lender's loan amount, so the buyer needs an owner's policy for protection. An agent should raise the option but leave coverage interpretation to the closing attorney or insurer, because that is a legal and underwriting question.

> RULE TO KEEP
> A lender's title policy protects only the lender; the owner's policy is optional and protects the buyer.

- **A** Misconception: one policy covers both. The lender's policy protects the lender's loan, not the buyer's equity.
- **B** Misconception: title insurance covers everything. Policies carry exclusions and exceptions, and an agent cannot promise coverage.
- **C** Correct. Raise the option, then send coverage questions to the closing attorney or title insurer.
- **D** Misconception: title is outside the agent's lane. Silence about a material protection is a failure of diligence.

Title insurance / Source 03 / Question 03

LAWS & RULES

04 D. 75 hours

Georgia requires a 75-hour salesperson prelicense course at a school approved by the Georgia Real Estate Commission. Keep the other numbers straight: 25 hours of post-license in year one, 36 hours of CE per renewal, and 60 hours for the broker course.

> RULE TO KEEP
> Georgia salesperson prelicense education is 75 hours at a GREC-approved school.

- **A** Misconception: 25 hours is the post-license course due in the first year, not prelicense.
- **B** Misconception: 36 hours is the continuing education required each renewal period.
- **C** Misconception: 60 hours is the broker prelicense course, not the salesperson course.
- **D** Correct. The Georgia salesperson prelicense course is 75 hours.

Education requirements / Source 02 / Question 04

MY TAKEAWAY

Review 05-06

FINANCE & CLOSING

05 C. Transfer tax uses $360,000; intangible tax uses $288,000

Transfer tax is charged on the deed, so its base is the consideration paid. Intangible recording tax is charged on recording the security deed, so its base is the face amount of the secured note. Match each tax to the document it rides on.

> RULE TO KEEP
>
> Transfer tax rides on the deed and uses the price; intangible tax rides on the security deed and uses the note.

Transfer event identifies consideration: $360,000
Secured-note recording identifies note amount: $288,000

- **A** Wrong. Intangible tax does not use the price.
- **B** Wrong. Transfer tax does not use the loan.
- **C** Correct. Transfer on consideration; intangible on the note.
- **D** Wrong. Reverses the two bases.

Word problem strategy / Source 04 / Question 05

LAWS & RULES

06 C. A violation, because the parties never agreed in writing

Before placing trust funds in an interest-bearing account, the broker must obtain the parties' written agreement stating who will receive the interest. Keeping the interest without that agreement is an unfair practice and appears on GREC's citation schedule. An intact principal does not cure it, because the interest was never the broker's to keep.

> RULE TO KEEP
>
> Interest-bearing trust account: get the parties' written agreement on who gets the interest before depositing.

- **A** Misconception: only the principal matters. An intact deposit does not make the interest the broker's to keep.
- **B** Misconception: after-the-fact disclosure cures it. The written agreement on interest must come before the deposit.
- **C** Correct. The parties must agree in writing who receives the interest before the broker deposits into an interest-bearing account.
- **D** Misconception: small amounts are excused. No dollar threshold excuses keeping interest without a written agreement.

Earnest money / Source 05 / Question 06

Review 07-08

FINANCE & CLOSING

07 B. Only once the lender's wire lands in the escrow account

Georgia's good funds law bars a settlement agent from disbursing until it holds collected funds, such as a completed wire. Signing the deed does not put money in the escrow account, so the seller waits for funding.

> RULE TO KEEP
>
> A Georgia settlement agent may disburse closing proceeds only after good (collected) funds are in its escrow account.

- **A** Misconception: signing equals funding. The attorney cannot pay out money the account does not yet hold.
- **B** Correct. Disbursement follows receipt of good (collected) funds, such as a completed wire, in the escrow account.
- **C** Misconception: recording comes first. Recording commonly follows disbursement and is not a precondition to paying the seller.
- **D** Misconception: blending the Closing Disclosure timing or refinance rescission rules into sales. No general three-day wait applies.

Loan closing and funds / Source 06 / Question 07

LAWS & RULES

08 A. It counts as 9 hours of continuing education

GREC Rule 520-2-.04(13)(a) lets a salesperson who completes the post-license course in the first year of licensure count it as nine hours of continuing education for the first renewal period. The rest of the CE requirement still applies.

> RULE TO KEEP
>
> Post-license course in year one = 9 CE hours toward the first renewal, not 25.

- **A** Correct. The course counts as nine CE hours for the first renewal period.
- **B** The course is 25 hours long, but only nine of them count as CE.
- **C** It does count, as nine hours, when completed in the first year.
- **D** It reduces the CE still owed. It does not replace the requirement.

Education requirements / Source 07 / Question 08

MY TAKEAWAY

Review 09-10

GEORGIA PRACTICE

09 C. Only the duties set out in BRRETA, unless the parties expressly agree to more in a signed writing

BRRETA says a broker owes only the duties it lists unless the parties expressly agree otherwise in a signed writing, and that the broker is not deemed to have a fiduciary relationship with any party.

> RULE TO KEEP
>
> BRRETA duties only, unless more are agreed in a signed writing. No fiduciary relationship.

- **A** This is the common-law agency instinct. BRRETA states that the broker is not deemed a fiduciary.
- **B** Extra duties require an express agreement in a signed writing, not an oral request.
- **C** Correct. BRRETA's listed duties, plus anything expressly added in a signed writing.
- **D** Clients are owed more than customers. A customer receives a narrower set of duties.

Client vs customer / Source 08 / Question 09

LAWS & RULES

10 A. Obtain an unsatisfied court judgment against the licensee

The fund pays the unsatisfied portion of a court judgment obtained against a licensee for a violation in a real estate transaction, after the claimant has tried and failed to collect. A GREC complaint can lead to discipline, but discipline alone does not open the fund.

> RULE TO KEEP
>
> The Recovery Fund pays only on an unsatisfied court judgment against a licensee, after collection efforts fail.

- **A** Correct. An unsatisfied court judgment against the licensee is the gateway to a fund claim.
- **B** Misconception: the fund acts as excess insurance. Recovery is keyed to an unsatisfied judgment, not to private coverage.
- **C** Misconception: the fund pays only for crimes. A civil judgment for a violation is enough; no conviction is needed.
- **D** Misconception: a GREC complaint opens the fund. A complaint can lead to discipline, not compensation.

Recovery fund / Source 09 / Question 10

MY TAKEAWAY

Review 11-12

LAWS & RULES

11 A. Place the license on inactive status

An inactive salesperson keeps the license but may not perform brokerage activity for others. The license must be activated under a sponsoring broker before that work resumes.

> **RULE TO KEEP**
> No sponsoring broker means an inactive license, not no license.

- **A** Correct. Inactive status keeps the person licensed without a sponsoring broker.
- **B** Misconception: paying fees keeps a license active. An active salesperson license requires a sponsoring broker.
- **C** Misconception: borrowing another state's term. Georgia has no license escrow; inactive status serves that purpose.
- **D** Misconception: a salesperson can work independently. A salesperson may practice only through a broker.

Maintaining a license / Source 02 / Question 11

LAWS & RULES

12 D. Compensate consumers harmed by licensee violations

The fund reimburses members of the public who win a court judgment against a licensee for a violation and cannot collect it. It is not insurance for the licensee: payment from the fund leads to revocation of the license, and the licensee must repay the fund.

> **RULE TO KEEP**
> The Recovery Fund protects the public, not the licensee.

- **A** Misconception: fund money runs the agency. Operating costs are not the fund's purpose.
- **B** Misconception: the fund is licensee insurance. A payout leads to revocation and the licensee must repay the fund.
- **C** Misconception: the fund covers discipline. Fines are the licensee's own obligation.
- **D** Correct. The fund protects the public when a judgment against a licensee cannot be collected.

Recovery fund / Source 09 / Question 12

MY TAKEAWAY

Review 13-14

GEORGIA PRACTICE

13 D. Refuse to state that there are no other offers, because the broker may not give customers false information

Georgia law resolves this conflict directly: when keeping a client's confidence would mean giving a customer false information, the duty not to give false information prevails. The broker does not have to reveal the terms of the other offers, but cannot say they do not exist.

> RULE TO KEEP
>
> When confidentiality and honesty conflict, the duty not to give false information wins.

- **A** Confidentiality does not permit a false statement. The duty not to give false information prevails.
- **B** Nothing requires the broker to reveal the other offers' prices and terms. The duty is not to lie.
- **C** Silence is not required. The broker simply cannot make the false statement.
- **D** Correct. The duty not to give customers false information wins over the client's instruction.

Confidentiality and knowledge / Source 10 / Question 13

FINANCE & CLOSING

14 A. Declare the entire unpaid balance immediately due

A due-on-sale, or alienation, clause permits acceleration when an unprotected transfer occurs without consent. Federal law protects certain transfers, including some family and trust transfers. The stem excludes those exceptions.

> RULE TO KEEP
>
> A due-on-sale clause permits acceleration for an unprotected transfer without consent; federal exceptions still apply.

- **A** Correct. Acceleration of the full balance is the remedy the clause provides.
- **B** Misconception: the clause reprices the loan. It accelerates the debt; it does not rewrite the interest rate.
- **C** Misconception: acceleration equals repossession. The lender must still foreclose under the power of sale with statutory notice.
- **D** Misconception: confusing it with a prepayment clause. A prepayment penalty is a separate provision; this clause calls the loan due.

Mortgage clauses / Source 11 / Question 14

Review 15-16

LAWS & RULES

15 C. 60 days before application

The applicant must obtain a certified criminal history report from the Georgia Crime Information Center no more than 60 days before applying for the license. A report ordered too early must be replaced.

> RULE TO KEEP
>
> The GCIC criminal history report must be issued no more than 60 days before the license application.

- **A** Misconception: guessing the strictest window. The rule allows a report up to 60 days old.
- **B** Misconception: 90 days is a common validity window for other documents, but the GCIC report expires at 60.
- **C** Correct. The GCIC report may be no more than 60 days old when the applicant applies.
- **D** Misconception: a six-month-old report is stale. It must be reordered once it passes 60 days.

Qualifications and fees / Source 02 / Question 15

FINANCE & CLOSING

16 A. A Georgia-licensed attorney

Georgia is an attorney-closing state because conveyancing is the practice of law. This also limits what a licensee may say about the legal effect of documents.

> RULE TO KEEP
>
> Georgia closings are conducted by Georgia-licensed attorneys.

- **A** Correct. A Georgia-licensed attorney must conduct the closing.
- **B** Misconception: title companies close everywhere. They may insure title, but a nonlawyer cannot run a Georgia closing.
- **C** Misconception: the broker who coordinates the deal also closes it. Conducting the closing is the practice of law.
- **D** Misconception: escrow-officer closings, common in other states, do not apply in Georgia.

Closing process / Source 12 / Question 16

MY TAKEAWAY

Review 17-18

FINANCE & CLOSING

17

C. $285.00

Transfer tax follows the consideration, not the loan. $1 covers the first $1,000 and $0.10 applies to each additional $100, which works out to $1 per $1,000 on an even amount.

> **RULE TO KEEP**
> Transfer tax follows the price ($1 first $1,000, $0.10 per added $100). Intangible tax follows the loan.

$285,000 - $1,000 = $284,000
$284,000 / $100 = 2,840 units x $0.10 = $284.00
$1.00 + $284.00 = $285.00

- **A** Wrong. $228.00 uses the loan amount as the base.
- **B** Wrong. $684.00 is the intangible recording tax on the $228,000 note.
- **C** Correct. $1 + 2,840 x $0.10 = $285.00.
- **D** Wrong. $2,850.00 moves the decimal, charging $10 per $1,000.

Georgia transfer tax / Source 13 / Question 17

LAWS & RULES

18

B. 36 hours, including 3 hours of license law

For a licensee subject to continuing education, GREC Rule 520-1-.05 requires 36 hours in each renewal period, including 3 hours on license law. The stem rules out an exemption.

> **RULE TO KEEP**
> Active renewal: 36 hours of CE per period, including 3 hours of license law.

- **A** Too few hours. The requirement is 36 per renewal period.
- **B** Correct. 36 hours per renewal period, 3 of them on license law.
- **C** The hour total is right, but 3 of those hours must be on license law.
- **D** 18 hours is the broker education that active brokers and associate brokers must fit inside their 36 hours. It is not the salesperson total.

Maintaining a license / Source 14 / Question 18

MY TAKEAWAY

Review 19-20

GEORGIA PRACTICE

19 B. Truthful information and known adverse material facts

A customer has no brokerage engagement with the broker, so the broker does not advocate for the customer. The broker still may not knowingly give false information and must disclose known adverse material facts about the property's physical condition. Confidentiality and promoting interests are owed to clients.

> RULE TO KEEP
>
> Customers get honesty and known adverse material facts. Clients also get confidentiality and advocacy.

- **A** Misconception: common-law agency duties apply. Georgia's brokerage law replaces them, and customers are not owed advocacy.
- **B** Correct. A customer is owed honesty and disclosure of known adverse material facts about the property.
- **C** Misconception: customers get client duties. Confidentiality and promoting interests are owed only to clients.
- **D** Misconception: no engagement means no duties. The broker still may not give false information and must disclose known adverse facts.

Client vs customer / Source 15 / Question 19

LAWS & RULES

20 D. At least 18 years old with a high school diploma or its equivalent

O.C.G.A. § 43-40-8 requires a salesperson applicant to be at least 18 and to hold a high school diploma or its equivalent, in addition to the prelicense education and the exam.

> RULE TO KEEP
>
> Salesperson applicant: 18 or older, with a high school diploma or equivalent.

- **A** Georgia's minimum age is 18, and no college degree is required.
- **B** The age is right, but a high school diploma or its equivalent is also required.
- **C** The age is wrong, and no college degree is required.
- **D** Correct. At least 18, with a high school diploma or its equivalent.

Qualifications and fees / Source 16 / Question 20

MY TAKEAWAY

Review 21-22

FINANCE & CLOSING

21 C. Security deed

A security deed, also called a deed to secure debt, conveys legal title to the lender as collateral. The borrower retains equitable rights. The direct borrower-to-lender conveyance distinguishes it from a three-party deed of trust.

> RULE TO KEEP
> A Georgia security deed conveys legal title as security for the debt; a Georgia mortgage creates a lien.

- **A** A Georgia mortgage creates a lien rather than making the legal-title conveyance described.
- **B** A deed of trust uses a third-party trustee; this question expressly excludes one.
- **C** Correct. Georgia uses the security deed (deed to secure debt).
- **D** Wrong. A land contract is seller financing where the seller keeps title, not a lender's security instrument.

Note security deed and release / Source 17 / Question 21

GEORGIA PRACTICE

22 A. Must keep it confidential unless the seller allows disclosure or another exception applies

After an engagement ends, a broker still must keep confidential information that the client asked to be kept confidential, unless the client permits disclosure, the law requires it, or the information becomes public from another source.

> RULE TO KEEP
> Confidential client information stays confidential after the engagement ends.

- **A** Correct. Confidentiality survives the end of the engagement, subject to the statute's exceptions.
- **B** Ending the engagement ends most duties, but not confidentiality or the duty to account for money.
- **C** A direct question does not override a client's confidence.
- **D** Other licensees are not an exception. The information stays confidential.

Confidentiality and knowledge / Source 10 / Question 22

MY TAKEAWAY

Review 23-24

LAWS & RULES

23 A. Twice the standard fee

A candidate who applies within three months of the exam pays the standard fee. After three months the fee is two times the original application fee, and after twelve months the candidate must retake the exam.

> RULE TO KEEP
>
> Apply within three months for the standard fee; after that it doubles, and after twelve months you retest.

- **A** Correct. After three months the application fee doubles.
- **B** Misconception: any timing gets the base fee. The standard fee applies only within three months of the exam.
- **C** Misconception: lateness adds a surcharge. The rule doubles the fee rather than adding a penalty.
- **D** Misconception: a late application voids the score. A retake is required only after twelve months.

Obtaining and activating / Source 18 / Question 23

GEORGIA PRACTICE

24 A. Provide the names of several attorneys and let the buyer choose

Giving the buyer several qualified names and leaving the choice to the buyer is appropriate service. Georgia closings are conducted by attorneys whether or not a loan is involved, preparing deeds and closing documents is the practice of law, and forcing one provider on a buyer takes away the buyer's choice.

> RULE TO KEEP
>
> Georgia closings are run by attorneys; an agent may suggest several and let the client choose, but may not draft closing documents.

- **A** Correct. Offering options and letting the client choose is appropriate.
- **B** The attorney-closing requirement is not limited to financed purchases.
- **C** Preparing deeds and closing documents is the practice of law, which a licensee may not do.
- **D** Conditioning the sale on a particular provider improperly removes the buyer's choice.

Practice boundaries / Source 19 / Question 24

MY TAKEAWAY

Review 25-26

FINANCE & CLOSING

25

C. $120,000

Georgia assesses at 40% of fair market value before the millage rate is applied. Miss the ratio and every downstream figure is wrong.

> RULE TO KEEP
>
> Georgia assesses at 40% of fair market value.

$300,000 x 0.40 = $120,000 assessed value

- **A** Misconception: assessed value equals market value. Full value skips the 40% ratio.
- **B** Misconception: subtracting 40% instead of taking 40%. $300,000 - $120,000 = $180,000.
- **C** Correct. $300,000 x 0.40 = $120,000.
- **D** Misconception: a decimal slip, using 4% instead of 40%.

Georgia property tax millage calculations / Source 20 / Question 25

GEORGIA PRACTICE

26

C. A violation, because the broker has not consented to it

Georgia license law makes it an unfair practice for a licensee to accept a commission or other valuable consideration from anyone other than the broker holding the license, without that broker's consent. Closing, the split amount, and tax reporting do not change who may pay the licensee.

> RULE TO KEEP
>
> A licensee may accept compensation only from the broker holding the license, unless that broker consents.

- **A** Misconception: closing ends the rules. Closing does not change who may pay a licensee.
- **B** Misconception: tax compliance equals license compliance. Reporting income does not supply the broker's consent.
- **C** Correct. A licensee may accept compensation from someone other than the broker only with that broker's consent.
- **D** Misconception: only overpayment matters. Any payment outside the broker without consent is the violation, whatever the amount.

Compensation and referrals / Source 21 / Question 26

Review 27-28

GEORGIA PRACTICE

27 B. Designated agency

Georgia permits designated agency, where each designated agent represents only that agent's own client. A proper designation does not make the broker or firm a dual agent, and knowledge is not imputed between the designated agents.

> RULE TO KEEP
>
> Designated agency lets one firm serve both sides through separate agents without becoming a dual agent.

- **A** Misconception: any two-sided firm deal is transaction brokerage. A transaction broker represents neither party; here each agent represents a client.
- **B** Correct. Assigning separate agents to each client is designated agency.
- **C** Misconception: one firm on both sides is always dual agency. A proper designation does not make the broker a dual agent.
- **D** Misconception: in-house cooperation is subagency. Subagency involves another broker helping the listing broker.

Brokerage engagements / Source 22 / Question 27

GEORGIA PRACTICE

28 B. In writing

Georgia defines a brokerage engagement as a written contract in which a seller, buyer, landlord, or tenant becomes the broker's client. Without that written agreement, the person is a customer, not a client.

> RULE TO KEEP
>
> The brokerage engagement is written, or there is no client.

- **A** An oral agreement does not create a brokerage engagement.
- **B** Correct. The engagement must be a written contract.
- **C** Brokerage engagements are not recorded in the county records.
- **D** GREC does not approve individual engagements.

Brokerage engagements / Source 23 / Question 28

MY TAKEAWAY

Review 29-30

LAWS & RULES

29 C. Schedule appointments and prepare marketing materials

Unlicensed support staff may perform only ministerial tasks that call for no discretion or independent judgment, such as scheduling and preparing marketing materials. Negotiating, explaining agreement terms, and showing property to buyers are brokerage activities that require a license.

> RULE TO KEEP
>
> Unlicensed assistants may do only ministerial, no-judgment tasks. Showing, negotiating, and explaining terms need a license.

- **A** Misconception: relaying terms is clerical. Negotiating is brokerage activity that requires a license.
- **B** Misconception: explaining a signed form is paperwork. Interpreting an agreement calls for the judgment a license represents.
- **C** Correct. Scheduling and preparing marketing materials are ministerial support tasks.
- **D** Misconception: showing is just opening doors. Showing homes to buyers and answering their questions is licensed sales activity.

Activities requiring licensure / Source 24 / Question 29

GEORGIA PRACTICE

30 B. 60 days

To end a tenancy at will, Georgia law requires 60 days' notice from the landlord. A tenant who ends it must give 30 days' notice.

> RULE TO KEEP
>
> Tenancy at will: the landlord gives 60 days' notice, the tenant gives 30.

- **A** 30 days is the notice the tenant gives, not the landlord.
- **B** Correct. The landlord gives 60 days' notice.
- **C** Georgia sets the landlord's notice at 60 days, not 90.
- **D** Seven days is far shorter than the statute allows.

Landlord tenant law / Source 25 / Question 30

MY TAKEAWAY

Review 31-32

LAWS & RULES

31 A. A 25-hour post-license course within one year of licensure

A new salesperson must finish a Commission-approved post-license course of at least 25 hours within one year of the original license. That is its own deadline. The 36 CE hours, including 3 hours of license law, are due by the end of each renewal period; the post-license course does not replace them, though GREC Rule 520-2-.04(13)(a) lets it count as 9 of those hours for the first renewal.

> RULE TO KEEP
>
> Georgia salespersons: 25-hour post-license course within year one; 36 CE hours each renewal period.

- **A** Correct. The 25-hour post-license course is due within one year of the original license.
- **B** Misconception: tying post-license to renewal. The course has its own one-year deadline, well before the first renewal.
- **C** Misconception: mixing up the hour counts. 36 hours is the continuing education total for each renewal period, not the first-year course.
- **D** Misconception: treating license law CE as the first obligation. The 3 license law hours are part of the 36 CE hours due by renewal.

Education requirements / Source 14 / Question 31

LAWS & RULES

32 B. Take and pass the Georgia Supplement Exam

Licensees from other jurisdictions who obtained their license by examination may qualify for a Georgia license by reciprocity without testing. Florida residents are the exception: the bulletin says they cannot use that application and must take and pass the Georgia Supplement Exam.

> RULE TO KEEP
>
> Reciprocity skips the exam, except for Florida residents, who take the Georgia Supplement Exam.

- **A** That route is open to many out-of-state licensees, but the bulletin excludes Florida residents from it.
- **B** Correct. Florida residents must take and pass the Georgia Supplement Exam.
- **C** No waiting period appears in the bulletin's reciprocity rules.
- **D** The bulletin's Florida rule is the supplement exam, not repeating the prelicense course.

Obtaining and activating / Source 02 / Question 32

Review 33-34

FINANCE & CLOSING

33

A. $4,680

Assessed value is $168,000. Subtract $12,000 to get $156,000 taxable assessed value, then apply 0.030.

> RULE TO KEEP
> Georgia's ordinary sequence is fair market value, 40% assessment, stated exemptions, then millage.

$420,000 x 0.40 = $168,000 assessed value
$168,000 - $12,000 = $156,000 taxable value
$156,000 x 0.030 = $4,680

- **A** Correct. ($168,000 - $12,000) x 0.030 = $4,680.
- **B** Wrong. Skips the exemption.
- **C** Wrong. Skips the 40% ratio before subtracting the exemption.
- **D** Wrong. Applies millage to full market value.

Georgia property tax millage calculations / Source 20 / Question 33

GEORGIA PRACTICE

34

B. Deposited in a designated trust account

Under Rule 520-1-.08, the broker must promptly deposit the funds in a federally insured trust account registered with GREC unless the interested parties agree otherwise in writing. Here, they have given no different instructions. Depositing trust funds in the operating account is commingling.

> RULE TO KEEP
> Unless the interested parties agree otherwise in writing, the broker promptly deposits earnest money in a designated, federally insured trust account registered with GREC.

- **A** Putting trust funds in the operating account is commingling.
- **B** Correct. A broker holds earnest money in a designated trust account.
- **C** The deposit is held for both parties, not handed to the seller.
- **D** Affiliated licensees must turn trust funds over to the broker promptly.

Earnest money / Source 07 / Question 34

MY TAKEAWAY

Review 35-36

GEORGIA PRACTICE

35 A. Only if the tenant agrees to amend the lease

A fixed-term lease is a contract that sets the rent for its whole term, so a mid-term increase needs the tenant's agreement or must wait until renewal. Georgia's 60-day landlord notice governs ending a tenancy at will, and higher costs or a late payment do not let the landlord rewrite agreed terms.

> RULE TO KEEP
>
> Rent in a fixed-term lease stays as written for the term unless the lease allows a change or the tenant agrees.

- **A** Correct. The lease fixes the rent for its term, so a mid-term change needs the tenant's agreement.
- **B** Misconception: borrowing the 60-day notice that ends a tenancy at will. Notice cannot rewrite a fixed-term lease.
- **C** Misconception: higher costs pass through automatically. Only an escalation clause allows that, and this lease has none.
- **D** Misconception: a late payment frees the landlord. Late rent triggers default remedies, not a right to raise rent.

Landlord tenant law / Source 26 / Question 35

FINANCE & CLOSING

36 C. Has no statutory right to redeem the property

Georgia provides no statutory right of redemption after a valid power-of-sale foreclosure. Paying the debt afterward does not by itself give the borrower a right to recover the property. This differs from tax-sale redemption and does not rule out a legal challenge to an invalid sale.

> RULE TO KEEP
>
> No statutory redemption after a valid Georgia power-of-sale foreclosure. Tax sales follow different rules.

- **A** Misconception: 12-month redemption applies in some other states and to Georgia tax sales, not foreclosure sales.
- **B** Misconception: 30 days is the pre-sale notice period to the debtor, not a redemption right.
- **C** Correct. Georgia has no statutory redemption after a foreclosure sale.
- **D** Paying arrears after a completed valid sale does not create a statutory right to reinstate the loan.

Note security deed and release / Source 27 / Question 36

Review 37-38

LAWS & RULES

37

C. Sell a house that the licensee owns alone

An inactive licensee may not engage in brokerage. The exception is a transaction on real estate the licensee owns solely. Showing listings, managing for others, and listing a neighbor's home are all brokerage activity that needs an active license.

> RULE TO KEEP
>
> Inactive means no brokerage, except on property the licensee owns alone.

- **A** Showing and negotiating for a broker is brokerage activity, which an inactive license does not allow.
- **B** Managing property for others for a fee is brokerage activity.
- **C** Correct. Selling real estate the licensee solely owns is the exception to the inactive-status bar.
- **D** Listing someone else's property for a commission is brokerage activity.

Maintaining a license / Source 28 / Question 37

LAWS & RULES

38

B. Supervise the affiliated licensees and their activities

The qualifying broker's license qualifies the firm, and that broker is responsible for supervising its affiliated licensees and managing its trust accounts. Affiliated licensees handle their own transactions under that supervision, and trust money stays in firm trust accounts.

> RULE TO KEEP
>
> The qualifying broker qualifies the firm's license and is responsible for supervising its affiliated licensees.

- **A** Misconception: the broker is a guarantor of splits. Compensation is set by written agreement and depends on the deal closing.
- **B** Correct. The qualifying broker answers for supervising the firm's affiliated licensees.
- **C** Misconception: trust money belongs to the broker. Trust funds go in a designated firm trust account, never a personal one.
- **D** Misconception: supervision means doing every deal. Affiliated licensees handle transactions under the broker's supervision.

Broker supervision / Source 24 / Question 38

MY TAKEAWAY

Review 39-40

GEORGIA PRACTICE

39 B. Yes, licensees may complete contract forms prepared by legal counsel

O.C.G.A. § 43-40-25.1 allows licensees to complete sales contract forms prepared by legal counsel. That permission is not limited to a particular trade association's forms and does not require GREC to approve each contract.

> RULE TO KEEP
>
> Use contract forms prepared by legal counsel; the permission is not limited to GAR forms.

- **A** The statute does not require a Commission-issued sales contract.
- **B** Correct. A form prepared by the firm's attorney meets the counsel-prepared requirement.
- **C** GREC approval of each transaction's form is not required by this provision.
- **D** The statute permits real estate licensees to complete counsel-prepared forms without becoming attorneys.

Sales contracts and due diligence / Source 19 / Question 39

GEORGIA PRACTICE

40 A. The unauthorized practice of law by the licensee

Licensees may fill in blanks on forms prepared by legal counsel, but interpreting the legal effect of a clause is the practice of law. The licensee should tell the buyer to consult an attorney, even when the licensee is confident of the answer.

> RULE TO KEEP
>
> Fill in the blanks, do not explain the law.

- **A** Correct. Explaining the legal effect of a clause is the practice of law.
- **B** Misconception: accuracy makes it acceptable. The problem is giving legal advice at all, not whether it is right.
- **C** Misconception: form authority covers interpretation. Licensees may complete forms prepared by counsel but may not explain their legal effect.
- **D** Misconception: no harm means no violation. The conduct itself is the problem, whatever the outcome.

Practice boundaries / Source 19 / Question 40

MY TAKEAWAY

Review 41-42

GEORGIA PRACTICE

41 B. A kickback that violates RESPA

RESPA prohibits giving or accepting a fee or thing of value for referring settlement service business on a federally related mortgage loan. Disclosure does not cure a payment made for a referral when no actual service was performed.

> RULE TO KEEP
> A mortgage referral fee prohibited by RESPA does not become lawful through disclosure.

- **A** Misconception: small fees are excused. RESPA sets no dollar threshold for referral fees.
- **B** Correct. A payment for referring settlement service business violates RESPA.
- **C** Misconception: disclosure cures it. Disclosure does not legalize a fee paid for a referral.
- **D** Misconception: professional licenses create an exception. Holding a license does not permit referral fees.

Compensation and referrals / Source 29 / Question 41

GEORGIA PRACTICE

42 A. Permitted under the Georgia license law

O.C.G.A. § 43-40-25.1 lets a licensee complete listing contracts, sales contracts, and leases on forms prepared by legal counsel, including the property, method of payment, stipulations, and dates. Explaining what a clause legally means for a client's rights is different, and crosses into the practice of law.

> RULE TO KEEP
> Filling in a counsel-prepared form is allowed. Interpreting it as legal advice is not.

- **A** Correct. Completing a counsel-prepared form is expressly allowed.
- **B** Filling in a counsel-prepared form is not the practice of law. Giving legal opinions is.
- **C** The statute does not require attorney approval of each blank.
- **D** The permission applies to licensees generally, not only buyer's agents.

Practice boundaries / Source 30 / Question 42

MY TAKEAWAY

Review 43-44

LAWS & RULES

43 C. Setting the commission rate licensees may charge

GREC licenses and disciplines licensees, investigates complaints, and approves schools and courses. No Georgia law lets it set commissions. Commission rates are negotiated between each broker and client, and agreements among competitors to fix them violate antitrust law.

> RULE TO KEEP
> GREC regulates licensees and schools. It never sets commission rates, which are negotiable.

- **A** GREC investigates complaints against licensees.
- **B** GREC may suspend or revoke licenses after due process.
- **C** Correct. Commissions are negotiable; GREC does not set them.
- **D** GREC approves prelicense schools, instructors, and courses.

Grec organization / Source 31 / Question 43

GEORGIA PRACTICE

44 C. Present the offer to the seller in a timely way

BRRETA requires a seller's broker to timely present all offers to and from the seller, even when the property is already under contract. The broker is not required to keep seeking additional offers once under contract unless the engagement says so.

> RULE TO KEEP
> Present every offer promptly, even under contract. No duty to seek more offers unless the engagement requires it.

- **A** Holding the offer breaks the duty to present offers in a timely way.
- **B** The seller must see the offer. The broker cannot decide to return it unseen.
- **C** Correct. All offers are presented in a timely way, including offers made after a contract is signed.
- **D** Once under contract, the broker need not seek more offers unless the engagement requires it.

Seller broker duties / Source 32 / Question 44

MY TAKEAWAY

Review 45-46

FINANCE & CLOSING

45

D. $320,000

The intangible recording tax applies to the face amount of the long-term note secured by the property. The transfer tax applies to the sale price. A stem giving you both numbers is testing exactly this.

> RULE TO KEEP
> Intangible tax on the loan, transfer tax on the price.

Intangible tax follows the loan: $320,000
Transfer tax would follow the price: $400,000

- **A** Misconception: the price is the base. The price is the transfer tax base.
- **B** Misconception: taxing the equity. $80,000 is the down payment.
- **C** Misconception: applying the 40% assessment ratio, which belongs to property tax, to the price.
- **D** Correct. The tax follows the face amount of the secured note.

Georgia intangible tax / Source 04 / Question 45

GEORGIA PRACTICE

46

D. The affiliated licensee moving to another firm

The brokerage engagement is a contract between the client and the broker, not the individual licensee. When a licensee transfers, the engagement stays with the firm, and GREC rules bar the departing licensee from taking or using it without the broker's authorization.

> RULE TO KEEP
> A brokerage engagement is with the broker's firm, so it survives the individual licensee leaving.

- **A** This does end it. Closing the sale, for example, completes the purpose.
- **B** This does end it. The engagement expires by its own terms.
- **C** This does end it. Client and broker may agree to end it at any time.
- **D** Correct. The engagement belongs to the broker's firm, so a licensee's move does not end it.

Brokerage engagements / Source 24 / Question 46

MY TAKEAWAY

Review 47-48

FINANCE & CLOSING

47

D. Avoids filing suit, which shortens the timeline and reduces cost

Speed and cost are the advantages: no complaint, service, or trial is needed, so a Georgia foreclosure can finish in weeks. Statutory notice and advertising still apply, and the borrower can pay off the debt before the sale.

> RULE TO KEEP
>
> Power-of-sale foreclosure skips a lawsuit, so it is faster and cheaper, but notice and advertising rules still apply.

- **A** Misconception: non-judicial means no notice. Written notice to the debtor is mandatory, and skipping it can invalidate the sale.
- **B** Misconception: power of sale shuts out the borrower. The borrower can still pay off, or reinstate if the loan documents allow, before the sale.
- **C** Misconception: the sale always covers the debt. Recovery depends on the bid, and a deficiency claim needs court confirmation.
- **D** Correct. Avoiding litigation is the point of the non-judicial process.

Note security deed and release / Source 27 / Question 47

FINANCE & CLOSING

48

C. $1,126.50

The note, not the price, is the base. $375,250 is 750.5 units of $500, rounded up to 751. Multiply by $1.50.

> RULE TO KEEP
>
> Georgia intangible recording tax follows the qualifying secured note and rounds a fractional $500 unit up.

$375,250 / $500 = 750.5, rounded up to 751 units
751 x $1.50 = $1,126.50

- **A** Wrong. Uses $1.50 per $1,000 of price.
- **B** Wrong. Drops the fractional $500 unit (750 x $1.50).
- **C** Correct. 751 x $1.50 = $1,126.50.
- **D** Wrong. Uses the $500,000 price as the base.

Georgia intangible tax / Source 04 / Question 48

Review 49-50

GEORGIA PRACTICE

49 B. Has no liability for not volunteering it, but must answer truthfully if the buyer asks directly

Georgia law creates no cause of action for failing to disclose that a property was the site of a natural death. If the buyer asks directly, the owner and broker must answer truthfully to the best of their knowledge, unless answering would violate fair housing or other law.

> RULE TO KEEP
>
> Natural death: no duty to volunteer; answer direct questions truthfully unless disclosure would violate law.

- **A** The statute does not require volunteering a natural death. Do not treat it as an undisclosed physical defect.
- **B** Correct. No duty to volunteer it, but a direct question gets a truthful answer.
- **C** Client status does not change this rule.
- **D** A direct question requires a truthful answer to the best of the broker's knowledge, unless answering would violate fair housing or other law.

Seller broker duties / Source 33 / Question 49

FINANCE & CLOSING

50 A. A court order authorizing the sale before it may be advertised

Non-judicial foreclosure is exercised under the power of sale in the security deed, so no court order is needed. The creditor must follow Georgia's notice, publication, timing, and sale-location rules. When the prescribed notice is properly mailed, it is deemed given on the official postmark date; actual receipt is not required.

> RULE TO KEEP
>
> Georgia power-of-sale foreclosure requires statutory notice, four weeks of publication, and a first-Tuesday sale, but no court order.

- **A** No court order is needed; the power of sale supplies the authority.
- **B** Sales follow sheriff's-sale timing: the first Tuesday of the month during legal sale hours.
- **C** The creditor must give the prescribed notice at least 30 days before the proposed sale. Proper mailing completes notice on the official postmark date.
- **D** The notice runs in the county legal organ once a week for the four weeks before the sale.

Note security deed and release / Source 27 / Question 50

Review 51-52

GEORGIA PRACTICE

51

D. The buyer, because payment does not decide the relationship

Under BRRETA, who pays or promises to pay the broker does not determine whether a brokerage relationship exists. The written buyer brokerage engagement makes the buyer the cooperating broker's client.

> RULE TO KEEP
> Who pays the broker does not decide whom the broker represents.

- **A** Payment and representation are separate. Paying a broker does not by itself make the payer that broker's client.
- **B** Dual agency requires the broker to represent both parties with written consent. Nothing here makes the seller a client.
- **C** A transaction broker has no client, but this broker has a written engagement with the buyer.
- **D** Correct. The engagement, not the source of payment, decides whom the broker represents.

Compensation and referrals / Source 34 / Question 51

FINANCE & CLOSING

52

C. $410.10

After the first $1,000, $409,050 remains. Divide by $100 and round 4,090.5 up to 4,091 units. Add $1 to $409.10.

> RULE TO KEEP
> Transfer tax uses taxable consideration and counts each fractional statutory unit.

$410,050 - $1,000 = $409,050
$409,050 / $100 = 4,090.5, rounded up to 4,091
$1 + 4,091 x $0.10 = $410.10

- **A** Wrong. Drops the fractional $100 unit.
- **B** Wrong. Applies $1 per $1,000 to the exact price.
- **C** Correct. $1 + 4,091 x $0.10 = $410.10.
- **D** Wrong. Rounds the price up to the next $1,000.

Georgia transfer tax / Source 13 / Question 52

Follow the source

The outline sets the groups and counts. The legal and tax references support the individual rules. Every explanation links to its source below.

Content cutoff: October 10, 2026. Sources inspected October 11, 2026. Department 520 records amendments to Rules 520-1-.05 and 520-2-.04 effective September 6, 2026; the current text retains the July 1, 2025 start for broker education.

Official rule history / PSI bulletin, July 1, 2026

FindLaw, Justia and LII links reproduce the cited legal text; they are not the issuing agencies. Follow the primary source if it differs from this workbook.

01 **O.C.G.A. § 10-6A-12 (FindLaw)**

https://codes.findlaw.com/ga/title-10-commerce-and-trade/ga-code-sect-10-6a-12.html

Questions 01

02 **PSI Georgia Candidate Information Bulletin, July 1, 2026**

https://test-takers.psiexams.com/api/content/bulletin/4678

Questions 02, 04, 11, 15, 32

03 **CFPB: Owner's title insurance**

https://www.consumerfinance.gov/ask-cfpb/what-is-owners-title-insurance-en-164/

Questions 03

04 **Georgia Department of Revenue: Intangible recording tax**

https://dor.georgia.gov/intangible-recording-tax

Questions 05, 45, 48

05 **GREC Rule 520-1-.08 (LII)**

https://www.law.cornell.edu/regulations/georgia/Ga-Comp-R-Regs-R-520-1-.08

Questions 06

06 **O.C.G.A. § 44-14-13 (Justia)**

https://law.justia.com/codes/georgia/title-44/chapter-14/article-1/section-44-14-13/

Questions 07

07 **Georgia Secretary of State: GREC rules**

https://rules.sos.ga.gov/Download_pdf.aspx?dept=Departments&pdf=Department+520+GEORGIA+REAL+ESTATE+COMMISSION&st=GASOS&year=2026

Questions 08, 34

Source index, continued

08 **O.C.G.A. § 10-6A-4 (Justia)**
https://law.justia.com/codes/georgia/title-10/chapter-6a/section-10-6a-4/
Questions 09

09 **O.C.G.A. § 43-40-22 (FindLaw)**
https://codes.findlaw.com/ga/title-43-professions-and-businesses/ga-code-sect-43-40-22.html
Questions 10, 12

10 **O.C.G.A. § 10-6A-9 (Justia)**
https://law.justia.com/codes/georgia/title-10/chapter-6a/section-10-6a-9/
Questions 13, 22

11 **12 U.S.C. § 1701j-3: Due-on-sale clauses and exceptions (LII)**
https://www.law.cornell.edu/uscode/text/12/1701j-3
Questions 14

12 **O.C.G.A. § 15-19-50 (Justia)**
https://law.justia.com/codes/georgia/title-15/chapter-19/article-3/section-15-19-50/
Questions 16

13 **Georgia Department of Revenue: Real estate transfer tax**
https://dor.georgia.gov/real-estate-transfer-tax
Questions 17, 52

14 **Georgia Secretary of State: GREC rules**
https://rules.sos.ga.gov/gac/520-1
Questions 18, 31

15 **O.C.G.A. § 10-6A-5 (FindLaw)**
https://codes.findlaw.com/ga/title-10-commerce-and-trade/ga-code-sect-10-6a-5.html
Questions 19

16 **O.C.G.A. § 43-40-8 (Justia)**
https://law.justia.com/codes/georgia/title-43/chapter-40/section-43-40-8/
Questions 20

Source index, continued

17 **O.C.G.A. § 44-14-60 (Justia)**
https://law.justia.com/codes/georgia/title-44/chapter-14/article-3/part-1/section-44-14-60/
Questions 21

18 **GREC Rule 520-1-.04: Obtaining a License**
https://grec.state.ga.us/wp-content/uploads/pdfs/About/520-1-.04%20Obtaining%20a%20License%20%20For%20the%20Website.pdf
Questions 23

19 **O.C.G.A. § 43-40-25.1 (FindLaw)**
https://codes.findlaw.com/ga/title-43-professions-and-businesses/ga-code-sect-43-40-25-1.html
Questions 24, 39, 40

20 **O.C.G.A. § 48-5-7 (Justia)**
https://law.justia.com/codes/georgia/title-48/chapter-5/article-1/section-48-5-7/
Questions 25, 33

21 **O.C.G.A. § 43-40-25 (FindLaw)**
https://codes.findlaw.com/ga/title-43-professions-and-businesses/ga-code-sect-43-40-25.html
Questions 26

22 **O.C.G.A. § 10-6A-13 (FindLaw)**
https://codes.findlaw.com/ga/title-10-commerce-and-trade/ga-code-sect-10-6a-13.html
Questions 27

23 **O.C.G.A. § 10-6A-3 (FindLaw)**
https://codes.findlaw.com/ga/title-10-commerce-and-trade/ga-code-sect-10-6a-3.html
Questions 28

24 **GREC Rule 520-1-.07 (LII)**
https://www.law.cornell.edu/regulations/georgia/Ga-Comp-R-Regs-R-520-1-.07
Questions 29, 38, 46

25 **O.C.G.A. § 44-7-7 (Justia)**
https://law.justia.com/codes/georgia/title-44/chapter-7/article-1/section-44-7-7/
Questions 30

Source index, continued

26 **Georgia Department of Community Affairs: Landlord-Tenant Handbook**
https://dca.georgia.gov/document/manuals/georgia-landlord-tenant-handbook-english/download
Questions 35

27 **O.C.G.A. § 44-14-162 (Justia)**
https://law.justia.com/codes/georgia/title-44/chapter-14/article-7/part-1/section-44-14-162/
Questions 36, 47, 50

28 **O.C.G.A. § 43-40-12 (Justia)**
https://law.justia.com/codes/georgia/title-43/chapter-40/section-43-40-12/
Questions 37

29 **CFPB: RESPA referral fees, Regulation X**
https://www.consumerfinance.gov/rules-policy/regulations/1024/14/
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30 **O.C.G.A. § 43-40-25.1 (Justia)**
https://law.justia.com/codes/georgia/title-43/chapter-40/section-43-40-25-1/
Questions 42

31 **O.C.G.A. § 43-40-2 (FindLaw)**
https://codes.findlaw.com/ga/title-43-professions-and-businesses/ga-code-sect-43-40-2.html
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32 **O.C.G.A. § 10-6A-5 (Justia)**
https://law.justia.com/codes/georgia/title-10/chapter-6a/section-10-6a-5/
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33 **O.C.G.A. § 44-1-16 (Justia)**
https://law.justia.com/codes/georgia/title-44/chapter-1/section-44-1-16/
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34 **O.C.G.A. § 10-6A-11 (Justia)**
https://law.justia.com/codes/georgia/title-10/chapter-6a/section-10-6a-11/
Questions 51

Make the next session count

Choose one miss or guess. Work through it until you can explain the decision without looking at the answer.

01

The rule I need

Question number: _____ What fact or distinction did I miss?

02

A new example

Change the facts. What would make a different answer correct?

03

My next check

Topic: _____ Fresh practice date: _____

KEEP GOING WITH PASS GEORGIA

Turn the rule into practice.

Open a linked lesson, then try fresh questions online.