PASS GEORGIA
REAL ESTATE EXAM PREP

GEORGIA REAL ESTATE EXAM GLOSSARY

Agency

Agency is a legal relationship in which an agent is authorized to act for a principal and owes duties arising from the relationship, the agreement, and applicable law.

OFFICIAL AREA	KNOWLEDGE CLUSTER	LEARNING SYSTEM
Agency	Agency foundations	Define, distinguish, apply, retrieve

SOURCE STANDARD

Official exam outline plus authoritative Georgia or federal references where the topic has a controlling rule. Independent educational resource, not affiliated with GREC or PSI.

01 / COMPLETE LESSON

Build the complete exam definition

Learn the rule, separate it from the nearest distractor, then apply it to a Georgia fact pattern.

CORE DEFINITION

What does Agency mean?

Agency is a legal relationship in which an agent is authorized to act for a principal and owes duties arising from the relationship, the agreement, and applicable law.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

Agency involves representation and authority. A transaction broker may perform ministerial acts without representing the customer as an agent.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

BRRETA governs brokerage relationships in Georgia and centers the written brokerage engagement. Common-law vocabulary helps, but Georgia statutory duties and labels control exam scenarios.

WORKED EXAMPLE

A seller signs a listing engagement authorizing a broker to market the property and negotiate within the authority granted.

EXAM TRAP

Do not assume every licensee in a transaction is every party's agent.

Memory cue: Do not assume every licensee in a transaction is every party's agent.

02 / PRACTICE AND MASTERY

Retrieve the rule under exam conditions

Answer before reading the explanation. Then explain why every distractor belongs to a different term.

ORIGINAL PRACTICE CHECK

Which statement correctly explains Agency?

- **A** Fiduciary duty is the heightened obligation of loyalty, obedience within lawful authority, disclosure, confidentiality, accounting, and reasonable care that an agent owes the principal, as shaped by statute and agreement.
- **B** A brokerage engagement is a written contract in which a seller, buyer, landlord, or tenant becomes a client of a Georgia broker and the parties state the brokerage services, duties, terms, and compensation arrangement.
- **C** A transaction broker is a Georgia broker who has not entered a client relationship with a party but performs permitted ministerial acts and the statutory duties owed without representing that party as an agent.
- **D** Agency is a legal relationship in which an agent is authorized to act for a principal and owes duties arising from the relationship, the agreement, and applicable law.

CORRECT ANSWER: D

Agency is correct. Agency is a legal relationship in which an agent is authorized to act for a principal and owes duties arising from the relationship, the agreement, and applicable law. Agency involves representation and authority. A transaction broker may perform ministerial acts without representing the customer as an agent. BRRETA governs brokerage relationships in Georgia and centers the written brokerage engagement. Common-law vocabulary helps, but Georgia statutory duties and labels control exam scenarios.

MASTERY TRACKER

Mark each box only when you can perform the skill without looking.

- [ ] I can define the term in one precise sentence.
- [ ] I can separate it from the closest look-alike.
- [ ] I can explain the Georgia rule or confirm that the national rule applies.
- [ ] I can answer the practice check and explain every option.

03 / CONNECTIONS AND AUTHORITY

Connect the term to the wider exam

Use these relationships to move from isolated recall to a connected exam model.

RELATED TERM

Fiduciary duty

Fiduciary duty is the heightened obligation of loyalty, obedience within lawful authority, disclosure, confidentiality, accounting, and reasonable care that an agent owes the principal, as shaped by statute and agreement.

https://www.passgeorgiarealestate.com/glossary/fiduciary-duty

RELATED TERM

Brokerage engagement

A brokerage engagement is a written contract in which a seller, buyer, landlord, or tenant becomes a client of a Georgia broker and the parties state the brokerage services, duties, terms, and compensation arrangement.

https://www.passgeorgiarealestate.com/glossary/brokerage-engagement

RELATED TERM

Transaction broker

A transaction broker is a Georgia broker who has not entered a client relationship with a party but performs permitted ministerial acts and the statutory duties owed without representing that party as an agent.

https://www.passgeorgiarealestate.com/glossary/transaction-broker

RELATED TERM

Client

A client is a person who enters a brokerage engagement with a broker.

https://www.passgeorgiarealestate.com/glossary/client

RECOMMENDED NEXT COMPLETE LESSON

Agency complete lesson

https://www.passgeorgiarealestate.com/study-guide/agency/creation-and-types

EXAM SOURCES AND AUTHORITY NOTES

1. PSI Georgia Candidate Information Bulletin, 7/1/2026

Official exam administration and content-outline source.

https://test-takers.psiexams.com/api/content/bulletin/4672

2. Georgia Brokerage Relationships in Real Estate Transactions Act

GREC's official law portal links to Title 10, Chapter 6A, the Georgia agency statute.

https://grec.state.ga.us/information-research/license-law/