GEORGIA REAL ESTATE EXAM GLOSSARY

Commingling

Commingling is the improper mixing of money belonging to clients, customers, tenants, owners, or other persons with a broker's personal or operating funds.

OFFICIAL AREA	KNOWLEDGE CLUSTER	LEARNING SYSTEM
State Laws and Rules	Georgia trust funds	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 Commingling mean?

Commingling is the improper mixing of money belonging to clients, customers, tenants, owners, or other persons with a broker's personal or operating funds.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

Commingling is improper mixing. Conversion is unauthorized control or use of another person's funds. Conversion can occur with or without prior commingling.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

Georgia requires separate trust or escrow accounts for covered funds. A broker may keep only an amount expressly permitted for account service charges or similar purposes under the rules.

WORKED EXAMPLE

A broker deposits an earnest-money check into the firm's operating account for two days before moving it to trust. The temporary mixing is commingling.

EXAM TRAP

Good intentions, prompt replacement, or absence of consumer loss do not erase the violation.

Memory cue: Good intentions, prompt replacement, or absence of consumer loss do not erase the violation.

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 Commingling?

- **A** Conversion is the unauthorized taking, use, transfer, or exercise of control over money or property belonging to another person, including trust funds held in a real estate transaction.
- **B** Trust funds are money or property a Georgia broker receives on behalf of another person in a real estate matter, including earnest money, rents, security deposits, and other client or customer funds when held by the broker.
- **C** Commingling is the improper mixing of money belonging to clients, customers, tenants, owners, or other persons with a broker's personal or operating funds.
- **D** A trust account is a separate, federally insured account in which a Georgia broker holds money belonging to others in connection with real estate activity, including earnest money when the broker receives it.

CORRECT ANSWER: C

Commingling is correct. Commingling is the improper mixing of money belonging to clients, customers, tenants, owners, or other persons with a broker's personal or operating funds. Commingling is improper mixing. Conversion is unauthorized control or use of another person's funds. Conversion can occur with or without prior commingling. Georgia requires separate trust or escrow accounts for covered funds. A broker may keep only an amount expressly permitted for account service charges or similar purposes under the rules.

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

Conversion

Conversion is the unauthorized taking, use, transfer, or exercise of control over money or property belonging to another person, including trust funds held in a real estate transaction.

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

RELATED TERM

Trust funds

Trust funds are money or property a Georgia broker receives on behalf of another person in a real estate matter, including earnest money, rents, security deposits, and other client or customer funds when held by the broker.

https://www.passgeorgiarealestate.com/glossary/trust-funds

RELATED TERM

Trust account

A trust account is a separate, federally insured account in which a Georgia broker holds money belonging to others in connection with real estate activity, including earnest money when the broker receives it.

https://www.passgeorgiarealestate.com/glossary/escrow-trust-account

RELATED TERM

Earnest money

Earnest money is a deposit a buyer provides under a purchase agreement to show seriousness and support the transaction.

https://www.passgeorgiarealestate.com/glossary/earnest-money

RECOMMENDED NEXT COMPLETE LESSON

State Laws and Rules complete lesson

https://www.passgeorgiarealestate.com/blog/grec-trust-account-earnest-money-rules

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 Real Estate License Law, O.C.G.A. Title 43, Chapter 40

GREC's official portal to Title 43, Chapter 40 and related real estate laws.

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

3. Georgia Real Estate Commission Rules, Chapter 520-1

Official Georgia Secretary of State publication of Commission rules governing licensure and brokerage.

https://rules.sos.ga.gov/gac/520-1