GEORGIA REAL ESTATE EXAM GLOSSARY

Firm license

A firm license is the Georgia license issued to a business entity conducting brokerage activity through a qualifying broker.

OFFICIAL AREA	KNOWLEDGE CLUSTER	LEARNING SYSTEM
State Laws and Rules	Georgia brokerage roles	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 Firm license mean?

A firm license is the Georgia license issued to a business entity conducting brokerage activity through a qualifying broker. It is distinct from the individual licenses held by the people affiliated with the firm.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

The firm is licensed as an entity, while the qualifying broker and affiliated licensees hold individual licenses with separate duties and statuses.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

A business entity cannot avoid firm-licensing and qualifying-broker requirements merely because its owners or employees hold individual real estate licenses.

WORKED EXAMPLE

An LLC offers brokerage services under its business name, holds the required firm license, and identifies the broker responsible to GREC.

EXAM TRAP

An active individual broker license does not automatically license every corporation or LLC the broker owns.

Memory cue: An active individual broker license does not automatically license every corporation or LLC the broker owns.

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 Firm license?

- **A** A qualifying broker is the broker designated to GREC as responsible for a licensed firm's brokerage activity, affiliated licensees, trust funds, records, advertising, and compliance with Georgia license law and Commission rules.
- **B** A firm license is the Georgia license issued to a business entity conducting brokerage activity through a qualifying broker.
- **C** A Georgia broker is a person licensed at the broker level to perform brokerage activities and exercise the authority allowed to that license class.
- **D** An associate broker is an individual who holds a Georgia broker license but works on behalf of another broker or licensed firm rather than serving as the qualifying broker responsible for that brokerage.

CORRECT ANSWER: B

Firm license is correct. A firm license is the Georgia license issued to a business entity conducting brokerage activity through a qualifying broker. It is distinct from the individual licenses held by the people affiliated with the firm. The firm is licensed as an entity, while the qualifying broker and affiliated licensees hold individual licenses with separate duties and statuses. A business entity cannot avoid firm-licensing and qualifying-broker requirements merely because its owners or employees hold individual real estate licenses.

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

Qualifying broker

A qualifying broker is the broker designated to GREC as responsible for a licensed firm's brokerage activity, affiliated licensees, trust funds, records, advertising, and compliance with Georgia license law and Commission rules.

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

RELATED TERM

Broker

A Georgia broker is a person licensed at the broker level to perform brokerage activities and exercise the authority allowed to that license class.

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

RELATED TERM

Associate broker

An associate broker is an individual who holds a Georgia broker license but works on behalf of another broker or licensed firm rather than serving as the qualifying broker responsible for that brokerage.

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

RELATED TERM

Active license

An active Georgia real estate license authorizes the holder to perform acts within that license class while properly affiliated, supervised, renewed, and compliant with applicable education and legal requirements.

https://www.passgeorgiarealestate.com/glossary/active-license

RECOMMENDED NEXT COMPLETE LESSON

State Laws and Rules complete lesson

https://www.passgeorgiarealestate.com/study-guide/georgia-laws-and-rules/license-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 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