



GEORGIA REAL ESTATE EXAM GLOSSARY

Unfair practice

An unfair practice is conduct prohibited by Georgia real estate license law or Commission rules because it is dishonest, misleading, incompetent, unsafe, or inconsistent with the duties of a licensee.

OFFICIAL AREA

State Laws and Rules

KNOWLEDGE CLUSTER

Georgia regulation and discipline

LEARNING SYSTEM

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.

PASS GEORGIA APP

Continue from definition to exam-ready recall.

1,300+ Georgia and national questions, detailed explanations, spaced review, readiness tracking, Math Coach, and offline study. \$59.99 once with no subscription.

DOWNLOAD

passgeorgiarealestate.com/download



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 Unfair practice mean?

An unfair practice is conduct prohibited by Georgia real estate license law or Commission rules because it is dishonest, misleading, incompetent, unsafe, or inconsistent with the duties of a licensee.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

An unfair practice is a licensing-law category that can support discipline. A private contract dispute does not automatically become a license violation, though the same conduct may create both.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

Georgia law identifies grounds for sanction, including misrepresentation, trust-fund violations, undisclosed interests, improper compensation, and failure to supervise or account.

WORKED EXAMPLE

A licensee knowingly advertises false property facts to induce a buyer and conceals the falsity after a complaint.

EXAM TRAP

No completed sale or consumer loss is always required. The prohibited conduct itself may support discipline.

Memory cue: No completed sale or consumer loss is always required.



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 Unfair practice?

- A** An unfair practice is conduct prohibited by Georgia real estate license law or Commission rules because it is dishonest, misleading, incompetent, unsafe, or inconsistent with the duties of a licensee.
- B** Puffing is an exaggerated statement of opinion or sales enthusiasm that a reasonable person would not understand as a verifiable fact, such as calling a view the finest in town.
- C** A material fact is information a reasonable party would consider important when deciding whether or on what terms to enter a real estate transaction.
- D** 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.

CORRECT ANSWER: A

Unfair practice is correct. An unfair practice is conduct prohibited by Georgia real estate license law or Commission rules because it is dishonest, misleading, incompetent, unsafe, or inconsistent with the duties of a licensee. An unfair practice is a licensing-law category that can support discipline. A private contract dispute does not automatically become a license violation, though the same conduct may create both. Georgia law identifies grounds for sanction, including misrepresentation, trust-fund violations, undisclosed interests, improper compensation, and failure to supervise or account.

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

Puffing

Puffing is an exaggerated statement of opinion or sales enthusiasm that a reasonable person would not understand as a verifiable fact, such as calling a view the finest in town.

<https://www.passgeorgiarealestate.com/glossary/puffing>

RELATED TERM

Material fact

A material fact is information a reasonable party would consider important when deciding whether or on what terms to enter a real estate transaction.

<https://www.passgeorgiarealestate.com/glossary/material-fact>

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

Real Estate Education, Research and Recovery Fund

Georgia's Real Estate Education, Research and Recovery Fund supports authorized education and research purposes and may compensate an eligible person who cannot collect a qualifying final judgment against a licensee, subject to statutory conditions and limits.

<https://www.passgeorgiarealestate.com/glossary/recovery-fund>

RECOMMENDED NEXT COMPLETE LESSON

State Laws and Rules complete lesson

<https://www.passgeorgiarealestate.com/study-guide/georgia-laws-and-rules/unfair-practices>

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>