

Georgia Real Estate License Law Practice Exam Sample Study Guide



EVERYTHING you need from our exam experts!

**Featuring practice questions, answers, and explanations
for each question.**

**This study guide is a SAMPLE. Visit
<https://gerogiarealestatelaw.examzify.com> to
get the full version available exclusively to
Examzify Plus pass holders .**

Copyright © 2025 by Examzify - A Kaluba Technologies Inc. product.

ALL RIGHTS RESERVED.

No part of this book may be reproduced or transferred in any form or by any means, graphic, electronic, or mechanical, including photocopying, recording, web distribution, taping, or by any information storage retrieval system, without the written permission of the author.

Notice: Examzify makes every reasonable effort to obtain from reliable sources accurate, complete, and timely information about this product.

SAMPLE

Questions

SAMPLE

- 1. What should a real estate advertisement in Georgia NOT include?**
 - A. The name of the brokerage**
 - B. The licensee's contact information**
 - C. Misleading price statements**
 - D. A description of the property**
- 2. What must a person have to legally represent others in real estate transactions in Georgia?**
 - A. A business license**
 - B. A valid real estate license**
 - C. A broker's approval**
 - D. Insurance coverage**
- 3. What is the purpose of a listing agreement in real estate?**
 - A. To establish the seller's financial records**
 - B. To establish the terms under which a broker will represent a property seller**
 - C. To create a legal contract for tenant agreements**
 - D. To document maintenance issues for the property**
- 4. What type of property does "real property" refer to?**
 - A. Only commercial properties**
 - B. Only residential properties**
 - C. Land and permanently attached structures**
 - D. Investment properties only**
- 5. A license must be renewed every how many years?**
 - A. 25**
 - B. Four**
 - C. 36**
 - D. Two**

- 6. What would most likely result in the denial of a Georgia real estate license application?**
- A. The applicant completed all licensing requirements two months ahead of schedule.**
 - B. The applicant was convicted of a felony 15 years ago and has been out of prison for 11 years.**
 - C. The applicant was convicted of a felony five years ago.**
 - D. The applicant has provided all necessary documentation.**
- 7. What must a Georgia broker check when entering into a written agreement with a non-resident licensee?**
- A. Financial standing of the licensee**
 - B. Client list of the licensee**
 - C. Their specific experience in the field**
 - D. Licensure of the licensee**
- 8. From which source is the Real Estate Education, Research, and Recovery Fund primarily funded?**
- A. Consumer contributions**
 - B. Property taxes**
 - C. Licensing fees**
 - D. Government grants**
- 9. What must Georgia's governor do to remove a commission member from GREC?**
- A. File a petition in court**
 - B. Sanction the member formally**
 - C. Provide notice and a hearing opportunity**
 - D. Seek approval from the state legislature**
- 10. What is "escrow" in real estate transactions?**
- A. Funds or documents held by a neutral third-party until specified conditions are met**
 - B. A legal term for transferring property ownership**
 - C. A type of mortgage agreement for commercial properties**
 - D. Documents related to property zoning and permits**

Answers

SAMPLE

1. C
2. B
3. B
4. C
5. B
6. C
7. C
8. C
9. C
10. A

SAMPLE

Explanations

SAMPLE

1. What should a real estate advertisement in Georgia NOT include?

- A. The name of the brokerage**
- B. The licensee's contact information**
- C. Misleading price statements**
- D. A description of the property**

In Georgia, real estate advertisements must adhere to specific regulations to ensure clarity and honesty to protect consumers. One fundamental requirement is that advertisements should not include misleading price statements. Such statements can create confusion and potentially mislead buyers regarding the true cost of a property. Accurate representation of pricing is vital as it aids in establishing trust and ensuring fair dealings between parties. Including a misleading price can violate the Georgia Real Estate Commission's rules, which mandate that all advertisements must be truthful and not deceptive. This is a critical aspect of maintaining integrity in real estate transactions and ensuring that consumers have the proper information to make informed decisions. The other elements mentioned are typically required for compliance. The name of the brokerage must be present to identify the firm representing the property, providing clarity and transparency. The contact information of the licensee is essential so prospective buyers or clients can reach out for inquiries, supporting effective communication. Furthermore, a proper description of the property helps potential buyers understand what is being offered, enhancing the advertising's usefulness. Hence, avoiding misleading price statements is the critical point of focus when considering what should not be included in a real estate advertisement in Georgia.

2. What must a person have to legally represent others in real estate transactions in Georgia?

- A. A business license**
- B. A valid real estate license**
- C. A broker's approval**
- D. Insurance coverage**

To legally represent others in real estate transactions in Georgia, a person must possess a valid real estate license. This requirement ensures that individuals engaging in real estate activities, such as buying, selling, or leasing properties on behalf of clients, have met the necessary educational and professional standards set by the Georgia Real Estate Commission. Having a valid real estate license demonstrates that the individual has completed required coursework, successfully passed the licensure examination, and understands the laws, regulations, and practices associated with real estate transactions. This licensure is essential for protecting consumers and maintaining professional standards within the industry. While a business license, broker's approval, and insurance coverage can be important aspects of running a real estate practice, they do not replace the requirement of having a real estate license to represent clients in transactions. Without a valid license, an individual cannot legally act on behalf of others in real estate matters in Georgia.

3. What is the purpose of a listing agreement in real estate?

- A. To establish the seller's financial records
- B. To establish the terms under which a broker will represent a property seller**
- C. To create a legal contract for tenant agreements
- D. To document maintenance issues for the property

The purpose of a listing agreement in real estate is to establish the terms under which a broker will represent a property seller. This agreement outlines the relationship between the seller and the broker, detailing aspects such as the broker's duties, the duration of the agreement, the commission structure, and the specific marketing strategies to be employed for selling the property. A listing agreement provides a framework for how the broker will promote the property, handle offers, negotiate terms, and communicate with potential buyers. It ensures that both parties are clear on their responsibilities and complies with legal requirements, ultimately facilitating a smoother transaction process. In contrast to establishing financial records, tenant agreements, or documenting maintenance issues, the listing agreement is specifically focused on the sale of real estate and the professional representation of the seller by the broker. This distinction highlights why the option regarding terms of representation is the most fitting in the context of real estate listing agreements.

4. What type of property does "real property" refer to?

- A. Only commercial properties
- B. Only residential properties
- C. Land and permanently attached structures**
- D. Investment properties only

Real property refers to land and anything that is permanently attached to that land, which includes buildings, structures, and improvements. This definition encompasses a variety of property types, including both residential and commercial properties, as well as any other structures that are affixed to the land, such as fences, roads, or other permanent fixtures. The key aspect of real property is its permanence; any structure that is not intended to be moved and is permanently affixed to the land is included in this category. This distinguishes it from personal property, which can be moved and is not permanently attached. The other types of properties mentioned do not fully capture the complete scope of what real property encompasses. For instance, limiting it to commercial or residential properties excludes the broader category of real estate that includes various types of structures and uses. Similarly, investment properties are only a subset of what could be considered real property, thus not fully representing the definition. Therefore, the correct definition of real property indeed involves land and the structures that are permanently attached to it.

5. A license must be renewed every how many years?

- A. 25
- B. Four**
- C. 36
- D. Two

In Georgia, a real estate license must be renewed every four years. This renewal cycle is established to ensure that licensees remain up-to-date with current laws, regulations, and practices within the real estate industry. The four-year period allows for opportunities to obtain continuing education credits, which are required for renewal, ensuring that agents maintain a high standard of professionalism and knowledge throughout their careers. This structure is designed to protect both the public and the integrity of the real estate profession by requiring ongoing education and accountability from licensed professionals.

6. What would most likely result in the denial of a Georgia real estate license application?

- A. The applicant completed all licensing requirements two months ahead of schedule.
- B. The applicant was convicted of a felony 15 years ago and has been out of prison for 11 years.
- C. The applicant was convicted of a felony five years ago.**
- D. The applicant has provided all necessary documentation.

The denial of a Georgia real estate license application is most likely related to recent criminal activity, particularly felony convictions. In Georgia, the real estate licensing authority closely examines the moral character and fitness of applicants, which includes any history of felony convictions. A felony conviction that occurred within the last five years raises significant concerns regarding the applicant's suitability for a real estate license, as it suggests a potential pattern of behavior that may not align with the ethical standards required in the real estate profession. In this context, an application from someone with a felony conviction dated five years ago would be scrutinized more heavily, and that applicant may face denial primarily due to this recent criminal history. Conversely, an applicant with a felony conviction that occurred fifteen years ago, especially if they have demonstrated rehabilitation and stability since then, is often viewed more favorably. The completion of licensing requirements ahead of schedule or the provision of all necessary documentation does not negatively impact an applicant's chances but rather supports their eligibility for a license.

7. What must a Georgia broker check when entering into a written agreement with a non-resident licensee?

A. Financial standing of the licensee

B. Client list of the licensee

C. Their specific experience in the field

D. Licensure of the licensee

When a Georgia broker enters into a written agreement with a non-resident licensee, the primary responsibility is to verify that the licensee holds a valid and current license to practice real estate in their home state. This requirement is crucial because it ensures that the non-resident licensee is legally permitted to engage in real estate transactions. A broker needs to confirm that the license is active and in good standing to protect both themselves and their clients from potential legal issues that may arise from working with an improperly licensed individual. Understanding the licensure of a non-resident licensee is essential for compliance with Georgia's real estate laws and regulations. This step safeguards the integrity of the real estate practice and maintains the standards set forth by the Georgia Real Estate Commission. Therefore, while other factors such as financial standing, client lists, and experience may be important in evaluating a licensee, the most critical aspect, as mandated by law, is that they hold a valid license to operate in their jurisdiction.

8. From which source is the Real Estate Education, Research, and Recovery Fund primarily funded?

A. Consumer contributions

B. Property taxes

C. Licensing fees

D. Government grants

The Real Estate Education, Research, and Recovery Fund is primarily funded through licensing fees paid by real estate professionals. This funding mechanism ensures that the resources required for ongoing education, research initiatives, and recovery measures for consumers in the real estate market are maintained. By collecting these fees, the fund is able to support necessary programs and services that enhance the professionalism and integrity of the real estate industry, ultimately benefiting both the practitioners and the consumers they serve. The system of utilizing licensing fees is effective because it ties the financial support of the fund directly to the individuals who are actively engaged in real estate activities. This creates a direct correlation between the contributions made by real estate professionals and the resources available for educational programs.

9. What must Georgia's governor do to remove a commission member from GREC?

- A. File a petition in court**
- B. Sanction the member formally**
- C. Provide notice and a hearing opportunity**
- D. Seek approval from the state legislature**

In Georgia, the process for removing a member of the Georgia Real Estate Commission (GREC) requires the governor to provide notice and an opportunity for a hearing. This ensures that due process is followed before any action is taken to remove the member. The requirement for a hearing allows the commission member to understand the reasons for the removal and to defend their position, embodying the principles of fairness and transparency in administrative actions. This procedure is important as it upholds the integrity of the commission and protects the rights of the individuals involved. The governor, acting as the executive authority, must adhere to these standards to ensure that all actions taken are justified and legitimate. The emphasis on the opportunity for a hearing is particularly critical to prevent arbitrary decisions and to maintain trust in the governance of regulatory bodies.

10. What is "escrow" in real estate transactions?

- A. Funds or documents held by a neutral third-party until specified conditions are met**
- B. A legal term for transferring property ownership**
- C. A type of mortgage agreement for commercial properties**
- D. Documents related to property zoning and permits**

In real estate transactions, "escrow" refers to funds or documents that are held by a neutral third party until specified conditions are met. This setup provides security for both parties involved in the transaction. For instance, a buyer may place a deposit into escrow, which assures the seller that the buyer is committed to the purchase, while also protecting the buyer by ensuring that the funds will only be released to the seller once the transaction conditions—such as inspections or financing approvals—are satisfied. This role of a neutral third party helps to facilitate trust between buyers and sellers, as neither party has unilateral access to the funds or documents until all prerequisites are fulfilled, thereby minimizing the risk of misappropriation or fraud. The other choices provided do not accurately capture the essence of escrow within the real estate context. A legal term for transferring property ownership refers to the title transfer process but does not encompass the escrow arrangement. A type of mortgage agreement for commercial properties pertains to financing and does not relate to the escrow holding process. Documents related to property zoning and permits are specific to land use and development regulations and do not involve the functions of escrow.