GEORGIA REAL ESTATE EXAM GLOSSARY

Due-diligence period

A due-diligence period is a negotiated contract window during which a buyer may investigate the property and exercise the termination rights stated in the agreement, often for any reason when the contract grants that broad right.

OFFICIAL AREA	KNOWLEDGE CLUSTER	LEARNING SYSTEM
Real Estate Practice in Georgia	Georgia contracts in practice	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 Due-diligence period mean?

A due-diligence period is a negotiated contract window during which a buyer may investigate the property and exercise the termination rights stated in the agreement, often for any reason when the contract grants that broad right.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

Due diligence is a contractual termination window. An inspection contingency is a specific condition whose wording controls the available response to inspection findings.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

Georgia practice commonly uses a negotiated due-diligence period, but no universal number of days applies. The signed contract controls the deadline and the right.

WORKED EXAMPLE

A contract gives the buyer ten days to terminate during due diligence. The buyer may request repairs, but the seller is not compelled to agree unless the contract says so.

EXAM TRAP

A right to investigate or terminate is not automatically a right to force repairs, extend the deadline, or recover every fee paid.

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

A Georgia contract gives the buyer a ten-day due-diligence period with the right to terminate for any reason. On day six, the inspector reports an aging roof. The buyer asks the seller to replace it, and the seller refuses. What may the buyer do?

- **A** Terminate before the period ends, as the contract allows
- **B** Require the seller to replace the roof before closing
- **C** Extend the period on the buyer's own until repairs are agreed
- **D** Terminate at any point up to closing without a deadline

CORRECT ANSWER: A

A due-diligence period is a contract window: the buyer may investigate and, under this contract, terminate for any reason before it expires. It does not force the seller to make repairs. The option to terminate any time before closing ignores the deadline, which the signed contract sets.

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

Contingency

A contingency is a contract condition that makes a party's duty, right to terminate, or obligation to proceed depend on a stated event, standard, deadline, or approval.

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

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

RELATED TERM

Rescission

Rescission is the cancellation or unwinding of a contract, with the goal of restoring the parties as closely as possible to their precontract positions.

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

RELATED TERM

Material defect

A material defect is a problem with the property or its improvements that would significantly affect value, safety, intended use, or a reasonable buyer's decision.

https://www.passgeorgiarealestate.com/glossary/material-defect

RECOMMENDED NEXT COMPLETE LESSON

Real Estate Practice in Georgia complete lesson

https://www.passgeorgiarealestate.com/study-guide/georgia-practice/sales-contracts-and-due-diligence

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/