



GEORGIA REAL ESTATE EXAM GLOSSARY

Latent defect

A latent defect is a property defect that is hidden or not readily discoverable through a reasonable ordinary observation or inspection of the type described in the question.

OFFICIAL AREA

Property Disclosures

KNOWLEDGE CLUSTER

Property facts and disclosure

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.

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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 Latent defect mean?

A latent defect is a property defect that is hidden or not readily discoverable through a reasonable ordinary observation or inspection of the type described in the question.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

Latent describes visibility. Patent describes a defect that is observable or discoverable. Material describes importance, so a defect can be both latent and material.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

Georgia licensees are not general property inspectors, but actually known adverse material facts can trigger disclosure duties under BRRETA even when the defect is hidden from a buyer.

WORKED EXAMPLE

A seller and listing broker know that a finished wall conceals serious recurring water damage that an ordinary walkthrough will not reveal.

EXAM TRAP

Hidden does not automatically prove fraud. The question must also establish knowledge, duty, misstatement, or concealment as required.

Memory cue: Hidden does not automatically prove fraud.



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 Latent defect?

- A** A latent defect is a property defect that is hidden or not readily discoverable through a reasonable ordinary observation or inspection of the type described in the question.
- B** A patent defect is a property defect that is open, observable, or discoverable through the reasonable level of observation or inspection described in the transaction.
- C** 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.
- D** An adverse material fact is significant information that is unfavorable to a party's interests, such as an actually known condition materially affecting the property's physical condition or title as described by Georgia law.

CORRECT ANSWER: A

Latent defect is correct. A latent defect is a property defect that is hidden or not readily discoverable through a reasonable ordinary observation or inspection of the type described in the question. Latent describes visibility. Patent describes a defect that is observable or discoverable. Material describes importance, so a defect can be both latent and material. Georgia licensees are not general property inspectors, but actually known adverse material facts can trigger disclosure duties under BRRETA even when the defect is hidden from a buyer.

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

Patent defect

A patent defect is a property defect that is open, observable, or discoverable through the reasonable level of observation or inspection described in the transaction.

<https://www.passgeorgiarealestate.com/glossary/patent-defect>

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>

RELATED TERM

Adverse material fact

An adverse material fact is significant information that is unfavorable to a party's interests, such as an actually known condition materially affecting the property's physical condition or title as described by Georgia law.

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

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>

RECOMMENDED NEXT COMPLETE LESSON

Property Disclosures complete lesson

<https://www.passgeorgiarealestate.com/study-guide/property-disclosures/material-facts-and-defects>

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 Brokerage Relationships in Real Estate Transactions Act

GREC's official law portal links to Title 10, Chapter 6A, the Georgia agency statute.

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