GEORGIA REAL ESTATE EXAM GLOSSARY

Primary mortgage market

The primary mortgage market is where borrowers obtain new mortgage loans directly from originators such as banks, credit unions, mortgage companies, and other lenders.

OFFICIAL AREA	KNOWLEDGE CLUSTER	LEARNING SYSTEM
Financing	**Mortgage markets**	**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 Primary mortgage market mean?

The primary mortgage market is where borrowers obtain new mortgage loans directly from originators such as banks, credit unions, mortgage companies, and other lenders.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

The primary market creates loans with borrowers. The secondary market buys, sells, pools, or securitizes existing mortgage loans after origination.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

A Georgia homebuyer applying for a new loan deals in the primary market even if the lender expects to sell the loan immediately after closing.

WORKED EXAMPLE

A credit union underwrites an applicant, funds the purchase loan, and receives the signed note and security deed.

EXAM TRAP

Classify the transaction taking place now, not the institution's later plan for the loan.

Memory cue: Classify the transaction taking place now, not the institution's later plan for the loan.

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 Primary mortgage market?

- **A** The primary mortgage market is where borrowers obtain new mortgage loans directly from originators such as banks, credit unions, mortgage companies, and other lenders.
- **B** The secondary mortgage market is where existing mortgage loans and mortgage-backed securities are purchased, sold, pooled, or securitized, providing liquidity that helps originators make new loans.
- **C** A promissory note is the borrower's written promise to repay a debt under stated principal, interest, payment, maturity, and default terms.
- **D** A loan origination fee is a charge for the lender's work in making, processing, or underwriting a loan.

CORRECT ANSWER: A

Primary mortgage market is correct. The primary mortgage market is where borrowers obtain new mortgage loans directly from originators such as banks, credit unions, mortgage companies, and other lenders. The primary market creates loans with borrowers. The secondary market buys, sells, pools, or securitizes existing mortgage loans after origination. A Georgia homebuyer applying for a new loan deals in the primary market even if the lender expects to sell the loan immediately after closing.

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

Secondary mortgage market

The secondary mortgage market is where existing mortgage loans and mortgage-backed securities are purchased, sold, pooled, or securitized, providing liquidity that helps originators make new loans.

https://www.passgeorgiarealestate.com/glossary/secondary-mortgage-market

RELATED TERM

Promissory note

A promissory note is the borrower's written promise to repay a debt under stated principal, interest, payment, maturity, and default terms.

https://www.passgeorgiarealestate.com/glossary/promissory-note

RELATED TERM

Loan origination fee

A loan origination fee is a charge for the lender's work in making, processing, or underwriting a loan.

https://www.passgeorgiarealestate.com/glossary/loan-origination-fee

RELATED TERM

Real Estate Settlement Procedures Act (RESPA)

RESPA is the federal law governing specified settlement practices for covered federally related mortgage loans.

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

RECOMMENDED NEXT COMPLETE LESSON

Financing complete lesson

https://www.passgeorgiarealestate.com/study-guide/financing/basic-loan-concepts

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