PASS GEORGIA
REAL ESTATE EXAM PREP

GEORGIA REAL ESTATE EXAM GLOSSARY

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.

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 Secondary mortgage market mean?

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.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

The secondary market deals in existing loans. The primary market is the origination transaction between the borrower and lender.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

The national market structure applies to Georgia loans. Sale of the note after closing does not mean the borrower obtained a new loan in the secondary market.

WORKED EXAMPLE

A lender sells a pool of recently originated conforming mortgages to an investor and uses the proceeds to fund more loans.

EXAM TRAP

The borrower may send payments to a servicer after a loan sale, but servicing and ownership are separate roles.

Memory cue: The borrower may send payments to a servicer after a loan sale, but servicing and ownership are separate roles.

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 Secondary 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** An assignment transfers a party's contractual rights to another person, the assignee, without necessarily releasing the original party from contractual obligations.

CORRECT ANSWER: B

Secondary mortgage market is correct. 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. The secondary market deals in existing loans. The primary market is the origination transaction between the borrower and lender. The national market structure applies to Georgia loans. Sale of the note after closing does not mean the borrower obtained a new loan in the secondary market.

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

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.

https://www.passgeorgiarealestate.com/glossary/primary-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

Assignment

An assignment transfers a party's contractual rights to another person, the assignee, without necessarily releasing the original party from contractual obligations.

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

RELATED TERM

Amortization

Amortization is the scheduled reduction of loan principal through periodic payments that include interest and principal.

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

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