



GEORGIA REAL ESTATE EXAM GLOSSARY

Stigmatized property

A stigmatized property is real estate some people perceive negatively because of a nonphysical event or association, such as a death or crime, even though the event may not affect the property's structure or title.

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 Stigmatized property mean?

A stigmatized property is real estate some people perceive negatively because of a nonphysical event or association, such as a death or crime, even though the event may not affect the property's structure or title.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

A stigma concerns perception rather than a physical defect. A material defect affects the property itself, its use, safety, value, or legal condition.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

O.C.G.A. § 44-1-16 states that specified facts, including certain deaths, crimes, and disease-related occupancy, are not material facts requiring disclosure solely on that basis. A licensee must handle direct questions truthfully within actual knowledge and the statute.

WORKED EXAMPLE

A buyer asks whether a homicide occurred in the home. The event caused no physical damage, but the licensee must apply Georgia's stigma statute and answer rules rather than treating it as a structural defect.

EXAM TRAP

Not affirmatively required to disclose is not permission to lie when a protected direct question must be answered truthfully.

Memory cue: Not affirmatively required to disclose is not permission to lie when a protected direct question must be answered truthfully.



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 Stigmatized property?

- A** A material fact is information a reasonable party would consider important when deciding whether or on what terms to enter a real estate transaction.
- B** 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.
- C** A stigmatized property is real estate some people perceive negatively because of a nonphysical event or association, such as a death or crime, even though the event may not affect the property's structure or title.
- D** 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.

CORRECT ANSWER: C

Stigmatized property is correct. A stigmatized property is real estate some people perceive negatively because of a nonphysical event or association, such as a death or crime, even though the event may not affect the property's structure or title. A stigma concerns perception rather than a physical defect. A material defect affects the property itself, its use, safety, value, or legal condition. O.C.G.A. § 44-1-16 states that specified facts, including certain deaths, crimes, and disease-related occupancy, are not material facts requiring disclosure solely on that basis. A licensee must handle direct questions truthfully within actual knowledge and the statute.

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

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>

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

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.

<https://www.passgeorgiarealestate.com/glossary/latent-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>

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. O.C.G.A. § 44-1-16, Certain Facts Not Material in Real Estate Transactions

Current Georgia statute addressing specified stigmas and truthful responses to direct questions through the state-authorized code portal.

<https://www.lexisnexis.com/hottopics/gacode/Default.asp>

3. 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/>