



GEORGIA REAL ESTATE EXAM GLOSSARY

Void contract

A void contract has no legal effect from the outset because an essential legal requirement is absent or the agreement is for an unlawful purpose.

OFFICIAL AREA

Contracts

KNOWLEDGE CLUSTER

Contract remedies and status

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 Void contract mean?

A void contract has no legal effect from the outset because an essential legal requirement is absent or the agreement is for an unlawful purpose. Neither party can enforce it as a valid contract.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

Void means never legally effective. Voidable means valid unless the protected party elects to avoid it. Unenforceable means a valid agreement cannot be enforced because of a legal defense.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

The national status distinctions apply in Georgia. Focus on whether a contract ever had legal existence, rather than whether performance has begun.

WORKED EXAMPLE

Two parties agree to use a property transaction to accomplish an illegal purpose. The purported agreement is void.

EXAM TRAP

A breach does not make a valid contract void. It creates a remedy question.

Memory cue: A breach does not make a valid contract void.



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 Void contract?

- A** A void contract has no legal effect from the outset because an essential legal requirement is absent or the agreement is for an unlawful purpose.
- B** A voidable contract is a valid contract that one protected party may affirm or avoid because of a legal condition such as fraud, duress, misrepresentation, incapacity, or another recognized defense.
- C** An unenforceable contract is an agreement that may otherwise be valid but cannot be enforced in court because of a legal defense such as failure to satisfy the Statute of Frauds or expiration of a limitation period.
- D** Rescission is the cancellation or unwinding of a contract, with the goal of restoring the parties as closely as possible to their precontract positions.

CORRECT ANSWER: A

Void contract is correct. A void contract has no legal effect from the outset because an essential legal requirement is absent or the agreement is for an unlawful purpose. Neither party can enforce it as a valid contract. Void means never legally effective. Voidable means valid unless the protected party elects to avoid it. Unenforceable means a valid agreement cannot be enforced because of a legal defense. The national status distinctions apply in Georgia. Focus on whether a contract ever had legal existence, rather than whether performance has begun.

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

Voidable contract

A voidable contract is a valid contract that one protected party may affirm or avoid because of a legal condition such as fraud, duress, misrepresentation, incapacity, or another recognized defense.

<https://www.passgeorgiarealestate.com/glossary/voidable-contract>

RELATED TERM

Unenforceable contract

An unenforceable contract is an agreement that may otherwise be valid but cannot be enforced in court because of a legal defense such as failure to satisfy the Statute of Frauds or expiration of a limitation period.

<https://www.passgeorgiarealestate.com/glossary/unenforceable-contract>

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

Specific performance

Specific performance is an equitable remedy ordering a party to carry out a contract.

<https://www.passgeorgiarealestate.com/glossary/specific-performance>

RECOMMENDED NEXT COMPLETE LESSON

Contracts complete lesson

<https://www.passgeorgiarealestate.com/study-guide/contracts/performance-breach-remedies>

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>