



GEORGIA REAL ESTATE EXAM GLOSSARY

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.

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.

PASS GEORGIA APP

Continue from definition to exam-ready recall.

1,300+ Georgia and national questions, detailed explanations, spaced review, readiness tracking, Math Coach, and offline study. \$59.99 once with no subscription.

DOWNLOAD

passgeorgiarealestate.com/download



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 Voidable contract mean?

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.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

A voidable contract operates unless avoided by the protected party. A void contract never had legal effect.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

The national distinction applies in Georgia. The party with the legal protection, not automatically either party, holds the power to avoid.

WORKED EXAMPLE

A buyer signs because of the seller's material fraudulent misrepresentation and may elect to rescind rather than affirm the transaction.

EXAM TRAP

Do not say both parties may cancel at will. Voidability belongs to the protected party under the relevant defense.

Memory cue: Do not say both parties may cancel at will.



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 Voidable 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: B

Voidable contract is correct. 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. A voidable contract operates unless avoided by the protected party. A void contract never had legal effect. The national distinction applies in Georgia. The party with the legal protection, not automatically either party, holds the power to avoid.

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

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.

<https://www.passgeorgiarealestate.com/glossary/void-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

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

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>