



GEORGIA REAL ESTATE EXAM GLOSSARY

Alienation clause

An alienation clause, often called a due-on-sale clause, allows a lender to require repayment of the outstanding loan when the borrower transfers the secured property without the lender's permitted assumption or consent.

OFFICIAL AREA

Financing

KNOWLEDGE CLUSTER

Mortgage documents and clauses

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 Alienation clause mean?

An alienation clause, often called a due-on-sale clause, allows a lender to require repayment of the outstanding loan when the borrower transfers the secured property without the lender's permitted assumption or consent.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

Alienation concerns transfer. Acceleration is the broader remedy declaring the balance due after a defined default.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

The clause appears in financing documents used with Georgia security deeds. It limits an owner's ability to transfer the property subject to the existing loan without lender consequences.

WORKED EXAMPLE

A borrower deeds the home to a buyer who plans to keep making the old payments, but the lender invokes the due-on-sale provision.

EXAM TRAP

The clause does not prohibit every sale. It gives the lender the stated right regarding the loan balance.

Memory cue: The clause does not prohibit every sale.



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 Alienation clause?

- A** An acceleration clause permits the lender, after a defined default and required process, to declare the entire unpaid loan balance immediately due rather than collect only the missed installment.
- B** An alienation clause, often called a due-on-sale clause, allows a lender to require repayment of the outstanding loan when the borrower transfers the secured property without the lender's permitted assumption or consent.
- 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 security deed, also called a deed to secure debt, is Georgia's customary instrument for securing a real estate loan.

CORRECT ANSWER: B

Alienation clause is correct. An alienation clause, often called a due-on-sale clause, allows a lender to require repayment of the outstanding loan when the borrower transfers the secured property without the lender's permitted assumption or consent. Alienation concerns transfer. Acceleration is the broader remedy declaring the balance due after a defined default. The clause appears in financing documents used with Georgia security deeds. It limits an owner's ability to transfer the property subject to the existing loan without lender consequences.

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

Acceleration clause

An acceleration clause permits the lender, after a defined default and required process, to declare the entire unpaid loan balance immediately due rather than collect only the missed installment.

<https://www.passgeorgiarealestate.com/glossary/acceleration-clause>

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

Security deed

A security deed, also called a deed to secure debt, is Georgia's customary instrument for securing a real estate loan.

<https://www.passgeorgiarealestate.com/glossary/security-deed>

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>

RECOMMENDED NEXT COMPLETE LESSON

Financing complete lesson

<https://www.passgeorgiarealestate.com/study-guide/financing/mortgage-clauses>

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. Title 44, Chapter 14, Mortgages, Conveyances to Secure Debt, and Liens

Current Georgia security-deed, cancellation, lien, and power-of-sale authority through the state-authorized code portal.

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