PASS GEORGIA
REAL ESTATE EXAM PREP

GEORGIA REAL ESTATE EXAM GLOSSARY

Buyer funds needed at closing

Buyer funds needed at closing are the buyer's purchase-price obligation plus buyer closing costs and debits, minus loan proceeds, deposits already paid, seller credits, and other credits shown in the problem.

OFFICIAL AREA	KNOWLEDGE CLUSTER	LEARNING SYSTEM
Real Estate Calculations	Closing calculations	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 Buyer funds needed at closing mean?

Buyer funds needed at closing are the buyer's purchase-price obligation plus buyer closing costs and debits, minus loan proceeds, deposits already paid, seller credits, and other credits shown in the problem.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

The down payment is only the price not financed. Cash to close also includes costs, prorations, credits, and prior deposits.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

Georgia problems can add intangible recording tax or attorney-related charges when allocated to the buyer. Apply the stated contract and closing figures, not a customary assumption.

WORKED EXAMPLE

Price is $350,000, loan is $280,000, buyer costs are $8,000, earnest money already paid is $5,000, and seller credit is $3,000. Funds needed are $70,000 + $8,000 - $5,000 - $3,000 = $70,000.

EXAM TRAP

Subtracting earnest money twice or forgetting that a credit reduces cash to close produces common distractors.

Memory cue: Subtracting earnest money twice or forgetting that a credit reduces cash to close produces common distractors.

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 Buyer funds needed at closing?

- **A** Seller net proceeds are the amount a seller receives after subtracting payoff amounts, brokerage compensation, taxes, closing costs, debits, and other seller obligations from the gross sale proceeds, then adding any seller credits.
- **B** Earnest money is a deposit a buyer provides under a purchase agreement to show seriousness and support the transaction.
- **C** Buyer funds needed at closing are the buyer's purchase-price obligation plus buyer closing costs and debits, minus loan proceeds, deposits already paid, seller credits, and other credits shown in the problem.
- **D** Proration is the allocation of a periodic income or expense between buyer and seller according to the portion of the period each party owns or occupies the property and the closing convention stated in the problem.

CORRECT ANSWER: C

Buyer funds needed at closing is correct. Buyer funds needed at closing are the buyer's purchase-price obligation plus buyer closing costs and debits, minus loan proceeds, deposits already paid, seller credits, and other credits shown in the problem. The down payment is only the price not financed. Cash to close also includes costs, prorations, credits, and prior deposits. Georgia problems can add intangible recording tax or attorney-related charges when allocated to the buyer. Apply the stated contract and closing figures, not a customary assumption.

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

Seller net proceeds

Seller net proceeds are the amount a seller receives after subtracting payoff amounts, brokerage compensation, taxes, closing costs, debits, and other seller obligations from the gross sale proceeds, then adding any seller credits.

https://www.passgeorgiarealestate.com/glossary/seller-net-proceeds

RELATED TERM

Earnest money

Earnest money is a deposit a buyer provides under a purchase agreement to show seriousness and support the transaction.

https://www.passgeorgiarealestate.com/glossary/earnest-money

RELATED TERM

Proration

Proration is the allocation of a periodic income or expense between buyer and seller according to the portion of the period each party owns or occupies the property and the closing convention stated in the problem.

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

RELATED TERM

Intangible recording tax

Georgia intangible recording tax applies when a qualifying long-term note secured by real estate is recorded.

https://www.passgeorgiarealestate.com/glossary/intangible-recording-tax

RECOMMENDED NEXT COMPLETE LESSON

Real Estate Calculations complete lesson

https://www.passgeorgiarealestate.com/math/buyer-funds-at-closing

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. Georgia Department of Revenue, Recording and Transfer Taxes

Official source for Georgia transfer-tax and recording-tax treatment.

https://dor.georgia.gov/real-estate-transfer-tax