PASS GEORGIA
REAL ESTATE EXAM PREP

GEORGIA REAL ESTATE EXAM GLOSSARY

Debt-to-income ratio

Debt-to-income ratio, or DTI, compares required monthly debt payments with gross monthly income.

OFFICIAL AREA	KNOWLEDGE CLUSTER	LEARNING SYSTEM
Financing	Mortgage finance	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 Debt-to-income ratio mean?

Debt-to-income ratio, or DTI, compares required monthly debt payments with gross monthly income. A housing ratio uses the housing obligation, while a total DTI includes housing plus other counted recurring debt.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

DTI measures payment burden relative to income. LTV measures loan size relative to property value.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

This national underwriting concept is unchanged in Georgia. Use gross income and only the debts the question directs, all on the same monthly basis.

WORKED EXAMPLE

Gross monthly income is $8,000, housing expense is $2,000, and other monthly debt is $800. Total DTI is $2,800 ÷ $8,000 = 35 percent.

EXAM TRAP

Using net take-home pay or excluding the proposed housing payment changes the ratio.

Memory cue: Using net take-home pay or excluding the proposed housing payment changes the ratio.

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 Debt-to-income ratio?

- **A** Loan-to-value ratio, or LTV, expresses the loan amount as a percentage of the lender's value base.
- **B** PITI stands for principal, interest, taxes, and insurance, the four common components included when estimating a borrower's total monthly housing payment.
- **C** Debt-to-income ratio, or DTI, compares required monthly debt payments with gross monthly income.
- **D** Private mortgage insurance protects a conventional mortgage lender against part of the loss if a borrower defaults.

CORRECT ANSWER: C

Debt-to-income ratio is correct. Debt-to-income ratio, or DTI, compares required monthly debt payments with gross monthly income. A housing ratio uses the housing obligation, while a total DTI includes housing plus other counted recurring debt. DTI measures payment burden relative to income. LTV measures loan size relative to property value. This national underwriting concept is unchanged in Georgia. Use gross income and only the debts the question directs, all on the same monthly basis.

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

Loan-to-value ratio

Loan-to-value ratio, or LTV, expresses the loan amount as a percentage of the lender's value base.

https://www.passgeorgiarealestate.com/glossary/loan-to-value

RELATED TERM

PITI

PITI stands for principal, interest, taxes, and insurance, the four common components included when estimating a borrower's total monthly housing payment.

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

RELATED TERM

Private mortgage insurance (PMI)

Private mortgage insurance protects a conventional mortgage lender against part of the loss if a borrower defaults.

https://www.passgeorgiarealestate.com/glossary/private-mortgage-insurance

RELATED TERM

Loan origination fee

A loan origination fee is a charge for the lender's work in making, processing, or underwriting a loan.

https://www.passgeorgiarealestate.com/glossary/loan-origination-fee

RECOMMENDED NEXT COMPLETE LESSON

Financing complete lesson

https://www.passgeorgiarealestate.com/math/debt-to-income

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