GEORGIA REAL ESTATE EXAM GLOSSARY

Loan origination fee

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

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.

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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 Loan origination fee mean?

A loan origination fee is a charge for the lender's work in making, processing, or underwriting a loan. When quoted as points, one point equals 1 percent of the loan amount.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

An origination fee compensates the lender for origination services. Discount points are prepaid interest commonly exchanged for a lower rate.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

The national formula applies in Georgia. Both fees may appear on federal loan disclosures, and both are calculated from the loan when stated as points.

WORKED EXAMPLE

A 1.25-point origination fee on a $320,000 loan is $320,000 × 0.0125 = $4,000.

EXAM TRAP

Do not use the sales price or assume every point shown is a discount point.

Memory cue: Do not use the sales price or assume every point shown is a discount point.

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 Loan origination fee?

- **A** A discount point is prepaid interest paid to a lender at closing, commonly to reduce the loan's interest rate.
- **B** A loan origination fee is a charge for the lender's work in making, processing, or underwriting a loan.
- **C** Loan-to-value ratio, or LTV, expresses the loan amount as a percentage of the lender's value base.
- **D** TILA is the federal consumer-credit law requiring standardized disclosure of credit costs and terms, including finance charges and annual percentage rate, and governing specified advertising and rescission rights through Regulation Z.

CORRECT ANSWER: B

Loan origination fee is correct. A loan origination fee is a charge for the lender's work in making, processing, or underwriting a loan. When quoted as points, one point equals 1 percent of the loan amount. An origination fee compensates the lender for origination services. Discount points are prepaid interest commonly exchanged for a lower rate. The national formula applies in Georgia. Both fees may appear on federal loan disclosures, and both are calculated from the loan when stated as points.

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

Discount point

A discount point is prepaid interest paid to a lender at closing, commonly to reduce the loan's interest rate.

https://www.passgeorgiarealestate.com/glossary/discount-point

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

Truth in Lending Act (TILA)

TILA is the federal consumer-credit law requiring standardized disclosure of credit costs and terms, including finance charges and annual percentage rate, and governing specified advertising and rescission rights through Regulation Z.

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

RELATED TERM

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.

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

RECOMMENDED NEXT COMPLETE LESSON

Financing complete lesson

https://www.passgeorgiarealestate.com/math/discount-points

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. Consumer Financial Protection Bureau, Regulation Z

Official implementing regulation for TILA and integrated mortgage disclosures.

https://www.consumerfinance.gov/rules-policy/regulations/1026/