PASS GEORGIA
REAL ESTATE EXAM PREP

GEORGIA REAL ESTATE EXAM GLOSSARY

PITI

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

OFFICIAL AREA	KNOWLEDGE CLUSTER	LEARNING SYSTEM
Real Estate Calculations	**Mortgage repayment**	**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 PITI mean?

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

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

Principal and interest repay the loan. Taxes and insurance are property-related charges that a lender may collect through escrow. PITI does not automatically include every ownership cost.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

Georgia tax and insurance amounts vary by property and location. Use only the figures supplied in an exam problem and convert annual amounts to monthly amounts consistently.

WORKED EXAMPLE

Monthly principal and interest are $1,650, annual taxes are $3,600, and annual insurance is $1,200. PITI is $1,650 + $300 + $100 = $2,050.

EXAM TRAP

Do not add annual tax and insurance figures directly to a monthly loan payment.

Memory cue: Do not add annual tax and insurance figures directly to a monthly loan payment.

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 PITI?

- **A** Amortization is the scheduled reduction of loan principal through periodic payments that include interest and principal.
- **B** Private mortgage insurance protects a conventional mortgage lender against part of the loss if a borrower defaults.
- **C** PITI stands for principal, interest, taxes, and insurance, the four common components included when estimating a borrower's total monthly housing payment.
- **D** Debt-to-income ratio, or DTI, compares required monthly debt payments with gross monthly income.

CORRECT ANSWER: C

PITI is correct. PITI stands for principal, interest, taxes, and insurance, the four common components included when estimating a borrower's total monthly housing payment. Principal and interest repay the loan. Taxes and insurance are property-related charges that a lender may collect through escrow. PITI does not automatically include every ownership cost. Georgia tax and insurance amounts vary by property and location. Use only the figures supplied in an exam problem and convert annual amounts to monthly amounts consistently.

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

Amortization

Amortization is the scheduled reduction of loan principal through periodic payments that include interest and principal.

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

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

Debt-to-income ratio

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

https://www.passgeorgiarealestate.com/glossary/debt-to-income-ratio

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

RECOMMENDED NEXT COMPLETE LESSON

Real Estate Calculations complete lesson

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

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