PASS GEORGIA
REAL ESTATE EXAM PREP

GEORGIA REAL ESTATE EXAM GLOSSARY

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.

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 Proration mean?

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.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

Accrued items are paid in arrears, so the seller commonly owes the buyer a share through closing. Prepaid items can produce the opposite credit and debit.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

Use the day-count method and ownership-of-closing-day convention supplied by the exam question or contract. Do not assume every Georgia problem uses the same convention.

WORKED EXAMPLE

Annual taxes are unpaid and the seller owns through the stated closing day. The seller is debited and the buyer credited for the seller's share.

EXAM TRAP

Candidates often calculate the amount correctly and then reverse the debit and credit.

Memory cue: Candidates often calculate the amount correctly and then reverse the debit and credit.

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 Proration?

- **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** 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.
- **C** A closing attorney is the Georgia-licensed lawyer who conducts the legal closing, oversees execution and disbursement, and handles the conveyancing and title-related legal work that constitutes the practice of law.
- **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: D

Proration is correct. 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. Accrued items are paid in arrears, so the seller commonly owes the buyer a share through closing. Prepaid items can produce the opposite credit and debit. Use the day-count method and ownership-of-closing-day convention supplied by the exam question or contract. Do not assume every Georgia problem uses the same convention.

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

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

RELATED TERM

Closing attorney

A closing attorney is the Georgia-licensed lawyer who conducts the legal closing, oversees execution and disbursement, and handles the conveyancing and title-related legal work that constitutes the practice of law.

https://www.passgeorgiarealestate.com/glossary/closing-attorney

RELATED TERM

Ad valorem tax

Ad valorem tax is a tax based on property value.

https://www.passgeorgiarealestate.com/glossary/ad-valorem-tax

RECOMMENDED NEXT COMPLETE LESSON

Real Estate Calculations complete lesson

https://www.passgeorgiarealestate.com/math/calendar-day-proration

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