PASS GEORGIA
REAL ESTATE EXAM PREP

GEORGIA REAL ESTATE EXAM GLOSSARY

Short sale

A short sale is a sale in which the anticipated net proceeds are insufficient to pay the mortgage debt and related claims in full, so the secured creditor's approval is needed for a release on agreed terms.

OFFICIAL AREA	KNOWLEDGE CLUSTER	LEARNING SYSTEM
Transfer of Title	**Distressed transfer**	**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 Short sale mean?

A short sale is a sale in which the anticipated net proceeds are insufficient to pay the mortgage debt and related claims in full, so the secured creditor's approval is needed for a release on agreed terms.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

A short sale is an owner sale requiring lender approval. Foreclosure is creditor enforcement after default.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

A Georgia lender's approval of the sale price does not by itself prove the remaining debt is forgiven. The written approval controls release, deficiency, deadlines, and closing conditions.

WORKED EXAMPLE

The loan payoff is $310,000, but the best supported offer produces only $280,000 before other costs, so the lender evaluates a reduced payoff.

EXAM TRAP

Seller acceptance does not create lender approval, and lender approval does not automatically release every borrower obligation.

Memory cue: Seller acceptance does not create lender approval, and lender approval does not automatically release every borrower obligation.

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 Short sale?

- **A** A power-of-sale clause authorizes the secured creditor to sell the collateral after default through the contractually authorized nonjudicial foreclosure process, provided Georgia's notice, advertisement, time, place, and sale requirements are met.
- **B** A short sale is a sale in which the anticipated net proceeds are insufficient to pay the mortgage debt and related claims in full, so the secured creditor's approval is needed for a release on agreed terms.
- **C** A security deed, also called a deed to secure debt, is Georgia's customary instrument for securing a real estate loan.
- **D** 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.

CORRECT ANSWER: B

Short sale is correct. A short sale is a sale in which the anticipated net proceeds are insufficient to pay the mortgage debt and related claims in full, so the secured creditor's approval is needed for a release on agreed terms. A short sale is an owner sale requiring lender approval. Foreclosure is creditor enforcement after default. A Georgia lender's approval of the sale price does not by itself prove the remaining debt is forgiven. The written approval controls release, deficiency, deadlines, and closing conditions.

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

Power of sale

A power-of-sale clause authorizes the secured creditor to sell the collateral after default through the contractually authorized nonjudicial foreclosure process, provided Georgia's notice, advertisement, time, place, and sale requirements are met.

https://www.passgeorgiarealestate.com/glossary/power-of-sale

RELATED TERM

Security deed

A security deed, also called a deed to secure debt, is Georgia's customary instrument for securing a real estate loan.

https://www.passgeorgiarealestate.com/glossary/security-deed

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

Marketable title

Marketable title is title reasonably free from substantial doubt, material defects, and probable litigation, such that a prudent purchaser would accept it under the contract.

https://www.passgeorgiarealestate.com/glossary/marketable-title

RECOMMENDED NEXT COMPLETE LESSON

Transfer of Title complete lesson

https://www.passgeorgiarealestate.com/study-guide/transfer-of-title/special-transfers

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. O.C.G.A. Title 44, Chapter 14, Mortgages, Conveyances to Secure Debt, and Liens

Current Georgia security-deed, cancellation, lien, and power-of-sale authority through the state-authorized code portal.

https://www.lexisnexis.com/hottopics/gacode/Default.asp