GEORGIA REAL ESTATE EXAM GLOSSARY

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.

OFFICIAL AREA	KNOWLEDGE CLUSTER	LEARNING SYSTEM
Financing	**Federal mortgage law**	**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 Truth in Lending Act (TILA) mean?

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.

CLOSEST DISTINCTION

How do you separate the nearest exam answer?

TILA concerns credit cost and terms. RESPA concerns settlement services and prohibited referral compensation.

GEORGIA APPLICATION

What changes or stays the same in Georgia?

TILA applies to covered consumer credit in Georgia. The familiar three-business-day rescission right generally applies to certain transactions secured by a principal dwelling, not to a purchase-money loan used to buy that dwelling.

WORKED EXAMPLE

A lender discloses the APR and finance charge so a borrower can compare the cost of two credit offers on a standardized basis.

EXAM TRAP

The APR is not simply the note interest rate, and the right of rescission does not cover every real estate loan.

Memory cue: The APR is not simply the note interest rate, and the right of rescission does not cover every real estate loan.

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 Truth in Lending Act (TILA)?

- **A** RESPA is the federal law governing specified settlement practices for covered federally related mortgage loans.
- **B** 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.
- **C** TRID is the federal integrated-disclosure framework that combines specified TILA and RESPA mortgage information into the Loan Estimate and Closing Disclosure for most covered closed-end consumer mortgages.
- **D** ECOA is the federal law prohibiting creditors from discriminating in any aspect of a credit transaction on protected bases specified by the Act and Regulation B.

CORRECT ANSWER: B

Truth in Lending Act (TILA) is correct. 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. TILA concerns credit cost and terms. RESPA concerns settlement services and prohibited referral compensation. TILA applies to covered consumer credit in Georgia. The familiar three-business-day rescission right generally applies to certain transactions secured by a principal dwelling, not to a purchase-money loan used to buy that dwelling.

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

Real Estate Settlement Procedures Act (RESPA)

RESPA is the federal law governing specified settlement practices for covered federally related mortgage loans.

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

RELATED TERM

TILA-RESPA Integrated Disclosures (TRID)

TRID is the federal integrated-disclosure framework that combines specified TILA and RESPA mortgage information into the Loan Estimate and Closing Disclosure for most covered closed-end consumer mortgages.

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

RELATED TERM

Equal Credit Opportunity Act (ECOA)

ECOA is the federal law prohibiting creditors from discriminating in any aspect of a credit transaction on protected bases specified by the Act and Regulation B.

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

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/study-guide/financing/federal-lending-laws

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/