

MLTA Boot Camp 2022

Real Estate Terms

Term	Definition
Abstract of Title	a historical summary of all of the recorded instruments and proceedings that affect the title of property.
Acknowledgement	a declaration by a person who has signed a document that such signature is a voluntary act, made before a duly authorized person
Acquisition	act of obtaining ownership of an asset through purchase, trade, or gift.
Actual Notice	conveyance of information to a party relating to a fact or proceeding that concerns that party. The information would be relevant to the relationship between the notifying party and the notified party.
Addendum	something added, as an attachment to a contract
Ad Valorem Tax	a tax based on the value of the thing being taxes.
Affiant	someone who signs or signifies to the trust of an Affidavit under oath
Affidavit	a written statement, sworn to or affirmed before an officer who is authorized to administer an oath or affirmation.
Agent	a licensed real estate broker or salesperson
Agreement of Sale	a written agreement between seller and purchaser in which the purchaser agrees to buy certain real estate and the seller agrees to sell upon terms of the agreement
Amendment	change, correction, or extension of an agreement that does not modify the basic thrust of the agreement
Amortization Schedule	a table that shows the periodic payment, interest and principal requirements, and unpaid loan balance for each period of the life of a loan
Arm's Length Transaction	a transaction among parties, each of whom acts in his or her own best interest.
Back Taxes	unpaid property taxes.
Bill of Sale	a written instrument given to pass title of personal property from a seller to a buyer.
Bona Fide	in good faith, without fraud
Borrower	a person who has received a loan and is obligated to repay the amount borrowed with interest and other fees, according to the loan terms.
Breach of Contract	a violation of the terms of a legal agreement; default.
Bricks and Mortar	the physical property; often contrasted with intangibles.
Building Restrictions	provisions in building codes that affect the orientation, size, and appearance of a building.
Business Day	a standard day for conducting business. Excludes weekends and holidays.
Bylaws	a set of rules that govern the affairs of a condominium or neighborhood homeowners' association.
Chain of Title	a history of conveyances and encumbrances affecting a title from the time that the original patent was granted, or as far back as records are available.
Closing Agent	a third party (not a broker or sales agent nor the buyer or seller) who prepares the paperwork and often conducts the closing.
Closing Date	the date on which the seller delivers the Deed and the buyer pays for the property.

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Closing Statement	an accounting of the funds from a real estate sale, made to both the seller and buyer separately.
Commitment	a pledge or promise; a firm agreement
CCR's	Conditions, Covenants, and Restrictions
Consideration	anything of value given to induce entering into a contract
Conveyance	the transfer of the title of real estate from one to another
Creditor	one to whom money is owed by a debtor; one to whom an obligation exists.
Debtor	person obligated to repay a debt
Default	failure to fulfill an obligation or promise, or to perform specified acts.
Deposit	money paid in good faith to assure performance of the contract.
Dissolution	termination of an agreement or contract
DocuSign	computer software that allows a proposed contract to be emailed to a principal to be signed and/or initialed electronically.
Due Diligence	making a reasonable effort to perform under a contract.
Earnest Money	a deposit made by a purchaser of real estate to evidence good faith.
Easement	the right, privilege, or interest that one party has in the land of another.
Encumbrance	any right to or interest in land that affects its value.
Errors and Omissions Insurance	E&O - liability protection against professional malpractice, mistakes in business dealings by insured.
Escrow	an agreement between two or more parties providing that certain instruments or property be placed with a third party for safe-keeping, pending the fulfillment or performance of a specified act or condition
Escrow Account	account where funds are held for safekeeping until needed.
Escrow Agent	any person engaged in the business of receiving escrows for deposit or delivery.
Exception	As used in the conveyance of real estate, an exception is the exclusion of some part of the property conveyed, with title of that excepted part remaining with the grantor
Fee Simple Estate	The most complete form of ownership of real property; absolute ownership. Commonly used to denote a property where the owner has undivided title to the land on which the property is situated.
FHA	The Federal Housing Administration which insures mortgage loans made by approved lenders, in accordance with FHA regulations.
Fiduciary	The relationship of trust, honesty and confidence between agent and principal; the faithful relationship owed by an agent to the principal.
First Mortgage	A mortgage which is in the first lien position, taking priority over all other liens (which are financial encumbrances).
FSBO "fizzbo"	For Sale By Owner - an individual homeowner who is attempting to sell his property without a real estate broker.
Foreclosure	A legal process instituted by a mortgagee or lien creditor after the debtor's default.
Forfeiture	The loss of property or a privilege due to breaking a law.

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Fraud	A misstatement of a material fact made with intent to deceive or made with reckless disregard of the trust, and which actually does deceive.
General Lien	A lien that includes all the property owned by a debtor, rather than a specific property.
General Warranty Deed	A deed in which the grantor fully warrants good and clear title to the property.
Good Faith Estimate	GFE - a written estimate of closing costs which a lender must provide you within three days of submitting an application.
Grantee	A person to whom real estate is conveyed; the buyer.
Grantor	A person conveying real estate by deed; the seller.
HOA	Homeowner's association - An organization comprising of neighbors concerned with managing the common areas of a subdivision or condominium complex.
Hold Harmless	In a contract, a promise by one party not to hold the other party responsible if the other party carries out the contract in a way that causes damage to the first party.
Homeowner's Insurance	A type of insurance policy designed to protect homeowners from financial losses related the ownership of real property.
Homestead	The house in which a family lives, plus any adjoining land and other buildings on the land. Land, and the improvements thereon, designated by the owner as his homestead, and therefore, protected by state law from forced sale by certain creditors of the owner.
HUD	The U.S. Department of Housing and Urban Development
Improvements	Valuable additions to the land, such as buildings, fences, roads, which increase the value of the property.
Ingress	An entrance, or the act of entering.
Inspection Clause	A stipulation in an offer to purchase that makes the sale contingent on the findings of a home inspector.
Insurable Title	A title which a title company will insure.
Interest	The sum paid in return for the use of money; the type and extent of ownership in property.
Interest Rate	The periodic charge, expressed as a percentage, for use of credit.
Intestate	Legal designation of a person who has died without leaving a valid will.
Intimidation	As defined in the fair housing laws, it is the illegal act of coercing, intimidating, threatening, or interfering with a person in exercising or enjoying any right granted or protected by federal, state or local fair housing laws.
Joint Tenancy	A way for two or more people to share ownership of real estate or other property. When two or more people own property as joint tenants and one owner dies, the other owners automatically own the deceased owner's share.
Judgment	The official and authentic decision of a court of justice concerning the respective rights and claims of the parties to an action or suit.
Lease	An oral or written agreement (a contract) between two people concerning the use by one of the property of the other.
Legal Description	A description of a specific parcel of real estate which is acceptable to the courts in that state, and which will allow an independent surveyor to locate and identify it.
Lessee	Tenant leasing property.
Lessor	One who leases property to a tenant.
Lien	A monetary claim against a property. These should be settled before the sale is finalized.

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Life Estate	An interest in property only for the duration of someone's life.
Life Tenant	One who has a life estate in real property.
Lis Pendens	A notice indicating that legal action is pending on a property.
Loan-to-value ratio (LTV)	The ratio of the amount being loaned in respect to the appraised value of the property, usually expressed as a percentage.
Mechanic's Lien	A legal claim placed on real estate by someone who is owed money for labor, services or supplies contributed to the property for the purpose of improving it.
Metes and Bounds	A system of land description using distance (metes) and angles/compass directions (bounds), beginning and ending at the same point.
Misrepresentation	A false statement, or concealment, of material fact with the intention of inducing action of another.
Mortgage	A contract providing security for the repayment of a loan, registered against property, with stated rights and remedies in the event of default. Lenders consider both the property (security) and financial worth of the borrower (covenant) in deciding on a mortgage loan.
Mortgage Loan	A loan which utilizes real estate as security or collateral to provide for repayment should you default on the terms of your loan. The mortgage is your agreement to pledge your home or other real estate as security.
Mortgagee	The lender in the mortgage loan transaction.
Mortgagor	The borrower in a mortgage loan transaction.
MLS	Multiple Listing Service
Note	A written instrument of credit attesting to a debt and promise to pay.
Nuisance	Something that interferes with the use of property by being irritating, offensive, obstructive or dangerous.
Offer	A proposal to enter into an agreement with another person. An offer must express the intent of the person making the offer to form a contract, must contain some essential terms, including the price and subject matter of the contract, and must be communicated by the person making the offer.
Origination Fee	A fee charged by lenders, in addition to interest, for services in connection with granting of a loan.
Person	An individual, a partnership, or a corporation, foreign or domestic.
Personal Property	Property which is tangible, movable, and not fixed to the land. Also called chattel and personalty.
PITI	Principal, Interest, Taxes and Insurance
PUD	Planned Unit Development, association owns and maintains property in a real property development project for the benefit of its members, who are owners of individual parcels of real property in the development and are members of the association because of the ownership.
Plat Book	A record of recorded subdivisions of land.
PMI	Private Mortgage Insurance. Default insurance on conventional loans, normally insuring the top 20-25% of the loan and not the whole loan.
POA	Power of attorney - a written authorization by a person to another person to act for him on his behalf.

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Property Taxes	Taxes that are paid yearly on real property. Property taxes are ad valorem, based on the assessed value of the real estate.
Pro-Rate	To divide or distribute proportionally. At closing, various expenses such as taxes, insurance, interest, rents, are prorated between the seller and buyer.
Public Utility District	also known as PUD - A water district, created by a city or county, promoting development of a designated area by providing water and sewer services.
Purchase Offer	A document that lists the price, terms and conditions under which a buyer is willing to purchase a property.
Quality	To meet a mortgage lender's approval requirements.
Quiet Enjoyment	The right of a property owner or tenant to enjoy his or her property without interference. Disruption of quiet enjoyment may constitute a nuisance.
Quit Claim Deed	A deed that transfers whatever ownership interest the transferor has in a particular property. The deed does not guarantee anything about what is being transferred, including an actual ownership interest.
Raw Land	acreage with no added improvements, such as landscaping, drainage, street, utilities and structures.
Ready, Willing and Able	capable of an action and disposed to act.
Real Estate	the land and everything more or less attached to it - the air and dirt, below and above.
Real Estate Board	A non profit organization representing local real estate agents/brokers and salespeople, which provides services to its members and maintains and operates the Multiple Listing Service in the community.
Real Estate Appraiser, Licensed	one who is qualified to provide a professional opinion on the value of the property.
Real Estate Broker, Licensed	a licensed real estate broker or salesperson, who can open a brokerage office.
Real Estate Owned (REO)	property acquired by a lender through foreclosure and held in inventory.
Real Estate Settlement Procedures Act	also known as RESPA . a law that states how mortgage lenders must treat those who apply for federally related real estate loans on property with 1-4 dwelling units.
Real Property	the rights to use real estate. Sometimes also defined as Real Estate.
Realtor	a professional in real estate who subscribed to a strict code of ethics as a member of the local and state boards and the national association of realtors.
Receiver	one who is authorized by the court to control a property while it is involved in litigation before the court.
Reconveyance	conveys property back to the equity owner, free of the debt.
Recorder	the public official who keeps records of documents concerning real property. Sometimes known as registrar or county clerk.
Recording Fee	closing costs related to the charge for recording the documents in the public record.
Record Owner	also known as Owner of Record. The person(s) who, according to the public records, is/are the owner(s) of a particular property.
Rectangular Survey System	a rectangular system of land survey that divides a district into 24-square mile quadrangles from the meridian (north-south line) and the baseline (east-west line); the tracts are divided into 6-mile-square parts called townships , which are in turn divided into 36 tracts, each 1 mile square, called Sections .

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Term	Definition
Redemption Period	the period during which a former owner can reclaim foreclosed property.
Refi	slang for Refinance.
Refinance	to replace an old loan(s) with a new loan(s).
Regulation Z	a federal regulation, known as Truth in Lending , requiring creditors to provide full disclosure of the terms of a loan. Compliance is compulsory for anyone who arranges credit for more than 5 sales of residential real estate in a year. Terms of the loan must be disclosed. The interest rate must be stated as an annual percentage rate (APR).
REHAB (Rehabilitate)	to restore a structure to condition of good repair.
REHAB Mortgage	Mortgage that covers the costs of rehabilitating (repairing or improving) a property; the FHA's 203(s) allows a borrower to include the costs of both rehabilitation and home purchase in a single mortgage loan.
Reinstatement Period	a phase of the foreclosure process during which the homeowner has an opportunity to stop the foreclosure by paying the money that is owed to the lender.
Release	to free real estate from a lien.
Remainderman	the person who is to receive possession of the property after the death of a life tenant.
Rent	a charge for the use of space.
Repairs	work performed to return property to a former condition.
REPO	slang for repossess, repossession. Also relates to the repurchase of notes.
Repossession	seizure by a lender of property that is collateral for a debt when loan payments are not made; retrieval by a lessor or landlord of rented or leased property.
Representation	professional assistance of fiduciary advocacy in a transaction or negotiation.
Rescind	to withdraw an offer or contract, regulation Z allows a 3-day period in which to rescind certain credit transactions.
Residence	the place where one lives, particularly the dwelling in which one lives.
Residential	pertaining to house.
Restriction	a limitation placed upon the use of property, contained in the deed or other written instrument in the chain of title or in local ordinances pertaining to land use.
Revenue Stamps	stamps that are affixed to deeds and that indicate the payment of the state's deed transfer tax.
Riparian Rights	rights pertaining to the use of water on, under or adjacent to one's land.
Safe Harbor	rules that, if followed, will guarantee compliance with the law.
Sale Pending	a real estate transaction for which a contract has been signed but that has not closed.
Sales Price	the amount of money required to be paid for real estate according to a contract.
Satisfaction of Mortgage	an instrument for recording and acknowledging final payment of a mortgage loan.
Settlement Statement	document that lists and sums up the amounts that must be paid by each party to a sale. It also indicates how these monies are to be distributed.
Vendee	a buyer. Generally used for real estate, one who purchases personal property is usually called the buyer.
Vendor	a seller, usually of real estate
Zoning	a legal mechanism for local governments to regulate the use of privately owned real property by specific application of policy power to prevent conflicting land uses and promote orderly development.