



**Abstract of title**



**Accession**



**Ad volerum**



**Adverse possession**



**Alienation clause**



**Allodial**



**Appurtenance**



**Arm's length transaction**



**Arrears**



**Attestation**



**Attorney's opinion of title**



**Avulsion**





A prefix meaning “based on value.”  
Most local governments levy an ad valorem tax on property.

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The idea that the owner of land is entitled to all that the soil produces or all that is added to the land either intentionally or by mistake. Trade fixtures not removed are “assessed” by the owner of the property.

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A history of the ownership of a parcel of land which lists transfers of title, rights, and liabilities.

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The free and full ownership of rights in land by individuals, which is the basis of real property in the United States.

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A provision in a mortgage requiring full payment of the debt upon the transfer of title to the property, due on sale. Prevents loan assumptions.

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A method of acquiring original title to property by open, notorious and hostile possession for a statutory period of time; also referred to as prescription. Poach.

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Not on time; late in making payments or completing work. Interest is paid in arrears.

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Occurs between willing buyer and willing seller with each party completely knowledgeable about the market. A purchaser of property between relatives (i.e. father and son) would not be an “arm’s length transaction.”

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Any right or privilege which belongs to and passes with land.

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Occurs in cases where there is a sudden loss of land through nature.

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A statement issued by an attorney after analyzing an abstract as to quality of title.

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The act of witnessing a person’s signing of an instrument by a notary public.

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**Balloon payment**



**Bargain and sale deed**



**Bilateral contract**



**Blanket mortgage**



**Blockbusting**



**Buffer zone**



**Bundle of rights**



**Caveat emptor**



**Chain of title**



**Civil Rights Act of 1866**



**Cloud on title**



**Color of title**





A contract in which a promise is given for the promise of another. It becomes binding when mutual promises are communicated. (A real estate contract).

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An instrument conveying title which recites a valuable consideration and commonly uses the words "bargain and sale" or words of similar import.

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The remaining balance, at maturity, on a loan that has not been completely repaid through periodic payments. Once paid, the outstanding balance is zero. Partially amortized loan.

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A means by which planners use space to separate two adjoining districts which have incompatible uses.

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Any activity which attempts to drive prices down for the purpose of causing transition from one ethnic group to another. This is a violation of Federal Fair Housing Laws. Also called "panic selling."

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A mortgage which covers more than one piece of real estate. Often used by a developer in the financing of undeveloped lots. Contains a partial release clause.

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A history of the ownership affecting title to a parcel of land.

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Latin for "let the buyer beware."

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The rights of an owner to possess, control, enjoy, sell, lease, mortgage, and dispose of the property.

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Adverse possession.

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Any claim affecting title to property.

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A law which prohibits discrimination in all real estate transactions based on race.

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**Community property**



**Common elements**



**Commingling**



**Comparative analysis**



**Conveyance**



**Cost approach**



**Curtesy**



**Covenant of seisin**



**Covenant of quiet enjoyment**



**Deed**



**Deed of release**



**Deed of trust**





Illegally mixing deposits or monies, collected from a client, with one's personal or business account. Taking money out too soon or putting it into escrow too late.

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Property jointly owned on a pro-rata basis with other unit owners in a condominium regime.

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Any property acquired in certain states by purchase, or as compensation by either spouse during the period of marriage, is considered to be owned in an undivided half interest by each.

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A method of estimating value based on the economic principle of substitution; the value of a building cannot be greater than the cost of purchasing a similar site and constructing a building of equal utility.

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The transfer of title to land from one party to another.

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A method of determining the value of property in which the selling prices of similar properties are used as the basis for estimating the value of the subject property.

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A promise that no one has superior or paramount title to that of the grantor; assures the grantee of peaceful possession without fear of being ousted by a person with a superior claim to the property.

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Gives the assurance that the grantor has the exact estate in the quantity and quality which is being conveyed. "I own and I have the right to sell it."

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The rights that a husband acquires in the wife's property upon her death.

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A deed to real property, which serves the same purpose as a mortgage, involving three parties instead of two.

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Given by lien holders, remaindermen or mortgages to relinquish their claims on the property.

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A written instrument, usually under seal, which contains an agreement to transfer some property interest from a grantor to a grantee.

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**Deficiency judgment**



**Defeasible fee simple**



**Defeasance clause**



**Depreciation**



**Devise**



**Discount points**



**Dominant estate**



**Dower**



**Due-on-sale clause**



**Earnest money**



**Easement**



**Easement Appurtenant**





A necessary mortgage clause in title theory states. When the debt is satisfied, this clause causes title to pass automatically back to the borrower. Satisfaction of mortgage; release from records.

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Ownership with conditional restrictions which, if broken, can result in title to the property reverting back to the grantor or his heirs. (Also referred to as, fee simple defeasible).

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A personal claim based on a judicial order against the debtor. This occurs when the property fails to bring in a price at the foreclosure sale which covers the mortgage amount.

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A fee charged by the lender at settlement that results in increasing the lender's effective yield on the money borrowed. One discount point equals one percent of the loan amount.

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Transferring title to real property by means of a will.

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A decrease in value due to physical deterioration, functional or economic obsolescence.

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A clause, included in many mortgages, permitting the lender to require the borrower to repay the outstanding balance when the property is sold. Prevents loan assumption.

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The rights that a wife acquires in her husband's fee simple property.

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The tract of land in an easement appurtenant which benefits from the easement.

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An easement created to benefit adjacent land.

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A right to limited use or enjoyment by one or more persons in the land of another.

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A sum of money given to bind an offer or agreement.

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**Easement in gross**



**Economic life**



**Economic obsolescence**



**Effective age**



**Emblements**



**Eminent domain**



**Encumbrance**



**Equal Credit  
Opportunity Act**



**Escheat**



**Estate at will**



**Estate at sufferance**



**Escrow**





A loss in value due to factors outside the subject property, such as changes in competition or surrounding land use. Also referred to as external obsolescence.

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The time period over which an improvement to land earns more income than the cost incurred in generating the income.

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A personal right to use the land of another.

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The right of government to acquire property, for a public purpose, after paying just compensation.

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Refers to crops which require annual planting.

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The difference between the theoretical economic life of a structure and its actual remaining economic life. Maintaining the property.

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The right of government to ownership of property, which is left by a deceased property owner who leaves no will, and dies without descendants.

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A federal act, which prohibits discrimination by lenders on the basis of sex or marital status in any aspect of a credit transaction.

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Any interest in, or claim on, the land of another, which in some manner burdens or diminishes the value of the property.

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The deposit of funds with a neutral third party who is instructed to carry out the provisions of an agreement.

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Retention of possession without the consent of the landlord after the lease has expired; also referred to as tenancy at sufferance.

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An occupation of space, for an indefinite period, which can be terminated by either the lessor or lessee at any time. Also referred to as tenancy at will.

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**Estate for years**



**Estate from period to period**



**Estate in fee**



**Express contract**



**Exclusive right to sell listing**



**Exclusive agency listing**



**Federal Fair Housing Act of 1968**



**Federal Deposit Insurance Corporation (FDIC)**



**Fair market value**



**Fee simple determinable**



**Fee simple absolute**



**Federal Home Loan Bank Board (FHLBB)**





The maximum possible estate one can possess in real property; also referred to as fee simple or fee simple absolute.

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A leasehold, which is automatically renewed for the same term as in the original lease; also referred to as a periodic tenancy or an estate from period to period. Month to month rental. Notice needed to terminate.

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A conveyance of realty for a definite stated period of time. The term may be one year, one month, one week or even one day. No notice needed to terminate.

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The owner employs only one broker but retains the right to personally sell the property, and thereby not pay a commission. However, if any other real estate company sells the property, the listing broker is still entitled to the commission stipulated.

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Under this listing arrangement, the broker employed is entitled to a commission no matter who sells the property during the listing period.

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An agreement formed through the oral or written words of the parties.

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The price negotiated for a parcel of real estate in a competitive market where both buyer and seller are free to act and under no undue pressure.

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A federal agency established to insure the deposits in member commercial banks. The current maximum insurance per account is \$100,000.00.

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An act prohibiting discrimination in the sale or rental of housing on the basis of race, color, religion or national origin sex, handicap, and familial status.

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A federal agency which oversees and regulates all federally chartered savings and loan associations.

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The maximum possible estate one can possess in real property; also referred to as fee simple or fee.












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An estate which has been created to exist only until the occurrence or non-occurrence of a particular event. Returns automatically.

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<div> <b>First lien</b></div>	<div> <b>First mortgage</b></div>	<div> <b>Fraud</b></div>
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<div> <b>Freehold estate</b></div>	<div> <b>Functional obsolescence</b></div>	<div> <b>Good title</b></div>
<div> ColibriRealEstate.com</div>	<div> ColibriRealEstate.com</div>	<div> ColibriRealEstate.com</div>
<div> <b>Gross income multiplier (GIM)</b></div>	<div> <b>Gross income</b></div>	<div> <b>Graduated lease provisions</b></div>
<div> ColibriRealEstate.com</div>	<div> ColibriRealEstate.com</div>	<div> ColibriRealEstate.com</div>
<div> <b>Gross rent multiplier (GRM)</b></div>	<div> <b>Highest and best use</b></div>	<div> <b>Hypothecate</b></div>
<div> ColibriRealEstate.com</div>	<div> ColibriRealEstate.com</div>	<div> ColibriRealEstate.com</div>



A misrepresentation of a material fact, which is made with knowledge of its falsity, and with intent to deceive a party who in fact relies on the misrepresentation to his or her detriment and injury.

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A mortgage on real estate in which the lender's rights are superior to the rights of subsequent lenders.

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Claim with highest priority against property; also known as a superior to the rights of subsequent enders.

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One which is free from encumbrances such as liens, pending litigation and other such defects.

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A loss in value due to conditions within the structure which make the building outdated when compared with a new building.

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Ownership of an estate which continues for an indefinite period of time. For as "least a lifetime or greater."

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This lease provides for periodic step increases in the rental payments.

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The actual income received from property before the deduction for any expenses.

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A method of appraising income-producing property based on a multiple of the annual gross income; also called a gross rent multiplier.

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Process of pledging something (house) as security, but retaining possession of it.

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The legal use of a parcel of land, which when capitalized, will generate the greatest net present value of income.

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A method of appraising single family or duplexes based on the monthly gross income.

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**Income approach**



**Implied agency**



**Implied contract**



**Joint tenancy**



**Intestate**



**Index lease**



**Judgment lien**



**Junior lien**



**Lease purchase agreement**



**Less than freehold estate**



**Leverage**



**Lien theory state**





Contract formed through the acts or conduct of the parties involved.

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Agency is created by implication when, from the behavior of the client and the behavior of the agent that they act as if the agency exists by performing in such areas where an agency would exist.

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A traditional means of appraising property based on the assumption that value is equal to the present worth of future rights to income.

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The rental is tied to some commonly agreed to price index such as the Consumer Price Index or the Wholesale Price Index.

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Dying without a will.

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A form of concurrent ownership, which occurs when two or more persons own a single estate in land, with right of survivorship. Must have equal shares, right to partition.

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An arrangement whereby part of the rent payment is applied to the purchase price, and when the prearranged total amount has been paid, title is transferred.

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An encumbrance, second in priority, to a previously recorded lien or to a lien to which the encumbrance has been subordinated.

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The charge upon the land of a debtor, resulting from the decree of a court, entered in the judgment docket. Lawsuit.

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The mortgage merely creates a lien right on the mortgagee with the mortgagor retaining the title.

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Using borrowed capital to finance the purchase of real estate or other assets.

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Estates in possession generally referred to as leaseholds. Considered to exist for a definite period of time, or successive periods of time, until terminated by notice; also known as nonfreehold estates.

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**Life estate**



**Life pur autre vie**



**Liquidated damages**



**Lot and block**



**Loan-to-value ratio  
(LTV)**



**Lis pendens**



**Marketable title**



**Market value**



**Market data approach**



**Master plan**



**Mechanic's lien**



**Metes and bounds**





An agreed to sum, which will be paid if the contract is breached.

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A life estate in one person with another person serving as the measuring life.

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An interest which only lasts for the term of a life, or lives, of one or more persons.

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A notice filed for the purpose of serving constructive notice that title, or some matter involving particular real property, is in litigation.

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The relationship between the amount borrowed and the appraised value of the property. (Purchase price 100,000 – Loan 80,000 = LTV 80%).

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A method of land description frequently used after land has been subdivided into building lots; also referred to as the recorded plat method. (Must have a plat map to find the property).

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A means of estimating value by comparing similar properties. Used when there is an active market and where comparables can be identified. Also called comparable sales approach.

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The price at which a willing buyer and a willing seller will agree upon, where neither is under any undue pressure and both are negotiating at arm's length with complete knowledge of the market.

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One which is free from reasonable doubts or objections, and which the courts would compel a purchaser to accept under the terms of a sales contract.

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A method of land description which involves identifying distances and directions and makes use of both the physical boundaries and measurements of the land.

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A statutory lien levied on property by a person who is wrongfully not compensated after providing labor or material for the improvement to land. Not on personal property.

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A program for the future development of a community which serves as the guideline for capital expenditures.

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**Mill**



**Millage rate**



**Misrepresentation**



**Mortgage broker**



**Mortgage banker**



**Monument**



**Multiple listing**



**Mutual assent**



**Net listing**



**Novation**



**Note**



**Nonconforming use**





An innocent or negligent misstatement of a material fact detrimentally relied upon by the other party.

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A tax rate stated in tenths of a cent. For example, a millage rate of 150 mills on property assessed at \$100,000 would result in a property tax of \$1,500 ( $\$100,000 \times .150$ ).

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A mill is equal to one-tenth of one cent (.001) and is used to state the property tax rate.

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Physical evidence of a point-of-beginning established by surveyors for use in locating parcels of land.

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A financial middleman who, in addition to bringing the borrower and the lender together, makes loans, packages them, and sells the packages to both primary and secondary investors.

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A person who brings together the user of capital (borrower) and the supplier of capital (lender). For this service, a finder's fee is usually paid by the borrower.

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The broker agrees to sell the property in order to achieve a net price to the owner, and anything which is received above the net price is the broker's commission. A net listing is prohibited by the licensing law in many states.

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An offer and acceptance which together form the terms of a contract.

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Marketing service in which many brokers pool all of their listings and establish procedures for sharing commissions.

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A pre-existing use of land which does not conform to the zoning ordinance but which may legally remain.

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A signed instrument acknowledging the existence of a debt and the promise to pay.

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Occurs when the person in a contract, to whom the duty was owed, expressly agrees to substitute the delegate, or new obligor, for a consideration, and agrees to discharge the old obligor from the obligations under the contract.

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**Obsolescence**



**Open listing**



**Open-end mortgage**



**Owner's title policy**



**Outbuilding**



**Ostensible agency**



**Package mortgage**



**Parol evidence rule**



**Partial release clause**



**Partition suit**



**Participation mortgage**



**Partially amortized mortgage**





A loan containing a clause which allows the mortgagor to borrow additional money without rewriting the mortgage.

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An agreement between an owner and many brokers. If a broker produces a ready, willing, and able buyer, a commission is due. However, the owner still has the right to sell his/her property and is not obligated to pay a commission.

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A loss in value due to reduced desirability and usefulness of a structure because its design and construction have become obsolete.

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A person who has been given the appearance of being an employee or acting for another, which would make anyone dealing with the ostensible agent reasonably believe he/she was an employee or agent.

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An accessory structure other than the main structure on land.

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A policy insuring the owner of real estate against certain defects of title.

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A part of a mortgage, which provides for the release of part of the property (used as security in the loan) upon payment of a certain amount of the mortgage. Blanket mortgage.

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A rule of evidence designed to achieve a degree of certainty in a transaction and to prevent fraudulent and perjured claims.

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A mortgage used in the purchase of new residential property which, in addition to real property, covers certain personal property items and equipment.

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A method of loan repayment in which the balance of the outstanding loan is not zero at maturity, and thus a balloon payment is due at that time.

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An agreement between a mortgagee and a mortgagor which provides the lender with a certain percentage of ownership in the project once the lender makes the loan.

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The dividing of real estate held by two or more people which results in each of the parties holding individual or severalty ownership.

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**Percentage lease**



**Percolation**



**Personal property**



**Plat**



**Planned unit development  
(PUD)**



**PITI**



**Plottage**



**Possibility of reverter**



**Prepayment penalty**



**Prime rate**



**Prescriptive easement**



**Prescription**





Movables, which are not annexed to or part of, the land; also referred to as chattels.

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Ability of soil to absorb water; used for septic systems.

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The lessor receives a percentage of the gross sales or net profits as the rental payment for the lease of the property.

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An abbreviation which means "Principal, Interest, Taxes and Insurance." In residential financing, it is common for the monthly mortgage to include these four payments.

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A type of exception, or special use, permitted under many modern zoning ordinances, allowing a mixture of different land uses or densities.

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A map showing the division of land into lots and blocks.

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The charge levied by the lender for paying off a mortgage prior to its maturity date.

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The right retained when a fee simple determinable is granted.

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Occurs when two or more sites are combined, with the result that the value of the assembled site is worth more than the value of the sum of each of the individual sites.

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A means of acquiring title to property through open and continuous use.

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An easement obtained by the open, notorious, hostile and continuous use of the property belonging to someone else for a statutory period of time.

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The interest rate charged to a lender's AAA customer. This is normally the base from which other interest rates are derived.

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**Private mortgage insurance**



**Pro-rata**



**Probate**



**Proration**



**Promissory note**



**Procuring cause**



**Puffing**



**Purchase and leaseback**



**Purchase money mortgage**



**Quitclaim deed**



**Quiet title**



**Quiet enjoyment**





The process of proving a will before a duly authorized court or person.

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To divide or distribute proportionately.

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A private insurance program which insures the lender for loan amounts in excess of 80% of value.

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The actions by a broker which result in the owner being able to make a sale.

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The primary legal financing obligation in which the borrower promises to pay back a sum of money borrowed.

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Dividing property taxes, hazard insurance and other expenses or income between the buyer and seller, as of date of settlement.

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A mortgage given by the seller to the buyer to cover all or part of the sale price. Seller financing.

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The simultaneous buying of property and leasing it back to the seller.

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To exaggerate—for example, to refer to a house as having “the most gorgeous view in the city.”

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The right of an owner or lessee legally in possession of property, to uninterrupted use of the property without interference from the former owner, lessor or any third party claiming superior title.

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A court action to remove a cloud on the title.

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Only conveys what present interest a person may have in a particular property but makes no representations or warranties of title.

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**Rate of return**



**Re-entry**



**Real estate investment trust  
(REIT)**



**Reciprocity**



**Receiver**



**Real Estate Settlement  
Procedures Act (RESPA)**



**Rectangular survey**



**Redemption period**



**Regulation Z**



**Replacement cost**



**Renegotiable rate  
mortgage**



**Remainderman**





A method of pooling investment money using the trust form of ownership if certain tax requirements are met. One advantage of the REIT is the avoidance of corporate tax (thus no double taxation).

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The right of the landlord to repossess leased property following the violation of the terms in the lease.

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A percentage relationship between the investment price or equity invested and the composite returns.

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A law that requires the lender to provide the loan applicant with pertinent information so that the borrower can make informed decisions as to which lender will be used to finance the purchase.

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A court-appointed person who is charged with preserving a property, collecting rents and doing anything necessary to maintain the property's condition.

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The recognition that states give whereby a licensee of one state can be involved in real estate transactions in other states.

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Regulation Z requires disclosure of all costs of financing the purchase of owner-occupied residential purchases of one to four units. It also requires disclosure of the annual percentage rate of the loan.

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The right of a mortgagor (borrower) to make good on the default within a specified time and receive the property back.

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Method of land description used in about 30 states based on imaginary lines of longitude (meridians) and latitude (base lines); also referred to as the U.S. government survey system.

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The person who has a future interest in a life estate once the present estate terminates.

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A renegotiated loan where the maturity is fixed (for example, 30 years), but the interest rate, and hence the monthly payment, is renegotiated periodically.

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The cost of substituting a similar structure with utility equivalent to the subject property but constructed with modern materials.

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**Reproduction cost**



**Rescission**



**Restrictive covenant**



**Reversion**



**Reversionary interest**



**Revocation**



**Right of redemption**



**Right of survivorship**



**Riparian rights**



**Satisfaction of mortgage**



**Sale-leaseback**



**Run with the land**





A clause in a deed which restricts use of property for a specified time.

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Repealing a contract either by mutual consent of the parties to the contract or by one party when the other party is in breach of the contract.

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The cost of exactly duplicating a structure using the same material and design.

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The nullification of an offer to contract by the original offeror.

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A future interest a person has in property after present possession is terminated.

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A future interest in the grantor, which occurs whenever the owner of real estate conveys an estate of lesser duration than the owner has.

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A legal right of a landowner who owns land next to a natural watercourse to reasonable use of whatever water flows past the property.

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Upon the death of a joint tenant or tenant by the entirety the interest does not pass to the tenant's heirs but to the other joint tenant(s).

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The legal ability to buy back one's property within the time specified in each state after a judicial sale by paying the debt, interest and certain costs.

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Certain restrictions, easements and covenants are part of the ownership of land and thus are not terminated when title is transferred but remain in effect from owner to owner.

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A technique used by owners of property as a means of raising capital. The process involves the simultaneous selling and leasing back of the property usually through a net lease.

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An instrument issued by the mortgagee (lender) when the mortgage has been paid in full.

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**Satisfaction piece**



**Second mortgage**



**Seisin**



**Severalty ownership**



**Setback lines**



**Servient estate**



**Situs**



**Special agent**



**Special warranty deed**



**Specific performance**



**Statute of frauds**



**Straight note**





The actual possession of land by one who claims rightful ownership of a freehold estate therein.

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A mortgage subordinate to a first mortgage; also referred to as a junior mortgage.

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An instrument issued by a person holding a lien to indicate lien is discharged.

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The tract of land burdened by an easement.

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A requirement in zoning ordinances in which all structures are to be a minimum distance from property lines.

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A requirement in zoning ordinances in which all structures are to be a minimum distance from property lines.

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The grantor warrants against defects that have occurred after the grantor acquired title. (No warrantee forever—only for the time the grantor owns the property).

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One limited in authority to transact a single business affair or a specific series of business affairs or to perform restricted acts for the principal.

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Refers to the economic location of real estate.

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A promissory note evidencing a loan in which payments of interest only are made periodically during the term of the note, with the principal payment due in one lump sum upon maturity.

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Every state has some form of laws which require that certain contracts must be in writing in order to be enforceable in court.

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An equitable remedy in which the court orders the contract to be performed as agreed to by the parties.

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**Subrogation**



**Syndicate**



**Tax base**



**Tax rate**



**Tenancy at sufferance**



**Tenancy at will**



**Undue influence**



**Undivided interest**



**Township**



**Universal agent**



**Unsecured loan**



**Usury**





The total tax-assessed value of all real property in a particular jurisdiction.

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An arrangement to raise equity capital for real estate purchases or for other types of investments.

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The substitution of a third person in place of a creditor to whose rights the third person succeeds in relation to the debt.

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An occupation of space for an indefinite period which can be terminated by either the lessor or lessee at any time.

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A tenancy which is created when one is in wrongful possession of realty, even though the original possession may have been legal.

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The rate, normally stated in units of \$100, multiplied by the assessed value of property to determine the amount of the property tax due.

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A 6-by-6 mile area containing 36 sections each 1 mile square. A division of land in the rectangular survey method of land description.

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The interest of co-owners in which individual interest is indistinguishable. (Everyone owns part of the whole property).

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Occurs when a person in a fiduciary capacity or in a position of authority misuses the trust or power in order to unfairly induce a party to enter into a contract.

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Charging more than the legal rate of interest for the use of money.

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A loan made on the signature and credit of the borrower, not secured by collateral. Credit card. (Debenture).

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Has the authority to do all acts that can be lawfully delegated to a representative. (Power of attorney—attorney in fact).

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**Valuable consideration**



**Variable interest rate mortgage (VRM)**



**Variance**



**Voluntary lien**



**Voluntary alienation**



**Vendor's lien**



**Writ of execution**



**Wraparound mortgage**



**Warranty deed**



**Yield**



**Zoning**



**Zoning ordinance**





A type of safety valve to allow a property owner, who is unfairly burdened by zoning restrictions, to find relief.

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The interest rate charged by the lender varies according to some index not controlled by the lender.

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Anything of value offered as an inducement. (Money, ring, boat, etc).

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The amount of the purchase price still due to the seller.

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The transfer of title by a deed.

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An encumbrance placed on property through some willful act of the owner.

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A deed in which the grantor makes formal assurance as to quality of title.

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A junior mortgage which provides an owner additional capital without refinancing the first mortgage. (The original mortgage is not disturbed).

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A court order to an officer to carry out judicial decree.

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A zoning law passed by a local government which consists of a text of regulations and a map.

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A police power device which allows for legislative division of space into districts and imposition of regulation prescribing use and intensity of use to which land within each designated district may be put.

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The interest earned by an investor on the investment.

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