

GET TO KNOW YOUR REAL ESTATE TERMS

ABSTRACT OF JUDGEMENT	a written summary which states how much money a losing defendant owes to the winning plaintiff in a lawsuit
APPRAISAL	a valuation of property
ASSESSED VALUE	the dollar value assigned to a home or other piece of real estate for property tax purposes
BREACH OF CONTRACT	occurs when a party fails to abide by its contractual obligations. In real estate, a breach of contract can be a serious issue, potentially resulting in the termination of a transaction
CLOSING	the culmination of a deal, contract, or transaction. The end of real estate transactions when the parties exchange deeds for payment and final signatures
CLOSING COSTS	the expenses over and above the property's price that buyers and sellers incur to complete a real estate transaction
DEED	a legal document that transfers ownership of real property (land or anything attached to the land)
DEED OF TRUST	represents an agreement between the borrower and lender to have the property held in trust by a neutral and independent 3rd party until the loan is paid off
EARNEST MONEY	a sum of money you put down to demonstrate your seriousness about buying a home

REAL ESTATE TERMS

CONTINUED

ESCROW	a third party holding funds before being transferred from one party in a transaction to another. Funds are released at fulfillment of purchase agreement
EXAMINATION OF TITLE	to determine the conditions of the title to be insured and to evaluate the risk to be undertaken in the issuance of a title insurance policy or other title insurance form
LIEN	notices that are attached to a piece of real property by a creditor when money is owed to them by the homeowner
OPTION MONEY	money paid by a buyer to a seller for the option to terminate a real estate contract within an agreed time frame while buyer performs their due diligence
POWER OF ATTORNEY	a legal document that allows someone else to act on your behalf
PROMISSORY NOTE	a signed document containing a written promise to pay a stated sum to a specified person or the bearer at a specified date or on demand
SETTLEMENT STATEMENT	a document that records all of the fees and costs associated with a home purchase or sale
SURVEY	examine and record the area and features of an area of land so as to construct a map, plan, or description
TITLE	the aggregate of legal rights enjoyed by a person under law towards the ownership and possession of a property

REAL ESTATE TERMS

CONTINUED

TITLE OBJECTIONS

a potential issue raised by a buyer, lender or attorney found in a title commitment

RENT ROLLS

a snapshot of rents due for the period as reflected in signed and valid leases.

DEFEASANCE

a provision in a contract that voids a bond or loan on a balance sheet when the borrower sets aside cash or bonds sufficient enough to service the debt

1031 EXCHANGE

a real estate investing tool that allows investors to exchange an investment property for another property of equal or higher value and defer paying capital gains tax on the profit they make from the sale