



VOCABULARY

1. An **Acre** has **43,560 square feet**.
2. Voluntary and permanent cessation with no intention to resume or reclaim one's interest is called **ABANDONMENT**.
3. A **declaration** made by a person **to a notary public** or other public official, that an instrument was executed by him or her as a free and voluntary act is known as an **ACKNOWLEDGMENT**.
4. Real property taxes are "**according to value**" and the Latin word meaning this is **AD VALOREM**
5. **Reconciling**, like for different sizes of comparables, different ages, location, different quality, is called making **ADJUSTMENTS**.
6. The right of an **occupant** of land to **acquire title against the real owner** where **possession has been actual, continuous, hostile, visible and distinct** for the **statutory period** is known as **ADVERSE POSSESSION**.
7. **Informing** the parties to a real estate transaction who **you**, as an agent, **represent** is called **AGENCY DISCLOSURE**.
8. One who **represents** or who has power to act for another is called an **AGENT**.
9. A clause in a security agreement **restricting the sale** of property without paying off the debt is called an **ALIENATION** clause. This is also called disposition of sale or **Due On Sale** Clause.
10. Directed Agency, Appointed Agency or Assigned Agency are considered to be **ALTERNATIVE AGENCY OPTIONS**.
11. Features that enhance the desirability of a property, usually intangible or external to the physical real estate are called **AMENITIES**.
12. ADA, which was enacted in 1988 is the abbreviation for **AMERICANS WITH DISABILITIES ACT**
13. A method or pattern of paying off the principal of a loan where the 3rd. payment is the same as the 24th. payment or the 78th payment is called **AMORTIZATION**.
14. **APR** factors in the up-front fees and is an abbreviation for **ANNUAL PERCENTAGE RATE**.
15. A multiplier which is a rule of thumb method of appraising residential and smaller income properties based on monthly gross income only is called a **GROSS RENT MULTIPLIER**.
16. A multiplier which is a rule of thumb method of appraising commercial, industrial, or larger residential properties based on annual gross income only is called a **GROSS INCOME MULTIPLIER**.
17. In real estate, the law which would prohibit broker collusion or boycotting of other brokers is the Sherman **ANTI-TRUST** Act.
18. An increase in the worth or value of a property due to economic or related causes which may prove to be either temporary or permanent (opposite of Depreciation) is **APPRECIATION**.

19. Mortgage abbreviations: **ARM – ADJUSTABLE RATE MORTGAGE**
GPM - GRADUATED PAYMENT MORTGAGE
RAM - REVERSE ANNUITY MORTGAGE
20. A transaction with **knowledgeable buyer, knowledgeable seller** is known as an **ARMS LENGTH** transaction.
21. Where property is assessed at only a portion of its value is known as an **ASSESSMENT** ratio.
22. A transfer in writing of rights or interest in a bond, mortgage, lease or other interest is known as an **ASSIGNMENT**.
23. A **loan that may be transferred** to a new buyer/borrower is **ASSUMABLE**.
24. A method whereby debtors property is placed in the custody of the law and held as **security pending outcome of a creditor's suit** is called a **Writ of ATTACHMENT**
25. After prevailing in a court of law of a creditor's suit, you have a **Writ of EXECUTION**.
26. If you are a holder of a Power of Attorney you are considered to be an **ATTORNEY-IN-FACT**.
27. A loan which has partial amortization and a final larger payment is called a **BALLOON** loan.
28. A **BASE LINE** runs East to West and crosses a Principal Meridian at a definite point.
29. A **permanent reference Mark** or Point established for use by surveyors in measuring differences in elevations is called a **BENCHMARK**.
30. A person who **receives** the **benefits** of a trust or gift is a **BENEFICIARY**.
31. A contract which has **simultaneous duties** or obligations by both parties to each other throughout the contract is a **BI-LATERAL** contract.
32. A **loan** which is often-times used by **subdividers** where **more than one property** is offered for collateral and **release clauses** are used is called a **BLANKET** loan.
33. The **illegal** practice of inducing homeowners to sell their properties by making certain representations and is sometimes called "**panic selling**" is **BLOCKBUSTING**.
34. **Failure to perform** one's duties is known as Default or **BREACH**.
35. An ordinance specifying **minimum standards** of construction for the protection, public safety and health of the citizens is known as **BUILDING** and **HEALTH** codes.
36. Ownership of all legal rights to the land, including possession, control, disposition and enjoyment is known as the **BUNDLE OF RIGHTS**.
37. The **rate of return** on an investment is known as the **CAPITALIZATION** Rate.
38. The process of **converting into present value**, a series of anticipated future periodic installments of net income is known as **CAPITALIZATION**.

39. **CC&Rs** means **CONDITIONS, COVENANTS and RESTRICTIONS**. This is regarding Homeowner's Associations and is sometimes called **Private Police Power** and is enforced by court actions, not by city zoning officials. CC&Rs are used in **condominium developments**.
40. **CRV** stands for **CERTIFICATE OF REASONABLE VALUE** and is the Department of Veteran's Affairs appraisal.
41. A **principal** is the person who **employs an agent** and is also known as a **CLIENT**.
42. The **zoning** which **allows violations of setbacks** between units (even touching) to allow even greater common areas is called **CLUSTER** zoning.
43. The acronym for duties owed by an agent to his client is **COALD** which means **Care, Obedience, Accounting, Loyalty and Disclosure**, the most important of which is **LOYALTY to your client**, even ahead of your best interests.
44. If you show you have a **superior right to a property**, with **some evidence** of the claim, this is known as **COLOR OF TITLE**.
45. Property acquired **during marriage and owned equally by both spouses** is considered to be **COMMUNITY** property.
46. Property **brought into the marriage by one spouse** or property received as a gift or an inheritance to just one spouse during marriage is considered to be **SEPARATE** property.
47. The legal **process** involved under **EMINENT DOMAIN** in the **taking** of privately owned property for public uses in exchange for just compensation is called **CONDEMNATION**. This is the **process** the government exercises to take property.
48. **Requirements** of one of the parties to a transaction, or the other, or both, are considered to be **CONDITIONS**.
49. An **FHA appraisal** is called a **CONDITIONAL COMMITMENT** and is usually valid for six months.
50. A permit which is granted to an owner to build a **specific purpose property** which is **inconsistent with zoning** is called a **CONDITIONAL USE PERMIT**.
51. Real estate which has the **third dimension** in its legal description of **height** and is called an Air Lot, or where you in fact own a **Box of Air** is called a **CONDOMINIUM**.
52. General consistency with surrounding uses, usually resulting in the highest and best use of the property is called **CONFORMITY**.
53. In a contract, **both parties must give something to each other**. This is called **CONSIDERATION**.
54. Money borrowed for the purpose of **improving real estate** that is offered or collateral for the debt is called a **CONSTRUCTION** loan.
55. A **provision** in a contract that requires completion or that a certain event occurs **before a contract becomes binding** is called a **CONTINGENCY**.
56. In appraisal, the **valuing of an improvement** according to what the market would pay, regardless of the actual cost, is called **CONTRIBUTION**.

57. A residential loan which is made **without** the added security of FHA **insurance** or a VA **guarantee** is called a **CONVENTIONAL** loan.
58. A life estate which is created intentionally by the owner-grantor is called a **CONVENTIONAL** life estate.
59. A life estate which is created by statute, not by the owner-grantor is called a **LEGAL LIFE ESTATE**.
60. Where tenants form a corporation to buy a building and **each owns stock** in the corporation and **gets a proprietary lease** to a unit is called a **COOPERATIVE** or in shorter form a **CO-OP**.
61. A **legal entity (legal person)** allowed by law, separate from their shareholders is called a **CORPORATION**.
62. **CORPOREAL**, has physical substance, whereas **INCORPOREAL** are intangible things, such as rights.
63. **CORRECTION** lines are used in the government survey to compensate for the **curvature of the earth**. These are spaced **every** four townships or **twenty four miles**.
64. In appraisal, the valuation approach that **estimates** how much **money is needed to replace** the subject property with an equally desirable property is called the **COST** approach.
65. A **promise to do** or else to **refrain from doing** or not doing some specific act is known as a **COVENANT**.
66. **Deficiencies** in property that may be **physically and cost effectively corrected** are considered to be **CURABLE**.
67. In real estate, a term used meaning a person the agent is **NOT under contract with** is called a **CUSTOMER**. To that party, you only owe honesty and fairness.
68. A **written instrument** that, when executed and delivered, **conveys title** to an interest in real estate is a **DEED**.
69. A **written instrument** that, when executed, passes title to **personal property** is called a **BILL OF SALE**.
70. A conveyance of title to a secured lender as an **alternative to foreclosure** is called a **DEED IN LIEU OF FORECLOSURE**, also called a Friendly Foreclosure.
71. Where a **borrower (trustor)** places title to a property with a **trustee** as security for a note to the **lender (beneficiary)** the document used is called a **DEED OF TRUST**.
72. Clauses in a deed which **limit future use** of a property are called **DEED RESTRICTIONS**.
73. A **qualified estate** subject to occurrence or non-occurrence of some specific event is called a **DEFEASIBLE** fee
74. An **additional claim by a lender** against a borrower after foreclosure if the debt was not fully satisfied by the foreclosure sale proceeds is known as a **DEFICIENCY JUDGMENT**.
75. The legal act of **transferring property**, ie deeds and mortgages is called **DELIVERY** and **ACCEPTANCE**.
76. The desire or **need for a product** in the marketplace is considered **DEMAND**.

77. The income levels and sources, employment level and sources, crime statistics, population, age, density, etc. are considered to be **DEMOGRAPHICS**.
78. The government agency that partially guarantees home loans for veterans is called **DEPARTMENT OF VETERANS' AFFAIRS**, or more commonly called **VA**. The maximum guarantee at the present time (02) is \$60,000.
79. In appraisal, any **decline in value for any reason** or for all causes is **considered** to be **DEPRECIATION**.
80. What an **investor desires to earn** on his/her investment is called **DESIRED RATE OF RETURN**.
81. If a **salesperson** works at an office where he **pays virtually everything**, all his own expenses and rent and a transaction fee and errors and omission insurance, but receives 100% of the commission, it is called a **DESK RENT OFFICE**.
82. The **appurtenant (beneficial)** right to use an easement over another's property is called a **DOMINANT** tenement. This easement goes with the property if property is sold, said to "**run with the land**".
83. The land, **negatively affected**, on which an easement benefits an adjacent property is called a **SERVIENT** tenement.
84. In states which still do not use Probate, **CURTESY** is a widow(er) right to a life estate in all the deceased spouse's inheritable property and **DOWER** is a widow's right.
85. When an agent **represents both parties** in the same transaction, this is considered to be **DUAL AGENCY**.
86. An unlawful action exercised upon a person whereby the person is forced to perform an act **against his/her will** is called **DURESS**.
87. **Money deposited** by a prospective purchaser under the terms of a contract is called **EARNEST MONEY**.
88. An easement to land that is acquired by **adverse possession** or Squatter's Rights is called an Easement by **PRESCRIPTION**.
89. An easement allowed by law as necessary for the full enjoyment of a parcel of real estate, **right of ingress and egress for landlocked properties** is called an **Easement by NECESSITY**.
90. A utility easement or commercial easement which does not benefit the Servient Tenement is called Easement by **GROSS**.
91. In appraisal, if there is a need or demand for a certain type of property, it is called **EFFECTIVE DEMAND**.
92. In income properties, the actual rent received, not the potential gross income, is called **EFFECTIVE GROSS INCOME**.
93. Personal property growing in the soil, requiring planting and cultivation; annual crops, etc. are called **EMBLEMENTS**. These are also called **fructus industrials**.
94. The right or power of the government or public company to take property for public use is called **EMINENT DOMAIN**. The **process** used is called **condemnation**.
95. A structure, such as a wall or fence that invades a portion of a property belonging to another is called an **ENCROACHMENT**.

96. **Liens**, such as mortgage, tax or judgment lien, **easement, restriction** on use of the land or outstanding right which may diminish the value of the property are called **ENCUMBRANCES**.
97. The method **VA** uses to determine a **veteran's eligibility** is called an **ENTITLEMENT**.
98. **ECOA** stands for **EQUAL CREDIT OPPORTUNITY ACT**. This is a credit discrimination law which states that no discrimination in lending is allowed because of race, color, national origin, sex, age, religion, marital status, or source of income.
99. In appraisal, **EQUALLY DESIRABLE** means there is **similar workmanship, size, lot size, location, amenities, etc.**
100. The **value** of property, **less any liens** against the property is considered to be **EQUITY**.
101. When a property owner dies **without a will** and **no** heirs are found, property **reverts to the state** by what is called **ESCHEAT**.
102. A **real estate closing** in which all money and documents are held by a third party pending **compliance with all terms and conditions of the contract** is called **ESCROW**.
103. When a tenant has overstayed any legal right to possession and **eviction** is **imminent**, this is considered to be an **Estate at SUFFERANCE**. This is NOT trespass.
104. If there is no definite expiration date and a leasehold will expire upon notice given by either party, death of either party, or some specific occurrence stated in the agreement, this is considered to be an Estate at **WILL**. This is NOT inheritable.
105. There is a definite starting and termination date stated in the lease. This is known as an Estate for **YEARS**. This can be any period of time, days, weeks, months, years, etc.
106. The legal and physical removal of a tenant's right to possession based on some breach of the lease is called **EVICTION**.
107. **EXCEPTIONS** are disclosures of existing encumbrances.
108. **RESERVATIONS** are rights grantor retains after sale.
109. A listing agreement where the owner appoints a RE broker as his/her exclusive agent to sell a property but reserves the right to sell on his/her own to a buyer not produced by a broker is called an **EXCLUSIVE AGENCY** listing.
110. A listing agreement where the owner appoints a RE broker as his/her exclusive agent to sell property and will pay broker a commission irregardless of who sells the property is called an **EXCLUSIVE RIGHT TO SELL** listing.
111. If everything in a contract has been fully completed; all terms and conditions have been met, this is considered to be an **EXECUTED** contract.
112. If everything in a contract has not been fully completed, this is considered to be an **EXECUTORY** contract.
113. In appraisal, depreciation because of conditions outside the property is considered to be **EXTERNAL** or **ECONOMIC** depreciation. This is **always INCURABLE**.

114.The federal agency overseeing many programs to facilitate available financing for home ownership is called FHA, which stands for **FEDERAL HOUSING ADMINISTRATION**.

115.Where ownership is considered to run forever; upon death to go to heirs and is the highest absolute ownership, this is called **FEE SIMPLE**.

116.Regarding ownership of property the system where only the King in England could hold absolute title to property was called the **FEUDAL** system. In the United States, we use the **ALLODIAL** system, which is a legal system that allocates full property ownership rights to individuals, subject only to government laws and regulations.

117.FHLMC stands for **FEDERAL HOME LOAN MORTGAGE CORPORATION (Freddie Mac)** Mainly buys **Conventional** Loans to help the Savings & Loan Assn. Deals in the Secondary Mortgage Market.

118.FNMA stands for **FEDERAL NATIONAL MORTGAGE ASSOCIATION (FANNIE MAE)**. Mainly buys **FHA & VA** Loans in the secondary market to make funds available around the United States for home ownership.

119.GNMA stands for **GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GINNIE MAE)** This is a government agency used to assist in housing finance by giving guaranteed payments to investors in mortgage backed securities and absorbing write-downs of low interest rate loans used to finance low income housing.

120.Rooted in fidelity, the relationship of Trust and Confidence, as between trustee and beneficiary, attorney and client and principal and agent is called **FIDUCIARY**.

121.A sale to a relative, all cash, no cash or desperate seller would all be considered financing **CONCESSIONS**. These sales would not make good comparables to be used by an appraiser.

122.An article of personal property that has become real property because it has become permanently affixed to the realty is considered a **FIXTURE**.

123.The legal process of seizing and selling secured property to satisfy a debt gone into default is called **FORECLOSURE**.

124.FIRPTA stands for **FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT**, which is the law regarding withholding 10% of the gross sales price from foreign investors.

125.If there is a default and the earnest money deposit is retained, this is called **FORFEITURE**.

126.Intentional lying is considered to be **FRAUD**.

127.An estate in real estate in which OWNERSHIP is for an indeterminable length of time is considered to be a **FREEHOLD** Estate.

128.An estate in real estate in which OCCUPANCY is for a determinable length of time is considered to be a **LEASEHOLD** Estate.

129.The distance that property abuts on a particular feature such as a road or on the water is considered to be the **FRONTAGE**.

130.In appraisal, loss in value because of deficiencies in design or usefulness, as opposed to normal wear and tear is known as **FUNCTIONAL** Obsolescence.

131.In a warranty deed, the assurance that any title challenges will be corrected is known as the covenant of **FURTHER ASSURANCE**.

132. Right to an interest in real estate which will result in a future possession, such as reversion or right of re-entry is called **FUTURE INTEREST**.

133. Regarding liens on real estate, **GENERAL** liens are **unsecured**.

134. A property manager is generally authorized to perform all acts of the principal's affairs within the continued operation of a business and this is called a **GENERAL Agency**.

135. The exact measurement by a surveyor based on the written description is called a **GOVERNMENT** survey.

136. A real estate lease with a provision for fixed increases in rents is called a **GROSS** lease.

137. The **seller** – the person who conveys real estate by deed is the **GRANTOR**.

138. The **buyer** – the person to whom real estate is conveyed is the **GRANTEE**.

139. Gross Income Multiplier (**GIM**) is an appraiser's rule of thumb conversion used with the **ANNUAL** income of a commercial, industrial, or larger residential income property to estimate value. No expenses are taken into consideration in this equation.

140. Gross Rent Multiplier (**GRM**) is an appraiser's rule of thumb conversion used with the **MONTHLY** income of a single family residence through four rental units, small residential properties to estimate value. No expenses are taken into consideration in this equation.

141. A lease under which the lessor (landlord) pays all of the operating expenses and the lessee (tenant) pays only a set rate every month is called a **GROSS** lease.

142. Gross Scheduled Income (GSI) is the **GREATEST AMOUNT OF RENT** that could be received if there were no vacancies and no defaults. This is also called **Potential Gross Income**.

143. One who guards or cares for another person's rights and property is called a **GUARDIAN**.

144. The most profitable legal use to which property may be put is called its **HIGHEST AND BEST** use.

145. A leasehold in which the tenant has overstayed legal right of possession of the property is called a **HOLDOVER** tenancy.

146. State laws authorizing condominium development are called **HORIZONTAL PROPERTY ACTS**.

147. To offer property as collateral for a debt without giving up possession of it is called **HYPOTHECATION**.

148. Conduct should be consistent with words; intentions shown by action, described as **IMPLIED** or **OSTENSIBLE** action.

149. Funds collected and maintained by a lender to assure availability of funds for taxes and insurance and other expenses when these bills come due on the secured property are called **IMPOUNDS**.

150. Revenue received from producing properties is called **INCOME**.

151. Properties that produce revenue are called **INCOME** properties.

152. $\text{Income divided by Rate} = \text{Value}$, $\text{Income divided by Value} = \text{Rate}$ and $\text{Rate} \times \text{Value} = \text{Income}$ are the formulas used in working the real estate arithmetic short cut is known as **IRV's circle**.

153. A deficiency of property which either cannot be corrected or is not worth the cost of correcting is considered **INCURABLE** obsolescence.

154. Regarding real estate salespeople, for tax purposes you are considered **INDEPENDENT CONTRACTORS** and must file your own taxes, etc.
155. A charge paid for borrowing another's money is called **INTEREST**. You are paying rent for using other's money.
156. Where you buy the ownership or rights to occupy a property for a week at a time, but repeating for the same week each year is called **INTERVAL OWNERSHIP** or more simply a **TIME SHARE**.
157. Ownership of real estate between two or more parties who have been named in one conveyance, have equal right of possession, have equal shares and the right of survivorship is called **JOINT TENANCY** ownership.
158. The 1968 Jones vs. Mayer case tested the **1866** Civil Rights Act and upheld the **1866** Civil Rights Act, making **discrimination for RACE always illegal**.
159. An official decision of the court on respective rights and claims of the parties to an action or lawsuit is called a **JUDGMENT**.
160. A court proceeding for foreclosure is called a **JUDICIAL** foreclosure.
161. If your property is **taken** through the **power of eminent domain**, by the process known as condemnation, you are to receive **JUST COMPENSATION**, which means you should receive as much for your property as you would if you wanted to sell it.
162. **LAND** is considered the surface of the earth plus the subsurface rights, extending to the center of the earth and upward indefinitely into space, including things permanently attached by nature, such as trees and water.
163. When you pass over without a will, the formula used by the state for passage of your assets to your heirs is known as the **LAW OF DESCENT AND DISTRIBUTION**. If no heirs are found, the state takes your property by what is known as **ESCHEAT**.
164. **LEASEHOLD IMPROVEMENTS** are installed by the landlord for tenant's use. They remain the property of the landlord upon termination of the lease.
165. Description of a specific parcel of real estate sufficient for an independent surveyor to locate or identify it is known as the **LEGAL DESCRIPTION**.
166. The revocable permission for a temporary use of land – a personal right that cannot be sold is known as a **LICENSE**.
167. A **monetary claim** against one's property is known as a **LIEN**.
168. A **LIFE ESTATE** is a freehold estate limited in duration to the life of the named.
169. If you are a **LIMITED partner**, you are only liable to the extent of your investment and not involved in the operation. If you are a **GENERAL partner**, you participate in the operation and decisions and have unlimited liability.
170. An amount predetermined by the parties to a contract as the total compensation the aggrieved party will receive should the other party breach the contract is called **LIQUIDATED damages**.
171. The ability to convert an asset to cash quickly without significant loss is considered to be **LIQUIDITY**.
172. An employment contract between a land owner (principal/client) and a licensed Real Estate Broker (fiduciary agent) for agent to sell or lease out principal's property is called a **LISTING AGREEMENT**.

173. A landowner's claim to use water in large lakes and oceans adjacent to his/her property, his/her rights to land bordering these bodies of water up to the high water mark are **Littoral/Riparian rights**. Abutting non-flowing water like ocean, lake, pond would be **LITTORAL**. Bordering flowing water like rivers and streams would be **RIPARIAN**.
174. A percentage applied to the value of property to establish the maximum amount the lender will lend is considered to be LTV meaning **LOAN-TO-VALUE** ratio.
175. Used by Real Estate agents to keep keys so access can be gained into a residence are called a **LOCKBOX** or a **KEYSAFE**.
176. Identification of a parcel within a subdivision which has been recorded in county records is done by **LOT, BLOCK and SUBDIVISION**.
177. What similar properties, similarly located, etc., in fact sell for is called **MARKET DATA**.
178. An actual price paid by a buyer to a seller is considered **MARKET PRICE**.
179. The highest price property will bring in an active market with a knowledgeable buyer and knowledgeable seller with no compelling needs to buy or sell is called **MARKET VALUE**.
180. A statutory lien created in favor of contractors, laborers and materialmen who have performed work or furnished materials erecting or repairing a building is called a **MECHANIC'S** or **MATERIALMAN'S lien**.
181. In legal descriptions, a line running North to South is referring to the **PRINCIPAL Meridian**.
182. A legal description of a parcel that begins at a well marked point and follows the boundaries, using directions and distances to the true point of beginning is called a **METES and BOUNDS** description.
183. To **unknowingly** give an **untrue** idea of property is called **MISREPRESENTATION**. If you do this **knowingly**, it is considered **FRAUD**.
184. An originator of mortgage loans who sometimes lends their own funds and also offers collection services to major warehouses and investors is known as a **MORTGAGE BANKER**.
185. An originator of mortgage loans who brokers loans to investors but don't lend their own funds and do not offer continuing collection services to investors is known as a **MORTGAGE BROKER**.
186. A borrower where a note secured by a mortgage is used is called a **MORTGAGOR**.
187. A lender where a note secured by a mortgage is used is called a **MORTGAGEE**.
188. If your listing is shared with multiple brokerages, it is a **MULTIPLE LISTING**.
189. If both parties agree to a contract, it is considered **MUTUAL CONSENT**.
190. A lease under which the tenant pays all of some of the operating expenses is called a **NET** lease.
191. In capitalization, the income from a building after deducting for vacancy, bad debt allowance and operating expenses (but NOT debt service) is called **NOI** or **NET OPERATING INCOME**.

192. Statement of consideration which is not accurate but is legally sufficient is called **NOMINAL** consideration.
193. Regarding zoning, uses which were in use prior to current zoning and will be **grand-fathered** are called **NON-CONFORMING uses**.
194. A procedure for foreclosure of a mortgage/trust deed without the need for court action is known as **NON-JUDICIAL foreclosure**.
195. On non-watercourse (non navigable) waters, owner of property owns to **CENTER OF WATER**. On watercourse (navigable) waters, owner of property owns only to High Tide **WATERLINE**.
196. A written **promise to pay** money according to an agreed schedule (usually with interest accruing at a stated rate) is called a **NOTE**. Remember that a mortgage or a Deed of Trust is the collateral for the debt and will be recorded. The note is usually not recorded, just the collateral. Usually called a **Promissory Note**.
197. A **NOTICE OF LIEN** is a formal document presented to a defaulting party under a contract. This can extend lien to property owned by the debtor in counties and states other than the one in which judgment was taken.
198. A **NOTICE OF LIEN** is a document filed with the County Recorder's office to establish a claim against the property of the debtor.
199. Substitution of a new contract to replace old contract with old party being relieved of any responsibility is called a **NOVATION of the parties**.
200. When a buyer makes an offer which is accepted in it's entirety by the seller, it is called an **OFFER AND ACCEPTANCE**.
201. In a listing where **no broker has exclusive right to sell** but if they produce a **ready, willing and able buyer** (procuring cause), they are entitled to a commission, it is called an **OPEN** listing.
202. A loan which allows for additional advances of funds up to a predetermined limit is called an **OPEN-END** loan.
203. Any of the **costs of operating** a building are considered to be **OE** or **OPERATING EXPENSES**.
204. The **exclusive right to purchase** a property for a stated price and terms within a certain period of time is known as an **OPTION**.
205. If the resident of the property is also the owner of the property, the property is considered to be **OWNER-OCCUPIED**.
206. A loan which encumbers the real property and specified personal property contained therein is known as a **PACKAGE** loan.
- 207. PAROL EVIDENCE** – oral evidence, rather than that contained in documents. The *parol evidence rule* states that when parties put their agreement in writing, all previous oral agreements merge into the written agreement and the written agreement cannot be contradicted by oral testimony, unless there was a MISTAKE or FRAUD. An example of this would be buyer agrees to buy house from seller, and both sign a written agreement. Buyer later argues that Seller said he'd pay the loan Discount Points. Under the *parol evidence rule*, courts will interpret the CONTRACT as it is written.
208. A **Partial Guarantee** (maximum of \$60,000) is what **V A** gives.
209. Creating separate, physical parcels of one property is called **PARTITION**.

210. A lease in which the lessor collects a stated portion of the tenant's business income in addition to or instead of a base rent is called a **PERCENTAGE** lease.
211. A leasehold that recurs for stated periods of time until terminated by notice is called a **PERIODIC** estate or tenancy.
212. In appraisal, a reduction in value due to a decline in the condition of the property is **PHYSICAL obsolescence** or **depreciation**.
213. Unities of ownership in **Joint Tenancy** are **PITT** which stand for **POSSESSION, INTEREST, TIME and TITLE**.
214. **PUD** – or **Planned Unit Development** or **Private Urban Development** is more simply known as **TOWNHOME**.
215. A map of a town, section or subdivision indicating the location and boundaries of individual properties is called a **PLAT** map.
216. If you obtain a higher than usual conventional loan, lender may require that you provide **PMI** or **PRIVATE MORTGAGE INSURANCE**.
217. The insurance premium you pay on FHA insured loans is called **MIP** or **MORTGAGE INSURANCE PREMIUM**.
218. Starting point of the survey situated in one corner of the parcel in a metes and bounds legal description is called the (POB) **POINT OF BEGINNING**. A metes and bounds description **MUST** stop and end at the POB.
219. The right of the government to regulate for the purpose of promoting the health, safety and welfare of the public is called **POLICE POWER**.
220. A clause in a Security Instrument that allows the lender to sell the secured property to satisfy the defaulted debt by advertising and without court action is called a **POWER OF SALE clause**.
221. A Latin phrase meaning “at first view, on first appearance that is assumed to be true or factual” in the absence of evidence to the contrary is called **PRIMA FACIE**.
222. The person who employs the agent (also called **client**) is called the **PRINCIPAL**.
223. **Water** controlled by the **state** in areas where water is scarce is called **PRIOR APPROPRIATION**.
224. The order of claims against a property are called **PRIORITY**.
225. If you produce a **ready, willing and able buyer**, you are usually considered to be the **PROCURING CAUSE OF SALE**.
226. The right to remove soil, fruits or timber, ie: like telling somebody they can have your apples off trees, etc. is called **PROFIT**.
227. The appraisal principle that finds an enhancement to a property's value because of the superior quality of surrounding uses is called **PROGRESSION**.
228. The service of leasing, managing and maintaining an investment property for an owner is called **PROPERTY MANAGEMENT**.
229. An **owner's lease** which a **co-op** shareholder is entitled to is called a **PROPRIETARY lease**.
230. A clause in a listing contract which protects the broker and ensures he will be paid his commission if property is sold after the listing expires for a specified time to somebody he had introduced to the property is called a **PROTECTION clause**.

231. An expression of opinion, not made as a representation of fact is called **PUFFING**.
232. A mortgage taken by the seller instead of cash as part of the price is called a **PURCHASE MONEY MORTGAGE loan**.
233. A covenant in a deed that title being given is good against third parties and nobody else can make superior claims on your property is known as the **Covenant of QUIET ENJOYMENT**.
234. A strip of land which is six miles wide extending N and S but numbered E & W as to it's distance from the Principal Meridian is called a **RANGE**.
235. A purchaser who is agreeable to pay the listed price, is able to and is ready to is called a **READY, WILLING and ABLE buyer**.
236. The **federal disclosure law** regarding **closing costs** which is **administered by HUD** is called **RESPA** which means **REAL ESTATE SETTLEMENT PROCEDURES ACT**.
237. Land and man made improvements attached to land is considered to be **REAL ESTATE**.
238. **REAL PROPERTY** is **tangible real estate** plus the **bundle of rights** of ownership.
239. **PERSONAL PROPERTY** is all property that is not real property, also called **CHATELS**.
240. A registered term for sole use of active members of Realtor Boards is **REALTOR®**.
241. In appraisal, the process of accounting for differences among several appraisal approaches is called **RECONCILIATION**.
242. A **RECONVEYANCE Deed** transfers title back to the trustor (borrower) from the trustee after a deed of trust note has been repaid (satisfied).
243. The right of a defaulting borrower to save title to the property by paying off entire debt is called **REDEMPTION**.
244. A lenders refusal to deal in certain areas is called **REDLINING**.
245. Paying off an old loan with the proceeds from a new loan is called **REFINANCE**.
246. A subject property's decline in value because of inferior and less valuable surroundings is called **REGRESSION**.
247. **Regulation Z**, also known as the **Truth in Lending** Law requires full disclosure regarding finance charges and is **enforced by FTC**, the Federal Trade Commission.
248. To cure a default under a contract and restore one's rights is called **REINSTATEMENT**.
249. A clause in a blanket mortgage that releases the mortgage on a specific part of the secured property upon a certain occurrence (usually payment of a specific sum is called a **RELEASE clause**.
250. When a life estate ends and the creator recaptures ownership, this is called **REVERSIONARY** interest. When a life estate ends and the creator had named another to receive fee simple estate, the other would be the **REMAINDERMAN**.
251. In appraisal, the cost of a functionally similar structure without an exact replication in all details is called the **REPLACEMENT cost**.

252. In appraisal, the cost of an exact duplicate of a structure is called the **REPRODUCTION cost**.
253. Termination of a contract by mutual agreement of the parties is called **RESCISSION**.
254. If an **offer** is to be **withdrawn** by the **offeror**, he would **REVOKE** or **RESCIND offer**.
255. The exclusive right to match any bona fide offer entertained by the seller is called **RIGHT OF FIRST REFUSAL**.
256. After a **defeasible** (defeatable) fee **condition** has been **violated**, there could be a **RIGHT OF RE-ENTRY**.
257. A financial burden, like a chance or chances of property losing value is called the **RISK factor**.
258. An Appurtenant Easement (beneficial) goes with the property or is said to **RUN WITH THE LAND**.
259. **RURAL ECONOMIC COMMUNITY DEVELOPMENT ADMINISTRATION (RECD)** provides a source of emergency farm/ranch area financing for **rural areas** with a **population of less than 20,000 people**.
260. A characteristic of real property that creates value because of a relatively limited supply of desirable property is called **SCARCITY**.
261. Buyers and sellers of first mortgages operating in the resale market of mortgages as investments are dealing in the **SECONDARY** market.
262. **640 acres, 1/36th. of a Township, one mile square** property is known as a **SECTION**.
263. A document creating a **secured claim to personal property** is known as a **SECURITY AGREEMENT**. A mortgage on personal property is known as a **CHATTEL mortgage**.
264. The amount of space local zoning regulations require between lot lines and building lines are known as **SETBACKS**.
265. **Hud Form 1** is also known as a **SETTLEMENT STATEMENT**.
266. **Race, color, sex, religion, national origin, family status and handicap** are in the **1968 Fair Housing Act** and are considered to be the **SEVEN PROTECTED classes**.
267. Examination of the physical characteristics of a parcel is known as the **SITE ANALYSIS**.
268. **One time tax assessments**, not considered to be taxes, for permanent improvements to the local area, such as sidewalks, paving, sewers, etc. are **SPECIAL improvement districts (SIDS)** or **LIMITED improvement districts (LIDS)**
269. A deed where grantor warrants only against defects arising during the period of his term of ownership of property is called a **SPECIAL WARRANTY Deed**.
270. A limited scope of representation and agent cannot enter into a contract on the principal's behalf, even within that narrow scope is called a **SPECIAL agency**.
271. A **SPECIFIC lien** encumbers a **specified parcel** of real estate.
272. **SPOT zoning** rezones a particular parcel of property for the current and subsequent owners.

273. A form which must be **filled out and signed by seller** disclosing all material facts about his property is called a **SELLER'S REAL PROPERTY DISCLOSURE (SRPD)**
274. The law which requires important contracts to be written and signed to be enforceable is the **STATUTE OF FRAUDS.**
275. The **illegal** practice of **channeling** home seekers to or away from particular areas is called **STEERING.**
276. A loan where you **pay the entire principle** amount at the **end of the term** is called a **STRAIGHT loan** or a **TERM loan.**
277. The method of calculating physical depreciation that assures that properties wear out evenly over their entire useful economic life is called the **STRAIGHT-LINE method.**
278. A lease contract in which the lessor also has only a leasehold interest is called a **SUB-LEASE.**
279. The property that is the object of a contract or an appraisal is called the **SUBJECT.**
280. Exceptions and reservations clauses in a deed are called the **SUBJECT TO clauses.**
281. An agreement between two lienholders, with the same property as collateral, **changing the priority** of their **positions** is called a **SUBORDINATION clause.**
282. The appraisal principle stating that value is influenced by the cost of equally desirable alternatives is called **SUBSTITUTION.**
283. A **legal action** intended to establish or **settle the title** to a particular property is called a **SUIT TO QUIET TITLE.**
284. **Deferring** payment of **income tax** in certain structuring of a real estate transaction is called a **1031 TAX DEFERRED EXCHANGE.**
285. The right of the government to charge a property owner a fee, to raise funds to meet the public's needs is called **TAXATION.**
286. A tenancy which is similar to **Joint Tenancy** but with the added requirement that tenants must be **husband and wife** is called **TENANCY BY THE ENTIRETIES.**
287. A tenancy where possession is the only unity, **can be undivided interests** and is between **two or more people** is called a **TENANCY IN COMMON.**
288. If there is only one owner, owner's interest severed from all others, owner is considered to have an **ESTATE IN SEVERALTY.**
289. If a person passes over that has drawn up a will, he is said to have died **TESTATE**, without a will **INTESTATE.**
290. **TESTERS** are sometimes used to **investigate discriminatory actions.**
291. A **TIER** is numbered from the baseline and numbering outward, differentiated by N, S, E or W, parallel to baseline every six (6) miles.
292. The **lay of the land** reflecting slope and elevation change is called **TOPOGRAPHY.**
293. The principal unit of the rectangular government survey system which is a **six (6) mile square** parcel which encompasses 36 sections is called a **TOWNSHIP.**
294. An article installed by a business tenant under the terms of a lease which is removable by the tenant when the lease expires is called a **TRADE FIXTURE.**

295. **TRANSFER TAX** is also called **Deed Stamps, Revenue Stamps** or **Documentary Stamps**.
296. A valuable characteristic of property that recognizes it's ease of conveyance to another is it's **TRANSFERABILITY**.
297. The contributor of property placed in a trust is called the **TRUSTOR**. The holder of property placed in trust who must comply with the conditions of the trust is called the **TRUSTEE**.
298. **Use of one's position** or knowledge to induce someone to enter a contract to their harm and your benefit is called **UNDUE INFLUENCE**.
299. A contract in which neither party can sue the other to force performance, such as a contract missing the signatures of persons authorized to perform is considered **UNENFORCEABLE**.
300. Contingent duties, one party's obligation is due only upon the other party's performance first is called a **UNILATERAL contract**.
301. Something co-owners share or have in common is **UNITY**.
302. Attorney in fact, created by a Power of Attorney is called a **UNIVERSAL agency**.
303. Regarding zoning, **UPZONING** causes value to increase, **DOWNZONING** causes value to decrease.
304. Charging a rate of interest in excess of the legal limit under the circumstances is called **USURY**.
305. The appraisal principle that the ability to satisfy human needs and wants is an essential element of value is called **UTILITY**.
306. Unoccupied units would be considered your **VACANCY** factor.
307. Permission obtained from zoning authorities to build a structure or conduct a use that is expressly prohibited by the current zoning laws or an exception from the zoning ordinance is called a **VARIANCE**.
308. Present ownership characteristics would be shown in the **VESTING**.
309. **VICARIOUS LIABILITY** – the responsibility of one person for the acts of another.
310. If a contract **lacks** an **essential element** and doesn't appear to be valid, it is considered to be **VOID**.
311. If a contract appears to be valid but circumstances of contract dictate enforcement may be unfair to one of the parties to the contract it is considered to be **VOIDABLE**.
312. Regarding liens, **VOLUNTARY liens** are placed on the property with the consent of the owner. **INVOLUNTARY liens** are placed on the property without consent of the owner.
313. Where mortgages are assembled or pooled into a package for resale in bulk to other lenders as investments, these are considered to be **WAREHOUSES**.
314. **WARRANTY FOREVER** warrants against future claims.
315. The highest and best deed you can obtain is called a **GENERAL WARRANTY deed**.
316. The least deed, without any warranties, is called a **QUIT CLAIM DEED**.
317. A written document, properly witnessed, providing for the transfer of title to property owned by the deceased, who is the Testator is called a **WILL**.

318. Financing a property subject to an existing 1st mortgage, the seller continuing to pay on the 1st mortgage while receiving payments from the buyer on the 2nd mortgage could be done using a **WRAP-AROUND mortgage**.
319. **Local ordinances** which implement the **comprehensive plan (Master plan)** and regulate the land use and structures is called a **ZONING ordinance**.