

Real Estate Definitions

A.L.T.A	American Land Title Association.
Appraisal	Statement of value.
Assessed Value	Value of property for taxation purposes.
Assumption Fee	The charge made by a lender when a buyer assumes seller's existing loan.
Beneficiary	One for whose benefit a trust is created. A lender is secured by a deed of trust.
Cloud on Title	A semblance or claim of title that is in fact invalid.
Contract of sale	An agreement entered into for the sale and purchase of property.
Declaration of Trust	A written instrument by a person (settler/truster), acknowledging that he or she holds the title to property (as trustee) for the benefit of another or others (beneficiary/beneficiaries).
Deed of Trust	A three party security instrument conveying title to land as security for the performance of an obligation. Also called "trust deed".
Earnest Money	Money paid to confirm a contract.
Easement	A limited right or interest in the land of another entitling the holder to some use, privilege, or benefit.
Encroachment	Intrusion on a person's territory, rights, etc.
Endorsement	The act of signing a name on the back of a check or promissory note to evidence its transfer; also a written document attached to an insurance policy expanding or limiting coverage.
Escrow	A transaction in which an impartial third party acts upon instructions for both seller and buyer, or both borrower and lender, in carrying out instructions, delivering papers and documents and disbursing funds.
Examination	The process of determining the vesting of title and encumbrances burdening land.
Homestead	The dwelling in which an owner or head of a family resides protected to a limited extent from forced sale by a recorded declaration of homestead.
Judgment Lien	A statutory lien created by recording a judgment, or an abstract ordering the payment of a sum of money.
Legal Description	A description of real property sufficient to locate it on the ground by reference to government surveys or approved recorded maps.
Lien	A charge upon property for the purpose of securing the payment or discharge of a debt or obligation.
Mortgage	A two party security instrument pledging land as security for the performance of an obligation.
Owner's Title Policy (OTP)	A policy of title insurance insuring the title of an owner.
Powers of Attorney	A written delegation from a principle authorizing another person, as agent of principal, to act for him or her in his/her name in designated transaction or transactions.
Probate	Relating to proof; the proof of validity of a will of a decedent; the proof of ownership.
Promissory Note	An unconditional written promise signed by maker, to pay, absolutely, a sum certain in money, either to the bearer or to a person therein designated by his/her order.
Recording	The act of filing documents for the record in the office of the County Recorder.
Survey	Land survey required by lender: lot size, easements, encroachments, locations of improvements, etc., may be negotiated requirement on a cash contract.
Termite Report	A report of an inspection for wood destroying pests by a person licensed by the state
Title Insurance	Assurance of indemnification to loss occasioned by defects in the title to real property or to an interest therein which is insured.
Title Policy	A contract indemnifying against loss resulting from a defect in the title to the interest or lien in real property insured.
T.L.T.A.	Texas Land Title Association.
Vest	To give an immediate fixed right to property.
Warranty Deed	A deed containing express covenants as to good title and right to possession.