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We at Richmond Title provide these real estate terms as a convenient reference tool for our customers and clients. We hope you find these brief definitions useful. Please note that these definitions are in their most commonly used form, therefore you should seek the advice of legal counsel should you require more precise interpretations of these terms.

## A

<b>Abstract of Title</b>	A condensed history or summary of all transactions affecting a particular tract of land.
<b>Access</b>	The right to enter and leave a tract of land from a public way. Oftentimes the right to enter and leave over the lands of another.
<b>Accretion</b>	The slow build up of lands by natural forces such as wind, waves or water.
<b>Acknowledgment</b>	The act by which a party executing a legal document goes before an authorized officer or notary public and declares the same to be his voluntary act and deed.
<b>Acre</b>	A tract of land 208.71 feet square and containing 43,560 square feet of land.
<b>Administrator</b>	A person appointed by a probate court to settle the affairs of an individual dying without a will. The term is administrative if such a person is a woman.
<b>Adverse Possession</b>	A claim made against the lands of another by virtue of open and notorious possession of said lands by the claimant.
<b>Affidavit</b>	A sworn statement in writing.
<b>Agent</b>	A person or company that has the power to act on behalf of another or to transact business for another, e.g., a title agent under contract with Old Republic Title to issue policies of title insurance.
<b>Air Rights</b>	The right to ownership of everything above the physical surface of the land.
<b>ALTA</b>	American Land Title Association. A national association of title insurance companies, abstracters and attorneys specializing in real property law which speaks for the title insurance and abstracting industry, with headquarters in Washington, D.C.
<b>Appurtenance</b>	Anything so annexed to land or used with it that it will pass with the conveyance of the land.
<b>ARM</b>	Adjustable Rate Mortgage. See Variable Rate Mortgage.
<b>Assessment</b>	The imposition of a tax, charge or levy, usually according to established rates.
<b>Assessor</b>	A public official who evaluates property for the purpose of taxation.
<b>Assignee</b>	One to whom a transfer of interest is made. For example, the assignee of a mortgage or contract.
<b>Assignor</b>	One who makes an assignment. For example, the assignor of a mortgage or contract.
<b>Assumable Mortgage</b>	A mortgage, which by its terms allows a new owner to take over its obligations.
<b>Assumed Mortgage</b>	A loan in which the buyer assumes the obligations of an already existing mortgage on a property.
<b>Attachment</b>	Legal seizure of property to force payment of a debt.

## B

<b>Bankrupt</b>	A person, who, through a court proceeding, is relieved from the payment of all his debts after surrender of all his assets to a court appointed trustee.
<b>Bureau of Land Management</b>	The branch of government in charge of surveying and managing public lands.

## C

<b>CC&amp;R's</b>	Covenants, Conditions and Restrictions. See Conditions and Restrictions below.
<b>Chain</b>	A term of land measurement being 66 feet in length.
<b>Chain of Title</b>	A term applied to the past series of transactions and documents affecting the title to a particular parcel of land.
<b>Clear Title</b>	One which is not encumbered or burdened with defects.
<b>Closing</b>	Also known as "escrow" or "settlement." The process of executing legally binding documents such as deeds and mortgages most commonly associated with the purchase of real estate and the borrowing of money to assist in the purchase.
<b>Clouded Title</b>	An encumbered title.
<b>Commitment to Insure</b>	A report issued by a title insurance company, or its agent, committing the title insurance company to issue the form of policy designated in the commitment upon compliance with and satisfaction of requirements set forth in the commitment.
<b>Company Loan</b>	Loan by employer to facilitate relocation of employee. Usually short term.
<b>Condemnation</b>	Taking private property for public use through court proceedings.
<b>Condition or Conditions</b>	A proviso in a deed or a will that upon the happening or failure to happen of a certain event, the title of the purchaser or devisee will be limited, enlarged, changed or terminated.
<b>Conditions and Restrictions</b>	A common term used to designate the uses to which land may not be put and providing penalties for failure to comply. Commonly used by land subdividers on newly platted areas.
<b>Condominium</b>	A system of individual fee ownership of units in a multi-unit structure, combined with joint ownership of common areas of the structure and land.
<b>Consolidated Mortgage</b>	Occurs in refinancing. Remaining balance from original mortgage is incorporated into new mortgage.
<b>Contract for Deed</b>	An agreement to sell and purchase under which title is withheld from the purchaser until such time as the required payments to the seller have been completed.
<b>Convey</b>	The act of deeding or transferring title to another.
<b>Conveyance</b>	An instrument by which title to property is transferred; a deed.
<b>Cooperative</b>	A residential multi-unit building owned by and operated for the benefit of persons living within.
<b>Covenant</b>	An agreement written into deeds and other instruments promising performance or non performance of certain acts, or stipulating certain uses or non-uses of the property.
<b>Cul De Sac</b>	The terminus of a street or alley. Usually laid out by modern engineers to provide a circular turn around for vehicles. In French 'the bottom of the sack.'

## D

<b>Deed</b>	A written document by which the ownership of land is transferred from one person to another.
<b>Deed of Trust</b>	See Mortgage below.
<b>Delivery</b>	The final and absolute transfer of a deed from seller to buyer in such a manner that it cannot be recalled by the seller. A necessary requisite to the transfer of title.
<b>Device</b>	The disposition of land by will. A term used for land alone and never for personal property.
<b>Due on Sale Clause</b>	Provision in a Mortgage or Deed of Trust which requires loan to be paid in full if property is sold or transferred.

## E

<b>Earnest Money</b>	Advance payment of part of the purchase price to bind a contract for property.
<b>Easement</b>	An interest in land owned by another that entitles its holder to a specific limited use, such as laying a sewer, putting up electric power lines, or crossing the property.
<b>Egress</b>	The right to leave a tract of land. Often used interchangeably with access. (See Access)
<b>Eminent Domain</b>	The power of the state to take private property for public use upon payment of just compensation.
<b>Encroachment</b>	A fixture, such as a house, wall or fence, which intrudes upon another's property.
<b>Encumber</b>	To burden a parcel of land with a lien or charge such as a mortgage.
<b>Encumbrance</b>	A lien, liability or charge upon a parcel of land.
<b>Escheat</b>	A reversion of property to the state in those cases where an individual dies without heirs or devisees and without a will.
<b>Escrow</b>	A procedure whereby a disinterested third party handles legal documents and funds on behalf of a seller and buyer.
<b>Estate</b>	A person's possessions
<b>Examination of Title</b>	The interpretation of the record title to real property based on the title search or abstract.
<b>Exception</b>	In legal descriptions that portion of lands to be deleted or excluded. The term is often used in a different sense to mean an objection to title or encumbrance on title.
<b>Executor</b>	A person appointed by the probate court to carry out the terms of a will. The term is executrix if such a person be a woman.
<b>Extended Mortgage</b>	One in which due date of mortgage is extended for longer period. Often at higher interest rate than original mortgage.

## F

<b>Fee Simple Estate</b>	The greatest interest in a parcel of land that it is possible to own. Sometimes designated simply as Fee
<b>FHA Guarantee</b>	An insurance contract in which HUD through FHA insures that the named lender will recover a specific percentage of the loan amount from the insurer (FHA) in the event the loan goes bad.
<b>Financing Statement</b>	A document prepared for filing with the Register of Deeds or Secretary of State indicating that personal property or fixtures is encumbered with a debt.
<b>Fixtures</b>	Any item of property so attached to real property that it becomes a part of the real property.
<b>Forfeiture of Title</b>	Provision in a Deed creating a condition which will cause title to be passed to another in the event certain circumstances occur.

## G

<b>Graduated Payment Mortgage</b>	A loan in which monthly payments are relatively small in the beginning years and gradually increase in dollar amount over the life of the mortgage
<b>Grantee</b>	A person who acquires an interest in land by deed, grant, or other written instrument.
<b>Grantor</b>	A person, who, by a written instrument, transfers to another an interest in land.
<b>Guardian</b>	One appointed by the court to administer the affairs of an individual not capable of administering his own affairs

## H

<b>Harbor Line</b>	An arbitrary line set by authorities on navigable rivers, beyond which wharves and other structures may not be built, also designated as line of navigation.
<b>Heir</b>	One who might inherit or succeed to an interest in land under the rules of law applicable where an individual dies without leaving a will.
<b>Hiatus</b>	A gap or space unintentionally left between, when attempting to describe adjacent parcels of land.

<b>Home Repair Loan</b>	Used for repairs and additions to existing structures without affecting existing mortgage. Typically 10 years or less in length.
<b>HUD 1</b>	A form settlement (closing) statement required by HUD where federally related mortgages are being made on residential properties. It is a balance sheet showing the source of funds and the distribution of funds in connection with the purchase and/or mortgaging of residential property.
<b>I</b>	
<b>Improvements</b>	Those additions to raw lands tending to increase value such as buildings, streets, sewer, etc.
<b>Inchoate Curtsey</b>	The imperfect interest which the law gives a husband in the lands of his wife. "This is an interest which upon the death of the wife may ripen into possession and use.
<b>Inchoate Dower</b>	The imperfect interest which the law gives a wife in the lands of her husband. This is an interest which upon the death of the husband may ripen into possession and use.
<b>Indemnify</b>	To make payment for a loss.
<b>Ingress</b>	The right to enter a tract of land. Often used interchangeably with access. (See Access)
<b>Insurance</b>	A contract of indemnity against specified perils.
<b>Insurance Loan</b>	When cash value of life insurance policy is borrowed by insured.
<b>Interim Financing</b>	Temporary or short term loans. Often used with new construction. Usually replaced with a permanent, long term mortgage.
<b>Intestate</b>	Designates the estate or condition of failing to leave a will at death. "To die intestate."
<b>J</b>	
<b>Joint Tenancy</b>	Where two or more persons hold real estate jointly for life, the survivors to take the interest of the one who dies.
<b>Judgment</b>	A decree of a court. In practice this is the lien or charge upon the lands of a debtor resulting from the Court's award of money to a creditor. (See Judgment Lien)
<b>Judgment Docket</b>	The record book of a <b>County Clerk</b> where a judgment is entered in order that it may become a lien upon the property of the debtor.
<b>Judgment Lien</b>	The charge upon the lands of a debtor resulting from the decree of a court properly entered in the judgment docket.
<b>L</b>	
<b>Land Contract</b>	See Contract for Deed above.
<b>Landmark</b>	Any conspicuous object that helps establish land boundaries.
<b>Lease</b>	A grant of the use of lands for a term of years in consideration of the payment of a monthly or annual rental.
<b>Lender's Policy</b>	See Mortgagee's Policy
<b>Lessee</b>	One who takes lands upon a lease.
<b>Lessor</b>	One who grants lands under a lease.
<b>Lien</b>	A hold, a claim or a charge allowed a creditor upon the lands of a debtor. Some examples are mortgage liens, judgment liens, mechanic's liens.
<b>Life Estate</b>	A grant or reservation of the right of use, occupancy and ownership for the life of an individual.
<b>Link</b>	A term of land measurement being 1/100th of a chain or 66/100ths of a foot.
<b>Lis Pendens</b>	A notice recorded in the official records of a county to indicate that a suit is pending affecting the lands where the notice is recorded.
<b>Loss Payable Clause</b>	Provision added to a Fire and Casualty Policy which says any loss will be paid to two or more parties as their interest may appear. Usually the owner and the mortgage lender.
<b>Lot</b>	A measured parcel of land having fixed boundaries.

# M

<b>Majority</b>	The age at which a person is entitled to handle his own affairs.
<b>Marketable Title</b>	A good title about which there is no fair or reasonable doubt.
<b>Mechanic's Lien</b>	A lien allowed by statute to contractors, laborers and material-men on buildings, or other structures upon which work has been performed or materials supplied.
<b>Metes and Bounds</b>	A description of land by courses and distances.
<b>Minor</b>	One who because of insufficient age or status is legally incapable of making contracts.
<b>Monument of Survey</b>	Visible marks or indications left on natural or other objects indicating the lines and boundaries of a survey. May be posts, pillars, stones, cairns, and other such objects, but may also be fixed natural objects, blazed trees, roads and even a water course.
<b>Mortgage</b>	An instrument used to encumber land as security for a debt.
<b>Mortgage Banker</b>	A specialized lending institution that lends money solely with respect to real estate and secures its loans with mortgages on the real estate.
<b>Mortgage Broker</b>	A person or company that buys and sells mortgages for another on commission or who arranges for and negotiates mortgage contracts.
<b>Mortgage Revenue Bonds</b>	Issued by communities as a means of providing lower cost mortgage funds to certain qualified borrowers.
<b>Mortgage-Backed Security</b>	A security evidencing either the ownership of an interest in a mortgage loan or pools of mortgage loans, or a separate obligation secured by a mortgage loan or pool of mortgage loans.
<b>Mortgagee</b>	A designation for the mortgage lender on lands.
<b>Mortgagee's Policy</b>	A form of title insurance policy which insures the validity, enforceability and priority. This form does not provide protection for the owner.
<b>Mortgagor</b>	A designation for the mortgage borrower on lands.

# N

<b>Negative Amortization</b>	An actual increase in the principal amount of a real estate loan because of the addition of matured but unpaid interest to the loan balance. Usually the result of monthly payments which are temporarily set at a lower than needed level.
<b>Notary</b>	One authorized to take acknowledgments. (See Acknowledgments)

# O

<b>Owner's Policy</b>	A policy of title insurance which insures a named owner against loss by reason of defects, liens and encumbrances or lack of marketability of the title. The company also agrees to defend covered claims made against the title.
<b>Ownership</b>	The right to possess and use property to the exclusion of others.

# P

<b>P.M.I.</b>	Private Mortgage Insurance. An insurance contract which insures that the named lender will recover a specific percentage of the loan amount from the insurer in the event the loan goes bad. Many lenders require this on higher percentage loans.
<b>Patent</b>	A document or grant by which the Federal or State government originally transferred title to public lands to an individual. The first in the series of transfers by which title comes down to present owners.
<b>Plat or Plot</b>	A map representing a piece of land subdivided into lots with streets shown thereon.
<b>Points</b>	A one-time special fee or extra charge paid to a lender in order to secure a loan. Expressed as a percentage of face amount of mortgage.
<b>Policy</b>	A written contract of title insurance.

<b>Policyowner</b>	One who owns a title insurance policy.
<b>Power of Attorney</b>	An instrument authorizing another to act on one's behalf as his agent or attorney.
<b>Power of Sale</b>	A clause inserted in a will, mortgage, deed or trust or trust agreement authorizing the sale or transfer of land in accordance with the terms of the clause.
<b>Prorate</b>	To allocate between seller and buyer their proportionate share of an obligation paid or due. For example, a prorate of real property taxes or fire insurance premiums.
<b>Q</b>	
<b>Quiet Title</b>	An action in a proper Court to remove record defects or possible claims of other parties named in the action.
<b>R</b>	
<b>Range</b>	A part of the government survey, being a strip of land 6 miles in width, and numbered east or west of the principal meridian.
<b>Real Property</b>	Land and that which is affixed to it.
<b>Realtor®</b>	A federally registered collective membership mark which identifies a real estate professional who is a member of the National Association of Realtors® and subscribes to its strict Code of Ethics.
<b>Realty</b>	A brief term for real property.
<b>Redeem</b>	Literally "to buy back." The act of buying back lands after a mortgage foreclosure, tax foreclosure, or other execution sale.
<b>Registered Land</b>	See Torrens Title below
<b>Reinsurance</b>	To insure again by transferring to another insurance company all or part of an assumed liability, thus spreading the loss risk any one company has to carry.
<b>REIT</b>	Real Estate Investment Trust. A product of federal tax legislation formed as a business trust, under a special state REIT statute or as a corporation for the purpose of investing in real estate or mortgages on real estate.
<b>REMIC</b>	Real Estate Mortgage Investment Conduit. A product of 1986 federal tax legislation in which a business entity such as a corporation partnership or trust in which substantially all of the assets consist of qualified mortgages and permitted investments elects to be treated as an REMIC. Qualification avoids treatment as a corporation for tax purposes.
<b>Right-of-way</b>	The right which one has to pass across the lands of another. An easement.
<b>Riparian</b>	Rights to use of water and waterways in adjoining lakes or rivers.
<b>S</b>	
<b>Second Mortgage</b>	A second loan on real estate that already has a mortgage. It is subordinate to the first mortgage. Usually of shorter term and often at higher interest rate.
<b>Section or Section of Land</b>	A parcel of land comprising one square mile or 640 acres.
<b>Set Back Lines</b>	Those lines which delineate the required distances for the location of structures in relation to the perimeter of the property.
<b>Sub-surface Right</b>	The right of ownership to things lying beneath the physical surface of the property.
<b>Survey</b>	The process of measuring land to determine its size, location and physical description and the resulting drawing or map.
<b>T</b>	
<b>Tenancy in Common</b>	An estate or interest in land held by two or more persons each having equal rights of possession and enjoyment but without any right of survivorship between the owners.
<b>Tenant</b>	Any person in possession of real property with the owner's permission.
<b>Testament</b>	Another term for a will. Commonly referred to as "last will and testament."
<b>Testate</b>	The estate or condition of leaving a will at death. "To die testate."

<b>Testator</b>	A man who makes or has made a testament or will.
<b>Testatrix</b>	A woman who makes or has made a testament or will.
<b>Title</b>	The evidence or right which a person has to the ownership and possession of land. Commonly considered as a bundle or history of rights.
<b>Title Defect</b>	Any legal right held by others to claim property or to make demands upon the owner.
<b>Title Insurance</b>	Insurance against loss or damage resulting from defects or failure of title to a particular parcel of real property.
<b>Title Plant</b>	The total facilities: records, equipment, fixtures, and personnel: required to function as a title insurance operation. Technically, the organization of official records affecting real property into a system which allows quick and efficient recovery of title information.
<b>Title Search</b>	An examination of public records laws and court decisions to disclose the current facts regarding ownership of real estate.
<b>Torrens Title</b>	A system whereby, after court proceedings, a certificate is issued setting forth the extent of the applicant's estate in land subject to the exceptions shown. Most popular in the early 1900's, the system was adopted in 19 states. It is presently used only in parts of six states.
<b>Township</b>	A division of territory 6 miles square, containing 36 sections or 36 square miles.
<b>Tract</b>	A particular parcel of land.
<b>Trust</b>	A property right held by one for the benefit of another.
<b>Trustee</b>	A person holding property in trust.
<b>V</b>	
<b>VA Guarantee</b>	An insurance contract in which the Veterans Administration (VA) insures that the named lender will recover a specific percentage of the loan amount from the insurer in the event the loan goes bad.
<b>Variable Rate Mortgage</b>	A loan in which the interest rate fluctuates with the cost of funds or some other index.
<b>Vendee</b>	A purchaser of real property under land contract.
<b>Vendor</b>	A seller of real property under land contract.
<b>Vest</b>	To pass to a person an immediate right or interest. Title may be said to vest in John Brown.
<b>Vestee</b>	A non-legal term used by title insurers to indicate the owner of real property in a policy or report.