

Real Estate Glossary Terms for National and State

Abandonment

Non-payment of taxes

Abstract of Title

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

Acceleration Clause

States that upon default, all of the principal installments come due immediately.

Accession

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.

Accretion

Refers to land which is accumulated by the gradual washing or motion of water.

Accrued

An accumulation.

Acknowledgment

A formal declaration made by the grantor conveying the property to the grantee – a necessary element for validity of a deed.

Acre

A measure of land equal to 43,560 square feet.

Action to Quiet Title

The lawsuit filed by a person to remove or clear the claims of others against property.

Actual Notice

The actual knowledge that a person has about the existence of a particular fact.

Ad Valorem

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

Adverse Possession

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.

Agency

A relationship in which one party (the principal) authorizes another party (the agent) to act as the principal's representative in dealing with third parties.

Agent

One who acts for and in place of a principal for the purpose of affecting the principal's legal relations with third persons.

Air Rights

The right to use, control and occupy the space above a particular parcel of land.

Alienation Clause

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.

Allodial

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

Amortization

The repayment of a financial obligation over a period of time in a series of periodic installments. In a level-payment mortgage, this is the portion of the debt service that reduces the principal.

Amortized Loan

A financial debt that is paid off over a period of time by a series of periodic payments. A loan can be fully amortized or partially amortized requiring a balloon payment to satisfy the debt at the end of the term.

Annual Percentage Rate (APR)

The yearly cost of credit. Interest Rate plus finance charge.

Appraisal

An opinion or estimate of value performed by a person licensed to do so.

Appreciation

An increase in value.

Appurtenance

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

Arms-length Transaction

Occurs between willing buyer and willing seller with each party completely knowledgeable about the market. A purchaser of property between relatives (father & son) would not be an "arms length transaction".

Arrears

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

As is

A phrase which disclaims any promises or warranties. A person purchasing real estate "as is" takes it in exactly the condition in which it is found. Seller cannot hide latent defects.

Assemblage

Bringing two or more lots together under one ownership.

Assessed Value

The value placed on property, by the tax assessor, for the purpose of determining the property tax.

Assignment

(1) the means by which a person transfers contract rights;(2) occurs when the lessee parts with the entire estate, retaining no interest.

Attachment

The process of taking a person's property into legal custody by a court order called a writ of attachment. Property is frozen.

Attestation

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

Attorney in Fact

A person given the authority to act on behalf of another under a power of attorney.

Attorney's Opinion of Title

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

Avulsion

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

Bad Title

Title with defects making it unmarketable.

Balloon Payment

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.

Bargain and Sale Deed

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

Bench mark

A bronze disk permanently placed and precisely identified by government survey teams.

Bilateral Contract

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).

Bill of Sale

A document used to transfer ownership of personal property.

Blanket Mortgage

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.

Block A

Means of subdividing large tracts of land into smaller sections, each of which is numbered. For example, Lot 4, Block 8.

Blockbusting

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".

Bounds

Refers to boundaries; used with the word "metes" in the metes and bounds method of land description.

Breach of Contract

A failure to perform, as promised, at the time the performance was due.

Buffer Zone

A means by which planners use space to separate two adjoining districts which have incompatible uses. A buffer zone consists of uses which are compatible with uses in each adjoining district.

Building Code

Ordinances passed by local governments with special minimum standards of construction for new buildings. They also apply to major additions to old construction.

Bundle of Rights

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

Bylaws

Legal documentation in a condominium regime which provides the establishment of the home-owner's association; provides the powers and authority given to the board of directors; and indicates various rights and responsibilities of the unit owners.

Capital Gains

The tax profit realized from the sale of property. (A "tax free" exchange is a deferment of capital gains).

Capitalization

Used in the income approach to value. To capitalize income means to convert future income into present (current) value.

Capitalization Rate

The rate of return considered to be a reasonable return on investment - given the risk.

Caveat Emptor

Means "Let the Buyer beware".

Certificate

The first thing a veteran should request if attempting to purchase a property using VA eligibility.

Certificate of Eligibility Certificate

Given to veterans bearing evidence of their qualifications for a VA mortgage loan.

Certificate of Reasonable Value (CPR)

Issued by the Veterans Administration to certify the value of property secured by a VA mortgage. Appraisal.

Certificate of Title

A document given by the title examiner stating the quality of title the seller possesses.

Chain of Title

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

Chattel Mortgage

One in which personal property is pledged to secure a note.

City Planning

The effort on the part of the city to coordinate, direct and control the type of development taking place, so as to ensure maximum benefits to the populace.

Civil Rights Act of 1866

A law which prohibits discrimination in all real estate transactions based on race - commercial and residential.

Closing Costs

The expenses incurred and paid at the time of settlement in the transferring of property.

Cloud on Title

Any claim affecting title to property.

Co-Insurance

Coinsurance is a common clause or provision in building insurance policies under which the insured agrees to maintain insurance on his or her property in an amount equal to at least 80% of the replacement cost. If the property is not insured to that amount and a loss is incurred the insurance company will make the insured share in the loss on a pro-rata basis.

Collateral

Property which has been pledged as security for a loan.

Color of Title

Adverse possession.

Commercial Banks

The largest financial intermediary directly involved in the financing of real estate. Their primary real estate activity involves short-term loans.

Commingling

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 (10 banking days).

Common Elements

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

Common Law

(1) a body of legal rules derived from accepted customs and procedures in England. Serves as the foundation for most laws in every state except Louisiana, which uses the system of civil law; (2) system of judge-made law ("case law") as opposed to codified or statutory law.

Community Property

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.

Comparable

Comparable property recently sold which is used in the market data approach.

Comparative Analysis

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.

Competent Parties

Those who are legally capable of entering into contracts.

Condemnation

The process of exercising eminent domain through court action.

Consideration

Anything of value offered to induce someone to enter into a contractual agreement. For example, sale price, earnest money, a promise for a promise.

Constructive Eviction

Occurs when the tenant's use of the premises is substantially disturbed or interfered with by the landlord's actions or failure to act where there is a duty to act. The tenant is effectively forced to move out and terminate the lease without further liability for further rent.

Constructive Notice

The knowledge that the law presumes a person has about a particular fact irrespective of whether the person knows about the fact or not. (Recording).

Contract

An agreement resulting from the objective expression of mutual assent by competent parties, which the law recognizes in some way as a duty, and the breach of which the law gives a remedy.

Contract for a Deed

A means by which the seller passes possession but retains title to the property until the total or a substantial portion of the purchase price is paid. Installment contract. The two parties here are the vendor (owner) and the vendee (buyer).

Conveyance

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

Cooperative

A form of property ownership in which a corporation is established to hold title in property and to lease the property to shareholders in the corporation. Own stock.

Corporation

A legal entity organized to have perpetual legal existence and to have legal power to carry on certain activities such as owning real estate.

Cost Approach

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.

Counteroffer

A rejection of an offer to buy or sell, by a seller or buyer, with a simultaneous substitute offer.

Covenant

Included in a deed; a guarantee.

Covenant Against Encumbrances

The assurance that no encumbrances other than those specified in the deed exist.

Covenant of Further Assurance

A promise that the grantor will perform further acts reasonably necessary to correct any defects in the title or in the deed instrument.

Covenant of Quiet Enjoyment

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.

Covenant of Seisin

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."

Curable Depreciation

Depreciation is considered curable if the cost of the repair is less than what the repair adds to the value of property.

Curtesy

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

Debit

Money owed. (Debt) The opposite of a credit.

Decree

Court order

Deed

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

Deed in Lieu of Foreclosure

Used by the mortgagor (borrower) who is in default to convey the property to the mortgagee (lender) in order to eliminate the need for a foreclosure.

Deed of Release

Given by lien holders, remainder-men or mortgages to relinquish their claims on the property.

Deed of Trust

A deed to real property, which serves the same purpose as a mortgage, involving three parties instead of two. The third party holds naked title for the benefit of the lender. Beneficiary (Lender), Trustor (Borrower), Trustee (Third Party)

Defeasance Clause

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.

Defeasible Fee Simple

- Or FEE SIMPLE DEFEASIBLE - Ownership with conditional restrictions which, if broken, can result in title to the property reverting back to the grantor or his heirs.

Defect in Title

Any lien, claim or encumbrance, on a particular piece of real estate, that has been properly recorded in the public records. Recorded defects impair clear title and may result in the title being unmarketable.

Deficiency Judgment

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.

Depreciation

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

Descent

Refers to any passage of title to property, upon intestacy to those heirs, related by blood or marriage, whom the law designates.

Devise

Transferring title to real property by means of a will.

Discount Points

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.

Dominant Estate

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

Dower

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

Down Payment

The amount paid by the purchaser, which when added to the mortgage amount, equals the total sales price. At time of closing this is referred to as equity.

Due-on-Sale Clause

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.

Duress

Involves the use of force or improper actions, against a person or property, in order to induce a party to enter into a contract.

Earnest Money

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

Easement

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

Easement Appurtenant

An easement created to benefit adjacent land.

Easement by Implication

Occurs because of necessity, such as the conveyance of a land-locked property.

Easement in Gross

A personal right to use the land of another.

Economic Life

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

Economic Obsolescence

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.

Economic Rent

The amount of rental which a building would receive, if set by the market, as opposed to contract rent set by the lease.

Effective Age

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

Effective Gross Income

The anticipated income resulting from the estimated potential gross income from a rental property less an allowance for vacancy and bad debts.

Emblements

Refers to crops which require annual planting.

Eminent Domain

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

Encroachment

The extension of some improvement or object across the boundary of an adjoining tract. (Off sides).

Encumbrance

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

Equal Credit Opportunity Act. (ECOA)

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

Equitable Lien

Created when justice and fairness would require a court of equity to declare such a lien exists or when conduct of parties would imply that a lien was intended.

Equity

value of real estate less any liens against it.

Escalation Clause

(1) in finance, permits the lender to raise the interest rate upon the occurrence of certain stipulated condition, (2) in leasing, permits the lessor to raise lease payments upon the occurrence of certain stipulated condition.

Escheat

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

Escrow

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

Estate

A legally recognized interest in the use, possession, control and disposition that a person has in land, and defines the nature, degree, extent and duration of a person's ownership in land.

Estate at Sufferance

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

Estate at Will

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.

Estate for Years

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.

Estate from Period to Period

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.

Estate in Fee

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

Exclusive Agency Listing

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.

Exclusive Right to Sell Listing

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

Executed Contract

One in which the obligations have been performed on both sides of the contract and nothing is left to be completed. (Closed Deal)

Executor

A person appointed in the will to carry out the instructions of the testator, pay the debts of the estate, and dispose of the property as instructed.

Express Contract

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

Fair Market Value

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.

Federal Deposit Insurance Corporation (FDIC)

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

Federal Fair Housing Act of 1968

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.

Federal Home Loan Bank System - FHLBB

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

Federal Home Loan Mortgage Corporation (FHLMC)

"Freddie Mac" is a wholly owned subsidiary of the Federal Home Loan Bank System, which serves as a secondary mortgage market for savings and loan associations, who are members of the FHLBB; also referred to as The Mortgage Corporation.

Federal Housing Administration- (FHA)

A federal agency established in 1943 to increase home ownership by providing an insurance program to safeguard the lender against the risk of nonpayment. Currently part of HUD.

Federal National Mortgage Association (FNMA)

Commonly known as "Fannie Mae", this quasi-private corporation is the largest buyer of existing mortgages in the secondary mortgage market.

Federal Reserve System (FRS)

A federal agency which oversees and regulates monetary policy, which in turn affects interest rates and the availability of credit. All federally chartered commercial banks must be members.

Fee Simple Absolute

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

Fee Simple Determinable

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

Fee Simple Subject to a Condition Subsequent

An estate which is subject to a power in the original grantor, or the grantor's heirs, to terminate the estate upon the happening of an event. Back to court.

Fiduciary

A person who essentially holds the character of trustee. A fiduciary must carry out the duties in a manner which best serves the interest of the party for whom the fiduciary relationship is established. A real estate licensee has a fiduciary duty to his/her client. (Seller, landlord, buyer or tenant)

First Lien

Claim with highest priority against property; also known as a superior to the rights of subsequent lenders. (Recorded first)

First Mortgage

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

Fixture

Broadly defined as personal property which has become realty. Examples include built-in cabinets or bathtubs. Business (trade) fixtures can be removed if they leave no damage to the real estate, and they are removed before the end of a lease or by agreement with the landlord at a later time.

Foreclosure

A legal procedure whereby property used as security for a debt is sold to satisfy the debt in the event of default in payment of the mortgage note or default of other terms in the note.

Fraud

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.

Freehold Estate

One which continues for an indefinite period of time. For as "least a lifetime or greater" (will)

Fully Amortized Mortgage

A method of loan repayment in which the dollar amount of each payment is the same. The first part of each payment is interest and the remainder reduced the principal. Over the life of the mortgage, the outstanding balance is reduced to zero.

Functional Obsolescence

A loss in value due to conditions within the structure which make the building outdated when compared with a new building. (4 bedrooms and 1 bath, insulation, narrow stairway, etc.)

General Agent

One authorized to transact all of the principal's affairs within the context of a broad commercial or other kind of endeavor. Property manager.

General Lien

A lien that attaches to all property owned by an individual. Real and personal.

General Warranty Deed

Contains covenants in which the grantor formally guarantees that good and marketable title is being conveyed. Highest deed - 5 covenants.

Good Title

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

Government National Mortgage Association (GNMA):

Commonly known as "Ginnie Mae," this agency of HUD operates in the secondary mortgage market. It is involved with special government financing programs.

Government Survey

A method of land description based on townships and sections. (Rectangular survey system).

Graduated Lease Provisions

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

Graduated Payment Mortgage (GPM):

A financing technique for residential real estate in which monthly payments start at a lower rate and increase periodically over the life of the mortgage; FHA 245.

Grandfather Clause

Creating an exemption from application of a new law due to previously existing circumstances; non-conforming use.

Grant

Transferring real estate by means of a deed.

Grantee

Purchaser or donee receiving title to property.

Grantor

Owner making conveyance of title or interest in property.

Gross Income

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

Gross Income Multiplier (GIM):

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

Gross Rent Multiplier (GRM):

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

Habendum clause

That part of a deed beginning with the words, "To have and to hold", followed by the granting clause and reaffirming the extent of ownership that the grantor is transferring. The habendum clause defines or limits the extent of ownership in the estate granted as, for example, a fee simple, life estate or easement: "To have and to hold unto said Sally Smith, grantee, a life estate in the following property".

Highest and Best Use

The legal use of a parcel of land, which when capitalized, will generate the greatest net present value of income. The first thing an appraiser should determine.

Housing and Urban Development (HUD)

An agency of the federal government which oversees many federal housing programs.

Hypothecate

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

Immobility

Incapable of being moved; fixed in location, such as land.

Implied Contract

contract formed through the acts or conduct of the parties. involved.(Ostensible)

Income Approach

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

Increasing and Decreasing Returns

This economic principle states that the addition of more factors of production will add higher amounts to new income up to a certain point, which is the point where the maximum value of the asset has been reached; any further addition of factors of production will do nothing to increase the value.

Incurable Depreciation

Elements of a structure which are neither physically possible nor economically feasible to correct.

Independent Contractor

One whose time and effort are regulated by the individual and are not under the direction or control of others.

Index Lease

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

Inheritable

An interest in land which can be passed to a relative upon the death of the owner.

Installment Land Contract

See Land Contract.

Interest

(1) the sum paid for the use of money (2) the degree of rights in the ownership of land.

Interest Rate

The cost of using money expressed as a percent per period.

Intestate

Dying without a will.

Invalid

Without legal force.

Irrevocable

Not capable of being changed or terminated.

Joint Tenancy

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.

Joint Venture

An agreement by two or more individuals or entities to engage in a single project or undertaking.

Judgment Lien

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

Junior Lien

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

Land Contract

The seller accepts a down payment on a parcel of land but title to the property does not pass until the last principal payment has been received. This is referred to as an installment sales contract or a contract for a deed.

Landlocked

Completely shut in by adjoining parcels of land with no access to public roads.

Latent Defect

A defect which cannot be discovered by ordinary inspection.

Lease

An agreement by which a landlord gives the right to a tenant to use, and to have exclusive possession, but not ownership of realty, for a specified period of time, in consideration for the payment of rent.

Lease Purchase Agreement

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.

Leasehold

The interest that the tenant has created by a lease.

Legal Description

A written description of a parcel of land which locates it precisely and will hold up in court. (Does not include address.)

Less than Freehold Estate

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 non-freehold estates.

Lessee

Tenant.

Lessor

Landlord.

Leverage

Using borrowed capital to finance the purchase of real estate or other assets. (No money down)

License

A personal privilege to go upon the land of another; not considered an interest in land. Permission only to use.

Lien

A legally recognized right to enforce a claim or charge on the property of another for payment of some debt, duty or obligation.

Lien Theory State

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

Life Estate

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

Life Estate Pur Autre Vie

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

Life Tenant

The holder of a life estate.

Limited Partnership

An entity with one or more general partners and one or more passive investors, called limited partners.

Liquidated Damages

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

Liquidity

The ease with which an asset may be converted into cash.

Lis Pendens

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

Listing Contract

An employment agreement between an owner and broker defining the duties and rights of both parties. (Unilateral contract)

Loan-to-Value Ratio

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

Lot and Block

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)

Loyalty

The duty owed by an agent, to avoid conflicts of interest or any activity which is detrimental to a principal.

Management Agreement

An employment contract between the owner of real estate and a property management firm that agrees to oversee the management of the property.

Market

economic function of bringing buyers and sellers together through the price mechanism.

Market Data Approach

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.

Market Value

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 arms length with complete knowledge of the market.

Marketable Title

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.

Master Plan

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

Mechanic's Lien

A statutory lien levied on property by a person who is wrongfully not compensated after providing labor (mechanic) or material (material-man) for the improvement to land. (Only on the specific property where the work was complete.) Not on personal property.

Metes and Bounds

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

Mill

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

Millage Rate

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 ($\$100,000 \times .150$).

Minor

An infant; one who has not attained majority in a state and does not have legal capacity to be bound by most contracts. (Voidable contracts)

Misrepresentation

An innocent or negligent mis-statement of a material fact, detrimentally relied upon by the other party.

Month-to-Month Tenancy

A lease which has a term of one month but renewable for successive months at the option of both parties.

Monument

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

Mortgage

A legal document used to secure the performance of an obligation, in which the borrower or mortgagor agrees to pledge property to secure the debt represented by the promissory note. (A contract).

Mortgage Banker

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. Also services loans.

Mortgage Broker

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.

Mortgagee

A lender who receives a pledge of property to secure a debt.

Mortgagor

A borrower who pledges property through a mortgage to secure a debt.

Multiple Listing

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

Mutual Assent

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

Net Income, Net Operating Income

Gross income less all operating expenses. Is used in the income approach to value.

Net Listing

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.

Non-resident

One whose primary residence is in another state.

Nonconforming Use

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

Notary Public

A person with the authority to take oaths and acknowledgments.

Note

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

Novation

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. For example, loan assumptions.

Null and Void

Invalid and unenforceable.

Obsolescence

A loss in value due to reduced desirability and usefulness of a structure because its design and construction have become obsolete. A loss due to a structure's becoming old fashion, not in keeping with today's standards or needs, with consequential loss of income.

Offer and Acceptance

The necessary elements of mutual assent; for example, an agreement of one party to buy and another party to sell.

Open Listing

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 to anyone.

Open-end Mortgage

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

Option

A right which is given for consideration to a party (optionee) by a property owner (optionor) to purchase or lease property within a specified time, at a specified price and terms. An option is irrevocable by the optionee and will not be extinguished by death or insanity of either party.

Optionee

The holder of the option. Buyer

Optionor

The seller of the option.

Ordinance

A statute enacted by the legislative branch of a local government.

Outbuilding

An accessory structure other than the main structure on land.

Owner's Title Policy

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

Ownership

The right to hold, possess, control and dispose of property.

Ownership in Severalty

Individual ownership.

Package Mortgage

A mortgage, used in the purchase of new residential property which, in addition to real property, covers certain personal property items and equipment. (Washer, dryer, drapes, refrigerator, stove)

Parol Evidence Rule

A rule of evidence designed to achieve a degree of certainty in a transaction and to prevent fraudulent and perjured claims. Although the word parol means oral, in this context, it refers to evidence that is extrinsic to, or outside and separate from, the writing. (Must be in writing to be enforceable in court)

Partial Release Clause

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.

Partially Amortized Mortgage

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.

Participation Mortgage

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.

Partition suit

The dividing of real estate held by two or more people which results in each of the parties holding individual or severalty ownership. (Tenants in common and joint tenants)

Percentage Lease

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

Percolation

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

Periodic Tenancy

A lease, which has the original terms automatically renewed for successive periods, until proper notice to terminate is given by either the landlord or tenant. Month to month rental.

Personal Property

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

Physical Deterioration

The loss in value due to wear and tear of the structure.

PITI

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

Planned Unit Development (PUD)

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

Planning Commission

A local government agency which determines plans for the physical growth of a community.

Plat

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

Plottage

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.

PMI

Private Mortgage Insurance.

Points

1% of loan.

Police Power

The inherent power of the state to regulate in order to promote public health, safety, morality or welfare. For example, zoning and building codes.

Possession

The physical control of real property.

Possibility of Reverter

The right retained when a fee simple determinable is granted.

Prepayment Penalty

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

Prescription

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

Prescriptive Easement

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

Price

An amount usually expressed in terms of money paid for property.

Prime Rate

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

Principal

(1) one who employs an agent, (2) money or capital.

Private Mortgage Insurance

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

Pro-rata

To divide or distribute proportionately.

Probate

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

Procuring Cause

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

Promissory Note

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

Proration

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

Puffing

To exaggerate - for example, to refer to a house as having "the most gorgeous view in the city."

Purchase and Leaseback

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

Purchase Money Mortgage

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

Quiet Enjoyment

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.

Quiet Title

A court action to remove a cloud on the title.

Quitclaim Deed

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

Rate of Return

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

Re-entry

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

Ready, Willing and Able

Someone fully qualified to enter into a transaction.

Real Estate

Land and all man-made improvements both on and to the land, plus all tangible interest in the real property. Surface, subsurface and air rights.

Real Estate Commission

The state regulatory body whose duty it is to carry out the real estate license laws in a particular state.

Real Estate Investment Trust (REIT)

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) + many more.

Real Estate Market

The mechanism by which rights and interests in real estate are sold, prices set, supply adjusted to demand, space allocated among competing alternate uses, and land-use patterns set.

Real Estate Settlement Procedures Act (RESPA)

A law which covers most mortgage loans made for one to four-unit residential property. It 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.

Real Property

Refers to land and improvements both on and to the land, and also to the physical aspects of real estate, including surface, air and subsurface rights plus, bundle of rights.

REALTOR®

A registered trademark of the NATIONAL ASSOCIATION OF REALTORS. It is used by brokers and salespersons who hold active membership in the association.

Receiver

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

Reciprocity

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

Rectangular Survey

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 US government survey system.

Redemption Period

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

Redlining

The practice of some lending institutions that restricts the number of loans or the loan-to-value ratio in certain areas of a community, i.e., it is illegal for a lending institution to require a higher down payment because the home the borrower is buying is located in a racially mixed area.

Refinancing

A description of an extension of the existing financing either through the same lender or through a new financial arrangement.

Regulation Z

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. Implementation of Regulation Z is over seen by the Federal Reserve Board.

Remainder-man

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

Renegotiable Rate Mortgage

A renegotiated loan where the maturity is fixed (for example, 30 years) but the interest rate, and hence the monthly payment, is renegotiated periodically (for example, every 3 or 5 years.)

Rent

The payment made for the use of land.

Replacement Cost

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

Reproduction Cost

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

Rescission

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.

Resident Manager

An employee of the property management firm and its representative on the premises.

Restrictive Covenant

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

Reversion

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

Reversionary Interest

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

Revocation

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

Right of Re-entry

The right retained when a fee simple on condition subsequent exists; also referred to as the power of termination. Back to court.

Right of Redemption

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.

Right of Survivorship

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).

Riparian Rights

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

Run with the land

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.

Sale-leaseback

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.

Sales Contract

An agreement in which the buyer and seller agree to the terms and conditions of the sale of property. (Bilateral Contract)

Salesperson

A natural person licensed to perform on behalf of any licensed real estate broker any act or acts authorized to be performed by the broker.

Satisfaction of Mortgage

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

Satisfaction Piece

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

Scarcity

The scarcity of real estate refers to the limited supply of certain types of real estate at particular locations.

Second Mortgage

A mortgage subordinate to a first mortgage; also referred to as a junior mortgage. (Recorded Second)

Seisin

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

Servient Estate

The tract of land burdened by an easement.

Setback Lines

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

Severalty Ownership

Ownership by one person.

Site

A lot ready for development.

Situs

Refers to the economic location of real estate.

Special Agent

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. (Listing one property for sale)

Special Assessment

From time to time jurisdictions levy a charge on certain pieces of property for the purpose of paying for the cost of a public improvement such as sewers or sidewalks, which particularly benefit properties being assessed as opposed to those improvements benefiting the public at large. Considered a tax.

Special Warranty Deed

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)

Specific Lien

One that attaches to a particular property.

Specific Performance

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

Statute

A law passed by a state legislature.

Statute of Frauds

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

Statutory Period of Redemption

The time within which property may be redeemed after a foreclosure sale.

Steering

The channeling of prospective home purchasers or renters, by real estate brokers or salespersons, into racially homogeneous neighborhoods, and actively discouraging them away from neighborhoods of different racial or ethnic composition.

Straight Note

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. A straight note is usually a nonamortized note made for a short term, such as two to 4 years, and is renewable at the end of the term. A mortgage that secures a straight note is a term mortgage or straight-term mortgage.

Sublease

The transfer when the original lessee retains a reversion. Primary liability remains with the original lessee.

Subordination Clause

A clause in which the holder of a mortgage permits a subsequent mortgage to take priority. Subordination is the act of yielding priority.

Subrogation

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

Suit

A court action to enforce a legal claim or right.

Syndicate

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

Tax Base

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

Tax Rate

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

Taxation

The right of government to require contribution from citizens to pay for government services.

Tenancy at Sufferance

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

Tenancy at Will

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

Tenancy by the Entireties (Entirety)

A special joint tenancy between a lawfully married husband and wife, which places all title to property (real or personal) into the marital unit, with both spouses having an equal undivided interest in the whole property. In essence, each spouse owns the ENTIRE estate.

Tenancy from Period to Period

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 year to year. Notice needed to terminate.

Tenancy in Common

A form of concurrent ownership where two or more persons hold separate titles in the same estate. May have equal or unequal shares. Right of partition.

Term Mortgage (Straight Term)

A method of financing in which interest only is paid during the time of the loan. At maturity, generally five years or less, the entire principle is due.

Time Is of the Essence

A phrase included in contracts to require punctual performance of all obligation.

Time Sharing

A form of condominium ownership in which the buyer owns the property for a certain specified time interval.

Title

The legally recognized evidence of a person's right to possess property.

Title Insurance

A policy that protects the insured against loss or damage due to defects in title.

Title Theory States

States in which a mortgage actually conveys title subject to a condition.

Topography

A description of surface features of land.

Township

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

Trade Fixtures

Personal property used in business which has been annexed to real property and is removable by the owner. (Tenant) If it is not taken by the tenant it becomes the property of the landlord.

Transferability

The ability to exchange goods and services. In real estate legal rights are transferred.

Trust

A legal relationship under which title to property is transferred to a person, called a trustee, who has control over the property, and must manage it for some other person -- called a beneficiary.

Trustee

A person who holds title and control over property and manages it for another person called a beneficiary. (Called "Naked Legal Title")

Trustor

The person who creates a trust and voices the instructions to the trustee. (The borrower.)

Truth-in-Lending Law

Common name given to the National Consumer Credit Protection Act. Requires lenders to make credit disclosures to individual borrowers for certain types of loans. (Regulation Z)

Undivided Interest

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

Undue Influence

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.

Unencumbered Property

Property that is free and clear of any liens.

Unities

Joined in one; for example, in order for a joint tenancy to exist four unities are necessary (1) time, (2) title, (3) interest and (4) possession. (TTIP)

Unity of Possession

The right of each tenant to the possession and use of the whole property. (Joint tenants and tenants in common.)

Unity of Time

States that the joint tenancy interests of the joint tenants must have been acquired at the same moment.

Unity of Title

States that the joint tenancy interests were created in a single conveying instrument.

Universal Agent

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

Unsecured Loan

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

Urban Renewal

The acquisition of certain areas by government action for the purpose of redevelopment.

Usury

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

VA Mortgage

(GI Mortgage) Mortgage guaranteed by Veterans Administration.

Valid Contract

A binding agreement containing all of the essential legal elements.

Valuable Consideration

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

Variable Interest Rate Mortgage (VRM)

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

Variance

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

Vendee

Purchaser in a contract for deed.

Vendee's Lien

Held by the purchaser for the purchase price paid if the seller defaults on the delivery of the deed.

Vendor

Seller in a contract for deed.

Vendor's Lien

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

Veterans Administration (VA)

An agency of the federal government created to provide a loan guaranty program which enables qualified veterans to finance real estate purchases with a higher loan-to-value ratio than is normally possible with conventional financing.

Voidable Contract

An agreement in which one or more of the parties may elect to avoid or to ratify the legal obligations created by the contract. Minor, someone under duress.

Voluntary Alienation

The transfer of title by a deed.

Voluntary Lien

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

Warranty Deed

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

Water Rights

The right of a landowner to water adjoining or passing through property.

Water Table

The distance from ground level to natural groundwater.

Wear and Tear

The lessening in value of an asset due to ordinary and normal use.

Will

A legal declaration in which a person disposes of property to take effect upon his or her death.

Wrap-around Mortgage

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

Writ of Execution

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

Yield

The interest earned by an investor on the investment.

Zoning

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.

Zoning Ordinance

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

Act

The Virginia Real Estate Transaction Recovery Act.

Active

any broker or salesperson who is under the supervision of a principal or supervising broker of a firm or sole proprietor and who is performing those activities defined in §§ 54.1-2100 and 54.1-2101 of the Code of Virginia.

Actively Engaged

Active licensure with a licensed real estate firm or sole proprietorship in performing those activities defined in §§ 54.1-2100 and 54.1-2101 of the Code of Virginia for an average of at least 40 hours per week. This requirement may be waived at the discretion of the board in accordance with §§ 54.1-2105 of the Code of Virginia.

Advertising

All forms of representation, promotion and solicitation disseminated in any manner and by any means of communication to consumers for any purpose related to licensed real estate activity. (this definition applies unless a different meaning is plainly required by the context)

Agency

Every relationship in which a real estate licensee acts for or represents a person by such person's express authority in a real estate transaction, unless a different legal relationship is intended and is agreed to as part of the brokerage relationship. Nothing in this article shall prohibit a licensee and a client from agreeing in writing to a brokerage relationship under which the licensee acts as an independent contractor or which imposes on a licensee obligations in addition to those provided in this article. If a licensee agrees to additional obligations, however, the licensee shall be responsible for the additional obligations agreed to with the client in the brokerage relationship. A real estate licensee who enters into a brokerage relationship based upon a written contract which specifically states that the real estate licensee is acting as an independent contractor and not as an agent shall have the obligations agreed to by the parties in the contract, and such real estate licensee and its employees shall have no obligations under §§ 54.1-2131 through 54.1-2135 of this article.

Associate Broker

any individual licensee of the board holding a broker's license other than one who has been designated as the principle broker.

Balance of the Fund

Cash, securities that are legal investments for fiduciaries under the provisions of subdivisions (1), (2), and (4) of § 26-40, and repurchase agreements secured by obligations of the United States government or any agency thereof, and shall not mean accounts receivable, judgments, notes, accrued interest, or other obligations payable to the fund.

Board

The Real Estate Board.

Brokerage Relationship

The contractual relationship between a client and a real estate licensee who has been engaged by such client for the purpose of procuring a seller, buyer, option, tenant, or landlord ready, able, and willing to sell, buy, option, exchange or rent real estate on behalf of a client.

Claimant

Any person with an unsatisfied judgment against a regulant, who has filed a verified claim under this act.

Client

A person who has entered into a brokerage relationship with a licensee.

Common Source Information Company

Any person, firm, or corporation that is a source, compiler, or supplier of information regarding real estate for sale or lease and other data and includes, but is not limited to, multiple listing services.

Customer

A person who has not entered into a brokerage relationship with a licensee but for whom a licensee performs ministerial acts in a real estate transaction. Unless a licensee enters into a brokerage relationship with such person, it shall be presumed that such person is a customer of the licensee rather than a client.

Designated Agent or Designated Representative

A licensee who has been assigned by a principal or supervising broker to represent a client when a different client is also represented by such principal or broker in the same transaction.

Director

The Director of the Department of Professional and Occupational Regulation.

Disclosure

(i) advertising that contains the firm's licensed name, the city and state in which the firm's main office is located and the jurisdiction in which the firm holds a license or (ii) advertising that contains the licensee name, the name of the firm with which the licensee is active, the city and state in which the licensee's office is located and the jurisdiction in which the licensee holds a license. "Disclosure" in the context of other advertising means (i) advertising by the firm that contains the firm's licensed name and the firm's address or (ii) advertising by an affiliated licensee that contains the licensee's name, the name of the firm with which the licensee is active and the firm's address. (this definition applies unless a different meaning is plainly required by the context)

Dual Agent or Dual Representative

A licensee who has a brokerage relationship with both seller and buyer, or both landlord and tenant, in the same real estate transaction.

Firm

Any sole proprietorship (nonbroker owner), partnership, association, limited liability company, or corporation, other than a sole proprietorship (principal broker owned), which is required by 18 VAC 135-20-20 B to obtain a separate brokerage firm license. The firm's licensed name may be any assumed or fictitious name properly filed with the board.

Fund

The Virginia Real Estate Transaction Recovery Fund.

Improper or Dishonest Conduct

Only the wrongful and fraudulent taking or conversion of money, property or other things of value or material misrepresentation or deceit.

Inactive Status

Any broker or salesperson who is not under the supervision of a principal broker or supervising broker, who is not active with a firm or sole proprietorship and who is not performing any of the activities defined in §§ 54.1-2100 and 54.1-2101 of the Code of Virginia.

Independent Contractor

A licensee who acts for or represents a client other than as a standard agent and whose duties and obligations are governed by a written contract between the licensee and the client.

Institutional Advertising

Advertising in which no real property is identified. (this definition applies unless a different meaning is plainly required by the context)

Licensee

Real estate brokers and salespersons as defined in Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia.

Ministerial Acts

Those routine acts which a licensee can perform for a person which do not involve discretion or the exercise of the licensee's own judgment.

Principal Broker

The individual broker who shall be designated by each firm to assure compliance with Chapter 21 (§ 54.1-2100 et seq.) of Title 54.1 of the Code of Virginia, and this chapter, and to receive communications and notices from the board which may affect the firm or any licensee active with the firm. In the case of a sole proprietorship, the licensed broker who is the sole proprietor shall have the responsibilities of the principal broker. The principal broker shall have responsibility for the activities of the firm and all its licensees.

Principal to a Transaction

A party to a real estate transaction including without limitation a seller or buyer, landlord or tenant, optionor or optionee, licensor or licensee. For purposes of this chapter, the listing or selling broker, or both, are not by virtue of their brokerage relationship, principals to the transaction.

Regulant

A person, partnership, association, corporation, agency, firm or any other entity licensed by the Real Estate Board as a real estate broker or real estate salesperson.

Sole Proprietor

Any individual, not a corporation, who is trading under the individual's name, or under an assumed or fictitious name pursuant to the provisions of Chapter 5 (§ 59.1-69 et seq.) of Title 59.1 of the Code of Virginia.

Standard Agent

A licensee who acts for or represents a client in an agency relationship. A standard agent shall have the obligations as provided in Article 3 (§ 54.1-2130 et seq.) of Chapter 21 of Title 54.1 of the Code of Virginia.

Supervising Broker

(i) the individual broker who shall be designated by the principal broker to supervise the provision of real estate brokerage services by the associate brokers and salespersons assigned to branch offices or (ii) the broker, who may be the principal broker, designated by the principal broker to supervise a designated agent as stated in § 54.1-2130 of the Code of Virginia.

Viewable Page

A page that may or may not scroll beyond the borders of the screen and includes the use of framed pages. (this definition applies unless a different meaning is plainly required by the context)