

A photograph of three real estate professionals sitting at a table in an office setting. On the left is a woman with long dark hair, in the center is a man with glasses and a suit, and on the right is a man with dark hair and a beard, also in a suit. They are all looking towards the camera. The background features a framed abstract painting with orange and white tones.

HOW CAN A REAL ESTATE PROFESSIONAL HELP?

The selection of an agent will be one of the most important decisions you will make when looking to buy a home. Think about it—you are on the verge of spending an astronomical amount of money on something that you will have to look at and live in every day. Wouldn't it make sense to seek advice and wisdom from someone with first hand experience in the whole process?

Working with a professional real estate agent is beneficial for several reasons:

- They can easily obtain information on all properties listed for sale.
 - They can set appointments for you to see homes that interest you.
 - They can help you complete the necessary paperwork when you make an offer.
 - They will help you arrange for financing.
 - They are experienced negotiators. They know how to talk-the-talk.
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PRIOR TO LISTING

The first impression is the most important one. Make it squeaky clean! It is better that buyers think of fitting the table in the kitchen than how much “work” needs to be done before they can move in! Freshly painted walls and doors will make an impact and provide a good return on dollars spent. Ask your REALTOR® for specific advice, as they know what your competition is in the marketplace.

HERE IS A LIST OF “MUST-DOS” FOR EVERY SELLER:

- Keep the front yard neat and trim shrubs so buyers can see your home
 - Paint the front door and polish or replace the hardware and front door mat
 - Make sure your doorbell is working
 - All outside lighting should be clean and working (NO cobwebs!)
 - Repair exterior wall cracks and paint the house if needed, it’s money well-spent
 - Clean the driveway and garage of any stains and remove all boxes in the garage to a storage unit or attic
 - Garage door should work smoothly
 - Shampoo/replace the carpet – neutral colors sell far faster than mixed colors
 - Clean the floors, particularly the grout on the tile floors
 - No squeaky windows or doors
 - Wash the cabinets inside and out
 - Tighten all cabinet doors and door knobs
 - Paint the interior of the home a light neutral or white color, the home appears larger as well as clean
 - Windows should sparkle, clean window coverings, wash the blinds or shutters
 - Repair leaky faucets, caulk bathtubs and showers
 - Be sure all toilet seats look new and are firmly attached
 - Replace shower curtains, fluff the bath mats
 - Repair noisy ceiling or ventilating fans
 - Kitchen appliances should be spotless
 - Pack away and remove all photos, nick-knacks and collectibles
 - Extension cords and power strips should be out of view
 - Dirty laundry should be put out of sight
 - Replace all air filters
 - Pool/spa equipment and mechanics should be kept clean and working properly
 - Paint or replace fences, gates, latches (if needed)
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SETTING THE PRICE

The listing price for property is critical to the sale. Pricing must be competitive to catch a prospect's attention and will be more accurate with REALTOR® input familiar with property values, market trends, practices and competition because:

- REALTORS® preview homes for sale regularly
- REALTORS® watch daily for new listings on the market
- REALTORS® understand what makes them sell quickly
- Know what buyers will find most appealing
- Know how to help you show a home's best features
- REALTORS® know current selling prices for comparable properties
- They are unbiased providing objective opinion

REALTORS® will provide comparable sales (which will compare list prices to actual selling prices), as well as houses which were listed but did not sell (listing expired due to condition or pricing) to help make an informed pricing decision because:

- Purchasers quickly realize value having seen properties with different amenities
- Negotiating room, if the price is not realistic, may reduce prospects because price is beyond reach

Listing too high may cost you money when it's reduced over and over again in order to entice a Buyer. Your first few weeks are critical to receiving the best market exposure and the best price.

TIPS FOR SHOWING YOUR HOME

This is extremely critical. Consult your Real Estate Professional to make the best impression on a prospective buyer. Keep your home clean, neat and clutter-free as well as in good repair at all times. First impressions are everything!



- Even a slightly messy home will make a buyer look for every flaw
- Clear all clutter from kitchen and bath counter tops - no more than 3 items per surface
- Raise window shades, open blinds, open draperies and turn on the lights
- Eliminate all tobacco and pet odors
- Always leave the house and take pets with you during a showing. Clean litter boxes before you leave
- Empty and clean trash and waste paper containers and place them out of sight
- Keep the garage door closed and the driveway empty
- Wipe kitchen and bath sinks, tub or shower and polish metal to a bright shine
- Make all beds
- Closets need to be clean, look spacious and organized, including the pantry
- Toss newspapers in the container outside

Consult your Real Estate Professional about furniture staging suggestions to make your home appear larger to buyers and use the service of a professional if necessary.



OFFER PROCESS AND APPRAISAL

OFFER PROCESS:

Once a buyer has made the decision to purchase your home, you need to understand what will happen in the offer process. All offers made on a property must be in writing. A purchase contract, signed by the buyer, is needed to present the offer to you. A REALTOR® must present all offers.

- Your agent will prepare an estimated cost sheet that will give you an idea of your closing costs
- You and your agent will review an offer to purchase your property, discussing your options to help you make an informed offer to either accept, or prepare a counter offer
- Your agent will present the counter offer, if necessary, to the buyer's agent
- If you decide to accept the offer, you will then start the closing process
- If you prepare a counter offer, it is now up to the buyer to decide to accept, reject or counter the offer

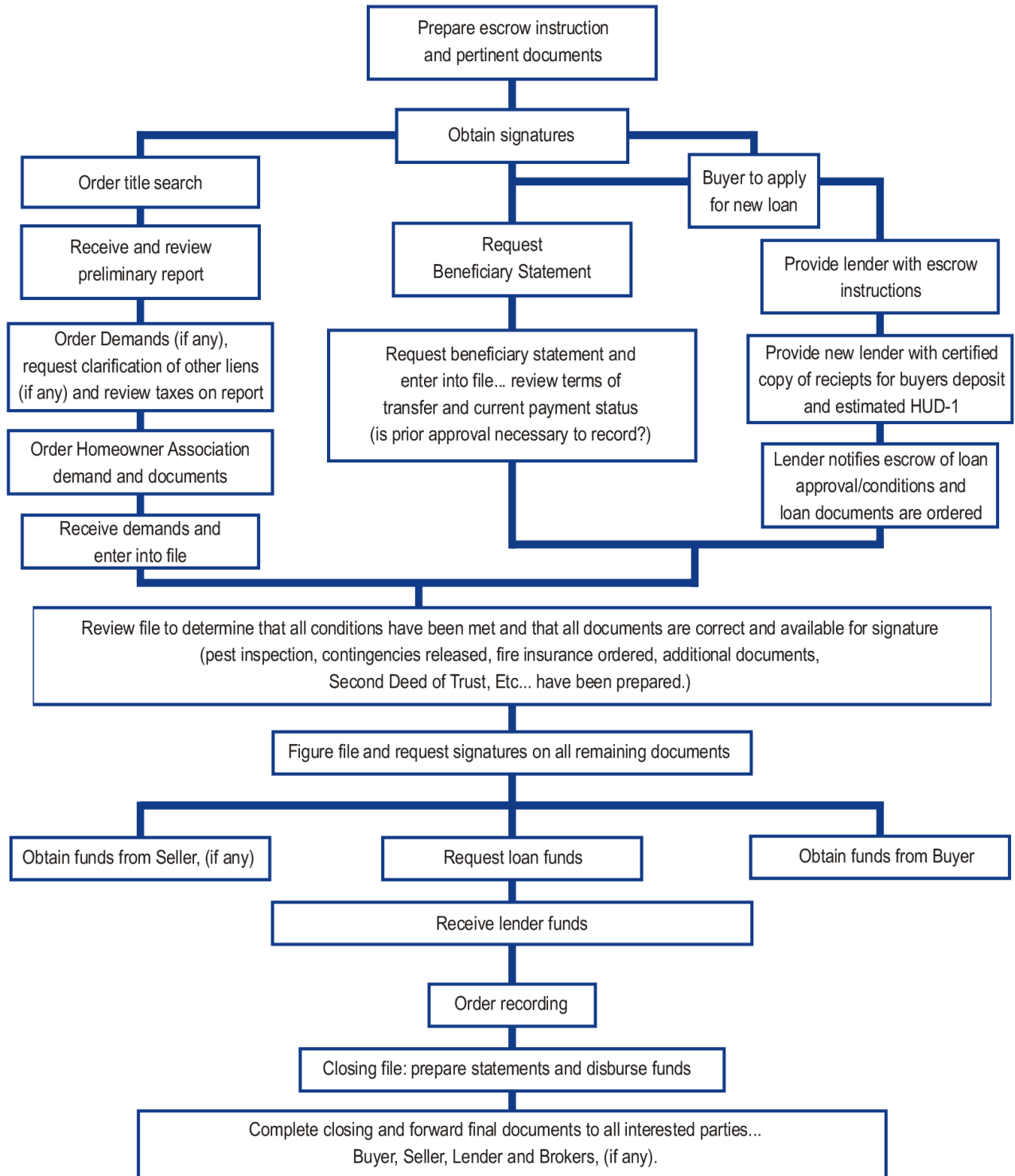
APPRAISAL:

When securing a new loan to buy your home, your buyer's lender will require an independent, licensed appraisal to determine fair market value of the property. Appraisers research similar properties sold in the past 180 days for size, age, construction and amenities. It is a challenge when properties sell very quickly or slower due to market conditions.

Appraisers set appointments and may take 30 minutes to an hour or more of your time viewing the property for appraisal. He or she measures your home, draws a representative floor plan, photographs the residence inside and out and notes property condition, specific improvements and amenities. Help the appraiser and yourself by providing a list of improvements/remodeling projects completed since your purchase with an approximate dollar amount for each. Remodeling projects rarely bring full return on investment, however a list will ensure the appraiser is aware of improvements made to the property.

Appraisers provide a report to the lender within a few days. You are notified should the lender require repairs prior to making a loan on the home. If required by contract, repairs must be made, the appraiser will return to review repairs and a re-inspection fee will be charged.

LIFE OF AN ESCROW



WHAT IS ESCROW?

Buying or selling a home is the largest monetary transaction most of us experience in our personal lives. Buying or selling a home or land usually involves the transfer of a large sum of money. As a buyer or a seller, you want to make sure that all the conditions of sale have dictated that money and all related documents be transferred through a neutral third party. This is called escrow.

In Arizona, escrows are processed by Escrow Officers. Most of these are employed by Title Companies. Escrow Officers are people who have years of hands-on experience in handling all types of documents and large sums of money involved in transferring real property.

The Escrow Officer serves as the neutral “stake holder” and the communication link to all parties in the transaction. The Escrow Officer holds all documents and money until all conditions of the sale are completed, at which time he/she will impartially carry out the written instructions given by the principals in the transaction.

HOW IS RESALE ESCROW OPENED?

An escrow is opened by one of the real estate agents involved in the transaction. In some counties, it is traditional for the “listing” agent (the real estate agent who has the property listed for sale) to open the order. In other counties it is the agent representing the buyer who will open the order. Your real estate agent can give you guidance in the area.

Today, many buyers and sellers are very knowledgeable about the process and both may have a favorite Escrow Officer and title company they wish to use. However, any question about “which title company” is always worked out before arriving at that point in the process!

When an “order” (or “file”) is opened, the agent will call the selected Escrow Officer. An “escrow number” is used to identify this transaction throughout the escrow (and, once the file is closed, on into the storage system used to safeguard these files). When the order is opened, the real estate agent provides all the information about the property (address, current owner, prospective buyer, buyer’s lender, outstanding loan information, sales price etc.). The agent may also send a set of instructions which outlines the details of the transaction, such as commission to be paid to the agent and expected closing date.

The next step is to verify all of the pertinent information with the buyer’s agent. They will find out if a home warranty will be taken on the new home, when to expect the pest inspection to be completed, and other details which will affect the escrow. The Escrow Officer will also make sure that everyone involved in the transaction has his or her phone number, fax number, and email, as well as the escrow number.

HOW IS A RESALE ESCROW CLOSED?

When an escrow file is opened, the Escrow Officer makes a list of all the items necessary to close the escrow. These may include the buyer’s deposit, loan documents, fire and other insurance policies, home warranty, pest inspection, terms of the sale, and any seller-assisted financing, title insurance policy, and request for payment for various services to be paid out of escrow funds. Since most people have rent or lease payments month- to- month, escrow often closes at the end of the month so the buyer can move into their new home and avoid paying another month’s rent on the previous residence.

The Escrow Officer cannot disburse any funds or information unless she/he is instructed to do so in writing. So when the necessary documents and money have been received into the file in accordance with provisions contained in your purchase contract and escrow instructions, the Escrow Officer will proceed with recording the necessary documents with the county recorder’s office, at which time title to the property is transferred and all funds are available to be disbursed.



SELLER INFORMATION REQUEST

To expedite the handling of your escrow, please complete the following:

LIST **ALL** SELLER'S NAMES AND SOCIAL SECURITY NUMBERS:

NAME: _____ SOC SEC # _____

NAME: _____ SOC SEC # _____

email: _____

If there are more Sellers' names, please attach additional sheet.

I. Name of existing Lender(s) for payoff/assumption information:

Lender Name: _____

Address: _____

Loan No.: _____

Telephone No.: _____

II. If this sale is a Townhouse, Condominium, Patio Home, or is in an area with a Homeowner's Association, please provide the following:

Name of Association or Company: _____

Address: _____

City, St., Zip: _____

Telephone No.: _____

Fax No.: _____

III. Seller's forwarding address AFTER close of escrow:

Your Name: _____

Address: _____

City, St., Zip: _____

Phone: _____ Home: _____ Work: _____

Email Address _____

At the close of escrow, your existing real estate loans, line of credit, etc. will be paid off through escrow from your proceeds. In addition, any Homeowners Association or Irrigation Company will be required to provide a written statement of fees and requirements for the transfer to your new buyer. Providing this information to your Escrow Officer can assist in processing of your escrow in a timely fashion.



REVIEWING THE COMMITMENT

First Arizona Title Agency provides a Title Commitment also referred to as a Title Report or Prelim. Upon receipt, review the document with attention to these areas:

SCHEDULE A:

This reflects the information provided to the Title Department by your First Arizona Escrow Officer from the purchase contract, and a preliminary search of the public records and the Seller. Information provided by the parties such as legal description, sales price, loan amount, lender, name and marital status of buyer and seller is reflected. Be certain the information in Schedule A is correct as this will be reflected in all of your documents.



SCHEDULE B:

“Exceptions” are items which run with the land to include CC&R’s, easements, homeowner association rights, mineral rights as reserved in patents, leasehold interest and other items which will remain of record following transfer of the property. These are “exceptions” as the buyer receives clear title “except” the rights to use the property subject to the CC&R’s, easements for utilities of record and perhaps others as described in the “Exceptions”.

REQUIREMENTS:

These are items that First Arizona Title needs to eliminate or “clear” from the title to provide clear, unencumbered title to the buyer. Items which must be cleared include:

- Payment of property taxes
- Assessments owed of record
- Any encumbrances (or liens) on the property

Often items show up because another individual has a name similar to one of the parties in the escrow. First Arizona Title may ask for an Identity Statement in order to determine those items which show up are not related to our parties and can be deleted.



WHAT ARE CLOSING COSTS?

Closing or settlement costs are an accumulation of separate charges paid to different entities for the professional services associated with the buying and selling of real estate. This is a general guide showing who pays for what at close of escrow.

THE SELLER CAN GENERALLY EXPECT TO PAY FOR:

- Owners Title Insurance Policy premium (insures marketable title for buyer)
- Real Estate Commission
- One-half of the escrow fee (charges for services/documents by escrow to transfer title)
- Any loan charges required by buyer's lender specified in contract
- Payoff charges plus any fees, penalties and interest on loans made by the seller, including statement, reconveyance, fax and/or prepayment fees
- Repair work specified by purchase contract
- Encumbrances of record against the seller
- Recording charges to clear seller encumbrances
- Prorated property taxes and/or delinquent taxes to date of close
- Unpaid HOA dues or assessments of record
- HOA transfer fee
- HOA Disclosure Statement (required by statute)

THE BUYER CAN GENERALLY EXPECT TO PAY FOR:

- Lender's Title Policy (insures new lender's lien position)
- One-half of the escrow fee
- All new lender charges (document preparation, appraisal, loan origination, credit report, points, underwriting fee, etc.)
- Recording fees for all buyer documents
- Prepaid interest on the new loan
- Hazard Insurance premium and impounds as required by new lender

Your First Arizona Escrow Officer will explain your Settlement Statement (pre-audit) following receipt of payoffs and the new lender's package with instructions for specific charges the lender requires the buyer to pay in escrow.



TIPS FOR A SMOOTHER CLOSING

- Tell your REALTOR® and Escrow Officer if you will be unable to come to our office at closing
 - Read your Commitment for Title and notify your Escrow Officer of any discrepancies in the information
 - If funds will come from out of state, let your Escrow Officer know at least two weeks before closing
 - Call your Escrow Officer the week prior to closing to set your closing appointment
 - Tell your employer of your appointment
 - Ask your Escrow Officer about funds to bring to the closing and what form they should be in for your escrow
 - If you are unsure about the closing procedure, ask questions; an explanation is just a phone call away
 - Be prepared for last minute requirements by the buyer's lender
 - Bring a photo ID with you to the signing and ask your Escrow Officer what is acceptable
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Whether you are moving across the street or across the continent, First Arizona Title Agency wants to make your move a little easier. We hope these tips will help!

FOUR WEEKS TO GO:

- Call moving companies for a free estimate. Cost will vary depending on distance, weight, and optional services.
- Look through your house to determine items to be discarded or donated to charity. Have a garage sale!
- Inform schools of transfer. Make arrangements for enrollment/registration in new schools if necessary.
- Most homeowners policies do not provide adequate coverage for moving. Check with your agent and consider purchasing additional coverage from a moving company.
- Begin collecting boxes with covers if you plan to pack your belongings without assistance from a moving company. You can purchase do-it-yourself packing materials through moving companies or contact local grocery stores for extra boxes. Be sure to stock up on packing tape!
- Consider beginning to consume perishable and frozen food items to minimize waste.

THREE WEEKS TO GO:

- Begin Packing!
- Notify the post office of your new address and send change of address cards to friends, family, subscriptions and any billing companies.
- Make necessary travel arrangements including interim housing and car rental. Be sure to record confirmation numbers.
- Collect medical records and prescriptions from physicians. Ask for recommendations for doctors in your new area.
- Place legal, medical and insurance records in a safe and accessible place.

TWO WEEKS TO GO:

- Arrange to disconnect utilities/services in your current residence and coordinate installation of utilities/services in your new home.
 - Close/transfer bank accounts and open accounts in your new city.
 - Take pets to the vet for immunizations. Ask for advice on moving animals.
 - Draw a map of your new home and where the furniture will be arranged.
 - Return library books and any borrowed items.
 - Be sure to cancel newspaper subscriptions and/or any special services you have (i.e., landscaping service, pool service, etc.).
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ONE WEEK TO GO:

- Prepare car for trip. Check the oil, tires, brakes, etc.
- Drain water from hoses.
- Drain gas and oil from any power equipment.
- Remember to pick up items sent to the cleaners or for repairs.

DAYS BEFORE:

- Defrost and clean out refrigerator.
- Pack your luggage and separate any items you will need in the first days in your new home (i.e., a current telephone directory – you may need to refer to it for calls to residents or businesses in your former hometown.). Label these boxes “Load Last.”
- Reconfirm travel arrangements.
- Reserve ample parking space for the movers and provide clear paths inside the house.

THE BIG DAY:

- Be on hand to answer any questions.
- Go over your inventory with the driver.
- Be sure to point out all FRAGILE items to the movers.
- Check, double check, and triple check to see if anything is left behind.
- Do not leave the house until the movers are gone.

A FEW MORE THOUGHTS:

- **Moving your computer** - Make copies of all your files and software. If possible, pack your computer, monitor, and printer in their original boxes. If not, ask a moving company for boxes made especially for computers.
- **Packing supplies** - packing tape, thick markers, packing pellets, scissors, labels, tissue paper, newspaper and blankets.
- **Inventory** – Review inventory list.
- Pack photographs between sheets and blankets in boxes for added protection.
- At your destination consider hooking up the TV and VCR/DVD to occupy children until the movers have finished unloading the vehicle.





USEFUL TELEPHONE NUMBERS

WEST VALLEY

Utility Companies

Arizona Public Service (APS)	602.371.7171
Salt River Project (SRP)	602.236.8888
Southwest Gas	877.860.6020

Telephone

Century Link	800.244.1111
Order Telephone Directories	800.422.8793
AT&T Long Distance	800.222.0300
MCI	800.950.5555
Sprint	800.877.4646
Cox Communications	623.594.1000

Water

Avondale	623.333.4400
Buckeye	623.349.6100
El Mirage	623.933.1228
Glendale	623.930.2700
Goodyear	623.932.3015
Litchfield Park	623.935.9367
Peoria	623.773.7160
Phoenix	602.262.6251
Surprise	623.876.4020
Tolleson	623.936.7111
Wickenburg	928.684.2761
Youngtown	623.815.3100

Transportation

Sky Harbor International Airport	602.273.3300
Phoenix Transit/Valley Metro	602.253.5000
Road Condition Updates	511

Cable Television

Cox Communications	623.594.1000
Direct TV (New Service)	855.837.4388
Dish Network (New Service)	888.656.2461

Newspaper/Business Publications

The Arizona Republic	602.444.1000
West Valley View	623.535.8439
Arizona Business Gazette	602.271.7300
The Business Journal	602.230.8400

Post Offices

Post Offices (Valley Wide)	800.275.8777
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Child Care Resources

AZ Child Care Resource	800.308.9000
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Chambers of Commerce

Buckeye Valley Chamber	623.386.2727
Glendale Chamber	623.937.4754
Northwest Valley Chamber	623.583.0692
Peoria Chamber	623.979.3601
Southwest Valley Chamber	623.932.2260
Surprise Chamber	623.583.0692

WEST VALLEY

Automobile Information

Motor Vehicle Department	623.932.9466
Emissions Testing	602.470.4646
Auto License Plates	602.255.0072

Government Offices

Maricopa County Treasurer	602.506.8511
Maricopa County Assessor	602.506.3406
Maricopa County Recorder	602.506.3535
Avondale Zoning	623.333.1200
Buckeye Zoning	623.349.6211
El Mirage Zoning	623.933.8318
Glendale Zoning	623.930.2800
Goodyear Zoning	623.932.3005
Litchfield Park Zoning	623.935.5033
Peoria Zoning	623.773.7200
Phoenix Zoning	602.262.7131
Surprise Zoning	623.594.5752
Tolleson Zoning	623.936.7141
Wickenburg Zoning	928.684.5451
Youngtown Zoning	623.933.2073

Emergency Services

Fire/Police/Ambulance	911
Poison Control	602.253.3334
West Valley Hospital	623.882.1500
Banner Estrella Hospital	623.327.4000
Phoenix Children's Hospital	602.546.1000
Gas Leak	602.271.4277
Physician Referral Service	602.252.2844

Law Enforcement - Non-Emergency

Avondale Police Department	623.333.7000
Buckeye Police Department	623.349.6400
El Mirage Police Department	623.933.1341
Glendale Police Department	623.930.3000
Goodyear Police Department	623.932.1220
Litchfield Park Police Department	602.876.1011
Peoria Police Department	623.733.8311
Phoenix Police Department	602.262.7626
Sun City Police Department	623.974.4977
Sun City West Police Department	623.584.3500
Surprise Police Department	623.583.1085
Tolleson Police Department	623.936.7186
Wickenburg Police Department	928.684.5411
Youngtown Police Department	623.974.3665
Maricopa County Sheriff's Dept	602.256.1011
Animal Control/Licensing	602.506.7387

City Information

Avondale City Hall	623.333.1000
Town of Buckeye	623.386.4691
El Mirage City Hall	623.972.8116
City of Glendale	623.930.2000
Goodyear City Hall	623.932.3910
Litchfield Park City Hall	623.935.5033
City of Peoria	623.773.7340
Phoenix City Hall	602.262.6659
Surprise City Hall	623.583.1000
Tolleson City Hall	623.936.7111
Wickenburg Town Hall	928.684.5451



USEFUL TELEPHONE NUMBERS

EAST VALLEY

Utility Companies

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Salt River Project (SRP)	602.236.8888
Southwest Gas	877.860.6020

Telephone

Century Link	800.244.1111
Order Telephone Directories	800.422.8793
AT&T Long Distance	800.222.0300
MCI	800.950.5555
Sprint	800.877.4646
Cox Communications	623.594.1000

Water

Arcadia	480.945.8363
Carefree	480.488.9100
Cave Creek	480.437.3581
Chandler	480.782.2280
Gilbert	480.503.6400
Mesa	480.644.2221
Paradise Valley	480.948.5410
Phoenix	602.262.6251
Scottsdale	480.312.2461
Tempe	480.350.8361

Transportation

Sky Harbor International Airport	602.273.3300
Phoenix Transit/Valley Metro	602.253.5000
Road Condition Updates	511

Cable Television

Cox Communications	623.594.1000
Direct TV (New Service)	855.837.4388
Dish Network (New Service)	888.656.2461

Newspaper/Business Publications

The Arizona Republic	602.444.1000
Scottsdale Tribune	480.970.2330
Paradise Valley Independent	480.483.0977
Foothills Sentinel	480.488.3436
Arizona Business Gazette	602.271.7300
The Business Journal	602.230.8400

Post Offices

Post Offices (Valley Wide)	800.275.8777
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Child Care Resources

AZ Child Care Resource	800.308.9000
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EAST VALLEY

Automobile Information

Motor Vehicle Department	623.932.9466
Emissions Testing	602.470.4646
Auto License Plates	602.255.0072

Government Offices

Maricopa County Treasurer	602.506.8511
Maricopa County Assessor	602.506.3406
Maricopa County Recorder	602.506.3535
Phoenix Zoning	602.262.7131
Scottsdale Zoning	480.312.7800

Emergency Services

Fire/Police/Ambulance	911
Poison Control	602.253.3334
Phoenix Children's Hospital	602.546.1000
Scottsdale Mem. Hospital (OSBORN)	480.282.4000
Scottsdale Mem. Hospital (NORTH)	480.323.3000
Gas Leak	602.271.4277
Physician Referral Service	602.252.2844

Law Enforcement - Non-Emergency

Phoenix Police Department	602.262.7626
Scottsdale Fire Department	480.312.8000
Scottsdale Police Department	480.312.5000
Maricopa County Sheriff's Department	602.876.1801
Rural/Metro Fire Prevention	480.945.6311
Animal Control/Licensing	602.506.7387

City Information

Carefree Town Hall	480.488.3686
Cave Creek Town Hall	480.488.1400
Chandler	480.782.2220
Fountain Hills Town Hall	480.837.2003
Gilbert	480.503.6000
Paradise Valley Town Hall	480.948.7411
Phoenix City Hall	602.262.6659
City of Scottsdale	480.312.6500
Tempe	480.967.2001



USEFUL TELEPHONE NUMBERS

PINAL COUNTY

Sherriff	800.420.8689
City of Maricopa County Assessor	520.866.6361
Maricopa City Police Dept	520.316.6800
City of Maricopa Clerk	520.316.6970
Internet	800.475.7260
Southwest Gas	800.428.7324
City of Maricopa MVD	520.568.9299
Recycling	602.268.2222
Water	520.568.4452



COMMON REAL ESTATE TERMS

- **Addendum** - Something added. A list or other material added to a document, letter, contractual agreement, escrow instructions, etc. (See also: Amendment).
 - **Adjustable Rate Mortgage (ARM)** - Mortgage loans under which the interest rate is periodically adjusted to more closely coincide with current rates. The amounts and times of adjustment are agreed to at the inception of the loan. Also called: Adjustable Rate Loans, Adjustable Rate Mortgages (ARM's), Flexible Rate Loans, and Variable Rate Loans. (See also: Indexing, Rate Index).
 - **Agency** - Any relationship in which one party (agent) acts for or represents another (principal) under the authority of the latter. Agency involving real property should be in writing, such as listings, trusts, powers of attorney, etc.
 - **Amendment** - A change, either to correct an error or to alter apart of an agreement without changing the principal idea or essence.
 - **Amortized Loan** - A loan repaid in periodic (most commonly monthly) payments of principal and interest. See also: Amortize, Interest Extra Note, Interest Included Note.
 - **Appraisal** - An opinion of value based upon a factual analysis. Legally, an estimation of value by two disinterested persons of suitable qualifications.
 - **Appreciation** - An increase in value to real property due to positive changes or the elimination of negative elements in the surrounding area. Although not within the original meaning, the word has been incorrectly used so often that it is now acceptable to describe an increase in value for any reason, including inflation.
 - **Assessed Value** - Value placed upon property for property tax purposes by the tax assessor.
 - **Balloon Payment** - The final payment (balance due) of a balloon note.
 - **CC&R'S (Covenants, Conditions, and Restrictions)** - A term used in some areas to describe the restrictive limitations which may be placed on property. In other areas, simply called restrictions.
 - **Chain of Title** - The chronological order of conveyance of a parcel of land, from the original owner (usually the government) to the present owner.
 - **Closing** - (1) In real estate sales, the final procedure in which documents are executed and/or recorded, and the sale (or loan) is completed. (2) A selling term meaning the point at which the client or customer is asked to agree to the sale or purchase and sign the contract. (3) The final call in a metes and bounds legal description which "closes" the boundaries of the property.
 - **Closing Costs** - Expenses incidental to a sale of real estate, such as loan fees, title fees, appraisal fees, etc.
 - **Closing Statement** - The statement which lists the financial settlement between buyer and seller, and also the costs each must pay. A separate statement for buyer and seller is sometimes prepared.
 - **Condominium** - A structure of two or more units, the interior space of which are individually owned; the balance of the property (both land and building) is owned in common by the owners of the individual units. The size of each unit is measured from the interior surfaces (exclusive of paint or other finishes) of the exterior walls, floors, and ceiling. The balance of the property is called the common area.
 - **Conventional Loan** - A mortgage or deed of trust not obtained under a government insured program, (such as F.H.A. or V.A.).
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- **Counter Offer** - An offer (instead of acceptance) in response to an offer. For example: A offers to buy B's house for X dollars. B, in response, offers to sell to A at a higher price. B's offer to A is a counter offer.
 - **Deed** - Any one of many conveyance instruments given to pass fee title to upon sale.
 - **Deed of Trust** - An instrument used in many states in place of a mortgage. Property is transferred to a trustee by the borrower (trustor), in favor of the lender (beneficiary), and reconveyed upon payment in full.
 - **Depreciation** - (1) Decrease in value to real property improvements caused by deterioration or obsolescence. (2) A loss in value as an accounting procedure to use as a deduction for income tax purposes. (See specific types of depreciation).
 - **Deposit** - Money given by the buyer with an offer to purchase. Shows good faith. Also called earnest money.
 - **Discount Points** - The amount paid to increase the yield. Example: A borrower receives a loan with an interest rate of seven percent but pays the lender three points in advance. The points raise the annual percentage rate of the loan. The lender may then sell the loan at less than face value and still make a profit. Each point equals one percent of the face value of the loan.
 - **Easement** - A right created by grant, reservation, agreement, prescription, or necessary implication, which one has in the land of another. It is either for the benefit of land (appurtenant), such as right to cross A to get to B, or "ingress", such as a public utility easement.
 - **Encumbrance, Incumbrance** - A claim, lien, charge, or liability attached to and binding real property. Any right to, or interest in, land which may exist in one other than the owner, but which will not prevent the transfer of fee title.
 - **Equity** - (1) The market value of real property, less the amount of existing liens. (2) Any ownership investment (stocks, real estate, etc.) as opposed to investing as a lender (bonds, mortgages, etc.).
 - **Escrow** - Delivery of a deed by a grantor to a third party for delivery to the grantee upon the happening of a contingent event. Modernly, in some states, all instruments necessary to the sale (including funds) are delivered to a third (neutral) party, with instructions as to their use.
 - **Escrow Officer** - An escrow agent. In some states, one who has, through experience and education, gained a certain degree of expertise in escrow matters.
 - **Fair Market Value** - Price that probably would be negotiated between a willing seller and willing buyer in a reasonable time. Usually arrived at by comparable sales in the area.
 - **Hazard Insurance** - Real estate insurance protecting against loss caused by fire, some natural causes, vandalism, etc., depending upon the terms of the policy.
 - **F.H.A. (Federal Housing Administration)** - A federal agency which insures first mortgages, enabling lenders to loan a very high percentage of the sale price.
 - **Impound Account** - Account held by a lender for payment of taxes, insurance, or other periodic debts against real property. The mortgagor or trustor pays a portion of, for example, the yearly taxes, with each monthly payment. The lender pays the tax bill from the accumulated funds.
 - **Legal Description** - A method of geographically identifying a parcel of land, which is acceptable in a court of law.
 - **Lien** - An encumbrance against property for money, either voluntary or involuntary. All liens are encumbrances but all encumbrances are not liens.
 - **Loan Origination Fee** - A one time set up fee charged by the lender.
 - **Origination Fee** - A fee made by a lender for making a real estate loan. Usually a percentage of the amount loaned, such as one percent.
 - **Owners Policy** - Title insurance for the owner of property, rather than a lien holder.
 - **Personal Property** - Any property which is not designated by law as real property.
 - **PITI (Principal, Interest, Taxes and Insurance)** - Used to indicate what is included in a monthly payment on real property. Principal, interest, taxes and insurance are the four major portions of a usual monthly payment.
 - **Point** - (1) One percent of the amount of the loan. (2) A commission paid for arranging a loan.
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- **Power of Attorney** - An authority by which one person (principal) enables another (attorney-in-fact) to act for him. (1) General power - Authorizes sale, mortgaging, etc. of all property of the principal. Invalid in some jurisdictions. (2) Special power - Specifies property, buyers, price and terms. How specific it must be varies in each state.
 - **Promissory Note** - A promise in writing, and executed by the maker, to pay a specified amount during a limited time, or on demand, or at sight, to a named person, or on order, or to bearer.
 - **Quitclaim Deed** - A deed intended to pass any title, interest, or claim which the grantor may have in the property, but not containing any warranty of a valid interest or title in the grantor.
 - **Recordation** - Filing instruments for public record (and notice) with a recorder, usually a county official.
 - **Special Assessment** - Lien assessed against real property by a public authority to pay costs of public improvements (sidewalks, sewers, street lights, etc.), which directly benefits the assessed property.
 - **Survey** - The measurement of the boundaries of a parcel of land, its area, and sometimes its topography.
 - **Pest Inspection** - An inspection required in certain types of sales of property, to determine if termites are present within a building.
 - **Title Insurance** - Insurance against loss resulting from defects of title to a specifically described parcel of real property. Defects may run to the fee (chain of title) or to encumbrances.
 - **Warranty Deed** - A deed used in many states to convey fee title to real property. Until the widespread use of title insurance, the warranties by the grantor were very important to the grantee. When title insurance is purchased, the warranties become less important as a practical means of recovery by the grantee for defective title.
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