

## Learn the Real Estate/Financing Lingo: *Glossary of Industry Terms*

### GLOSSARY

**1031 exchange or Starker exchange:** The delayed exchange of properties that qualifies for tax purposes as a tax-deferred exchange.

**1099:** The statement of income reported to the IRS for an independent contractor.

**A/I:** A contract that is pending with attorney and inspection contingencies.

**Accompanied showings:** Those showings where the listing agent must accompany an agent and his or her clients when viewing a listing.

**Addendum:** An addition to; a document.

**Adjustable rate mortgage (ARM):** A type of mortgage loan whose interest rate is tied to an economic index, which fluctuates with the market. Typical ARM periods are one, three, five, and seven years.

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**Adjustable-rate loans (ARM):** Also known as variable-rate loans or **ARMS**, usually offer a lower initial interest rate than fixed-rate loans. The interest rate fluctuates over the life of the loan based on market conditions, but the loan agreement generally sets maximum and minimum rates. Typically, the rate is fixed for the first 3, 5, 7 or 10 years. After the fixed period ends, if/when the interest rates rise... generally your loan payments will also increase, as will your rate fall if the initial rate falls. It is best to "FULLY" understand "**Cap Rate**" on the **ARM** before entering into this mortgage agreement.

**Note:** IF you know, you'll only be living in the home for a short period of time and will be transferring and/or moving . . . this could be a good mortgage for you.

**Agent:** The licensed real estate salesperson or broker who represents buyers or sellers.

**Amended value:** The actual sale price after the seller successfully markets and sells his or her home through the broker of his or her choice. The sale is turned over to a third-party relocation company for closing, and the guaranteed offer is amended or changed.

**Annual percentage rate (APR):** The total costs (interest rate, closing costs, fees, and so on) that are part of a borrower's loan, expressed as a percentage rate of interest. The total costs are amortized over the term of the loan. (**APR** -- the cost of credit expressed as a yearly rate. The APR includes the interest rate, points, mortgage broker fees, and certain other credit charges that the borrower is required to pay.)

**Note:** The lower the APR is better for the borrower, because the mortgage company is not charging as much fees for the loan.

**Application fees:** Fees that mortgage companies charge buyers at the time of written application for a loan; for example, fees for running credit reports of borrowers, property appraisal fees, and lender-specific fees.

**Appointments:** Those times or time periods an agent shows properties to clients.

**Appraisal:** A document of opinion of property value at a specific point in time.

**Appraised price (AP):** The price the third-party relocation company offers (under most contracts) the seller for his or her property. Generally, the average of two or more independent appraisals.

**"As-is":** A contract or offer clause stating that the seller will not repair or correct any problems with the property. Also used in listings and marketing materials.

**Assumable mortgage:** One in which the buyer agrees to fulfill the obligations of the existing loan agreement that the seller made with the lender. When assuming a mortgage, a buyer becomes personally liable for the payment of principal and interest. The original mortgagor should receive a written release from the liability when the buyer assumes the original mortgage.

**Back on market (BOM):** When a property or listing is placed back on the market after being removed from the market recently.

**Back-up agent:** A licensed agent who works with clients when their agent is unavailable.

**Balloon mortgage:** A type of mortgage that is generally paid over a short period of time, but is amortized over a longer period of time. The borrower typically pays a combination of principal and interest. At the end of the loan term, the entire unpaid balance must be repaid.

**Back-up offer:** When an offer is accepted contingent on the fall through or voiding of an accepted first offer on a property.

**Bill of sale:** Transfers title to personal property in a transaction.

**Board of REALTORS® (local):** An association of REALTORS® in a specific geographic area.

**Broker:** A state licensed individual who acts as the agent for the seller or buyer.

**Broker of record:** The person registered with his or her state licensing authority as the managing broker of a specific real estate sales office.

**Broker's market analysis (BMA):** The real estate broker's opinion of the expected final net sale price, determined after acquisition of the property by the third-party company.

**Broker's price opinion (BPO):** The real estate broker's opinion of the expected final net sale price, determined prior to the acquisition of the property.

**Broker's tour:** A preset time and day when real estate sales agents can view listings by multiple brokerages in the market.

**Buyer:** The purchaser of a property.

**Buyer agency:** A real estate broker retained by the buyer who has a fiduciary duty to the buyer.

**Buyer agent:** The agent who shows the buyer's property, negotiates the contract or offer for the buyer, and works with the buyer to close the transaction.

**Carrying costs:** Cost incurred to maintain a property (taxes, interest, insurance, utilities, and so on).

**Closing:** The end of the real estate transaction process . . . where the deed is delivered, documents are signed, and the funds are dispersed and title of the property is transferred.

**CLUE:** CLUE (Comprehensive Loss Underwriting Exchange) is the insurance industry's national database that assigns individuals a risk score. CLUE also has an electronic file of a properties insurance history. These files are accessible by insurance companies nationally. These files could impact the ability to sell property as they might contain information that a prospective buyer might find objectionable, and in some cases not even insurable.

**Commission:** The compensation paid to the listing brokerage by the seller for selling the property. A buyer agency agreement may require the buyer to pay a commission to his or her agent.

**Commission split:** The percentage split of commission compensation between the real estate sales brokerage and the real estate sales agent or broker.

**Comparative market analysis:** A study done by real estate sales agents and brokers using active, pending, and sold comparable properties to estimate a listing price for a property.

**Competitive market analysis (CMA):** The analysis used to provide market information to the seller and assist the real estate broker in securing the listing.

**Condominium association:** An association of all owners in a condominium.

**Condominium budget:** A financial forecast and report of a condominium association's expenses and savings.

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**Condominium by-laws:** Rules passed by the condominium association used in administration of the condominium property.

**Condominium declarations:** A document that legally establishes a condominium.

**Condominium right of first refusal:** A person or an association that has the first opportunity to purchase condominium real estate when it becomes available or the right to meet any other offer.

**Condominium rules and regulation:** Rules of a condominium association by which owners agree to abide.

**Contingency:** A provision in a contract requiring certain acts to be completed before the contract is binding.

**Continue to show:** When a property is under contract with contingencies, but the seller requests that the property continue to be shown to prospective buyers until contingencies are released.

**Contract for deed:** A sales contract in which the buyer takes possession of the property but the seller holds title until the loan is paid. Also known as an installment sale contract.

**Contract of sale:** An agreement between the third-party relocation company and the seller (transferee) whereby the third-party company purchases property owned by the seller.

**Conventional mortgage:** A type of mortgage that has certain limitations placed on it to meet secondary market guidelines. Mortgage companies, banks, and savings and loans underwrite conventional mortgages. (Mortgage loans other than those insured or guaranteed by a government agency such as the FHA (Federal Housing Administration) the VA (Veterans Administration) or the Rural Development Services (formerly known as Farmers Home Administration, or FmHA).

**Cooperating commission:** A commission offered to the buyer's agent brokerage for bringing a buyer to the selling brokerage's listing.

**Cooperative (Co-op):** Where the shareholders of the corporation are the inhabitants of the building. Each shareholder has the right to lease a specific unit. The difference between a co-op and a condo is in a co-op, one owns shares in a corporation; in a condo one owns the unit fee simple.

**Corporate client:** The company with whom the third-party relocation company has an agreement to handle the relocating employees.

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**Counteroffer:** The response to an offer or a bid by the seller or buyer after the original offer or bid.

**Credit report:** Includes all of the history for a borrower's credit accounts, outstanding debts, and payment timelines on past or current debts.

**Credit score:** A score assigned to a borrower's credit report based on information contained therein.

**Curb appeal:** The visual impact a property projects from the street.

**Days on market:** The number of days a property has been on the market.

**Decree:** A judgment of the court that sets out the agreements and rights of the parties.

**Desk fees:** A fee charged by the real estate company or brokerage for the real estate agent to use a desk.

**Destination services:** Services provided to the transferee at the new location. They can include familiarization tours, temporary housing, school searches, and so on.

**Direct home-selling costs (DHSC):** Carrying costs, loss on sale, repairs and improvements, commission, closing costs, principal, interest, taxes and insurance, interest on equity loans, and utilities.

**Disclosures:** Federal, state, county, and local requirements of disclosure that the seller provides and the buyer acknowledges.

**Divorce:** The legal separation of a husband and wife effected by a court decree that totally dissolves the marriage relationship.

**DOM:** Days on market.

**Down payment:** The amount of cash put toward a purchase by the borrower.

**Drive-by:** When a buyer or seller agent or broker drives by a property listing or potential listing.

**Dual agent:** A state-licensed individual who represents the seller and the buyer in a single transaction.

**Earnest money deposit:** The money given to the seller at the time the offer is made as a sign of the buyer's good faith.

**E-mail:** Electronic or Internet-based communication.

**Escrow** is the holding of money (consideration) or documents by a neutral third party prior to closing. It can be an account held by the lender (of Servicer) into which a homeowner pays money for taxes and insurances.

**Escrow account for real estate taxes and insurance:** An account into which borrowers pay monthly *pro*-rations for real estate taxes and property insurance.

**Exchange/service account:** A brokerage expense account that accrues charges for marketing.

**Exclusions:** Fixtures or personal property that are excluded from the contract or offer to purchase.

**Expired (listing):** A property listing that has expired per the terms of the listing agreement.

**Fax rider:** A document that treats facsimile transmission as the same legal effect as the original document.

**Feedback:** The real estate sales agent and/or his or her client's reaction to a listing or property. Requested by the listing agent.

**Fee simple:** A form of property ownership where the owner has the right to use and dispose of property at will.

**FHA:** Federal Housing Administration.

**FHA (Federal Housing Administration) Loan Guarantee:** A guarantee by the FHA that a percentage of a loan will be underwritten by a mortgage company or banker.

**Fixed-Rate loans:** Generally have repayment terms of 15, 20, 30, 40, or even longer years. Both the interest rate and the monthly payments (for principal & interest) stay constant (the same) during the life of the loan.

**Note:** Most loans over 30 years will balloon at/on the 30<sup>th</sup> year and the remaining balance becomes due. A new mortgage loan may be available for the remaining years.... IF the borrower's CREDIT falls in line of the Mortgagee (LENDER.) Borrower (Mortgagor) should "FULLY" understand the terms of a mortgage over 30 years.

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**Fixture:** Personal property that has become part of the property through permanent attachment.

**Flat fee:** A predetermined amount of compensation received or paid for a specific service in a real estate transaction.

**Floor duty or time:** That a time, usually assigned, when a real estate sales agent answers telephones, e-mails, or walk-in requests for information on property.

**For sale by owner (FSBO):** A property that is for sale by the owner of the property.

**Gift letter:** A letter to a lender stating that a gift of cash has been made to the buyer(s) and that the person gifting the cash to the buyer is not expecting the gift to be repaid. The exact wording of the gift letter should be requested of the lender.

**Good faith estimate:** Under the Real Estate Settlement Procedures Act, within three days of an application submission, lenders are required to provide in writing to potential borrowers a good faith estimate of closing costs.

**Gross closed commission income:** The total amount of commission income a real estate sales agent or broker receives from closed transactions.

**Gross sale price:** The sale price before any concessions.

**Guaranteed offer:** The amount, after appraisals, the employer offers the transferring employee for his or her property.

**Hazard insurance:** Insurance that covers losses to real estate from damages that might affect its value.

**Home-finding assistance:** Additional assistance provided by a third-party relocation company that can include information about the destination community.

**Homeowner's insurance:** Coverage that includes personal liability and theft insurance in addition to hazard insurance.

**HUD:** U.S. Department of Housing and Urban Development.

**HUD/RESPA (Housing and Urban Development/Real Estate Settlement Procedures Act):** A document and statement that details all of the monies paid out and received at a real estate property closing.

**Hybrid adjustable rate:** Offers a fixed rate the first 5 years and then adjusts annually for the next 25 years.

**IDX:** (Internet Data Exchange) Allows real estate brokers to advertise each other's listings posted to listing databases such as the multiple listing service.

**Inclusions:** Fixtures or personal property that are included in a contract or offer to purchase.

**Independent contractor:** A real estate sales agent who conducts real estate business through a broker. This agent does not receive salary or benefits from the broker.

**Inputting:** The process of entering new listings or changes to a current listing in the multiple listing services.

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**Inspection rider:** Rider to purchase agreement between third-party “relocation company” and buyer of transferee’s property stating that property is being sold “*as is*”. All inspection reports conducted by the third party company are disclosed to the buyer and it is the buyer’s duty to do his/her own inspections and tests.

**Installment land contract:** A contract in which the buyer takes possession of the property while the seller retains the title to the property until the loan is paid.

**Interest Rate:** Is the cost of borrowing money expressed as a percentage rate. Interest rates can change because of market conditions.

**Interest rate float:** The borrower decides to delay locking their interest rate on their loan. They can float their rate in expectation of the rate moving down. At the end of the float period they must lock a rate.

**Interest rate lock:** When the borrower and lender agree to lock a rate on loan. One can have terms and conditions attached to the lock.

**Inventory:** A transferee’s property the third party relocation company has acquired.

**List date:** Actual date the property was listed with the current broker.

**List price:** The price of a property through a listing agreement.

**Listing:** Brokers written agreement to represent a seller and their property. Agents refer to their inventory of agreements with sellers as listings.

**Listing agent:** The real estate sales agent, that’s representing the sellers and their property, through a listing agreement.

**Listing agreement:** A document that establishes the real estate agent’s agreement with the sellers to represent their property in the market.

**Listing appointment:** The time when a real estate sales agent, meets with potential clients selling a property to secure a listing agreement.

**Listing exclusion:** A clause included in the listing agreement when the seller (transferee), lists his or her property with a broker.

**Loan:** An amount of money that is lent to a borrower who agrees to repay the amount plus interest.

**Loan application:** A document that buyers who are requesting a loan fill out and submit to their lender.

**Loan closing costs:** The costs a lender charges to close a borrower’s loan. These costs vary from lender to lender and from market to market.

**Loan commitment:** A written document telling the borrowers that the mortgage company has agreed to lend them a specific amount of money at a specific interest rate for a specific period of time. The loan commitment may also contain conditions upon which the loan commitment is based.

**Loan origination fees:** They are fees charged by the lender of mortgage broker for services in procuring the loan and are often expressed as a percentage of the loan amount. (Origination fees are *typically* 1% of the loan amount.)

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**Loan package:** The group of mortgage documents that the borrower’s lender sends to the closing or escrow.

**Loan processor:** An administrative individual who is assigned to check, verify, and assemble all of the documents and the buyer’s funds and the borrower’s loan for closing.

**Loan underwriter:** One who underwrites a loan for another, some lenders have investors underwrite a buyer’s loan.

**Lockbox:** A tool that allows secure storage of property keys on the premises for agent use. A combo uses a rotating dial to gain access with a combination; a Supra® (electronic lockbox or ELB) features a keypad.

**Lock-in:** Refers to a written agreement guaranteeing a home buyer a specific interest rate on a mortgage loan --- provided that the loan is closed within a certain period of time, such as a 60 or 90 days. Often the agreement will specify the number of points to be paid at closing. **Note:** Read the conditions & notes for the “Lock-In” period.

**Managing broker:** A person licensed by the state as a broker who is also the broker of record for a real estate sales office. This person manages the daily operations of a real estate sales office.

**Market familiarization trip:** A visit by the transferee to the new location to view housing market options and location highlights.

**Marketing period:** The period of time in which the transferee may market his or her property (typically 45, 60, or 90 days), as directed by the third-party company's contract with the employer.

**Mortgage:** A mortgage is a document signed by a borrower when a loan is made that gives the lender a right to take possession of the real property, if the borrower (Mortgagor) fails to pay off on the loan. Note: Pay Off means; pay the monthly notes as specified in the mortgage document agreement between the Lender & Borrower.

**Mortgage banker:** One who lends the bank's funds to borrowers and brings lenders and borrowers together.

**Mortgage broker:** A business that or an individual who unites lenders and borrowers and processes mortgage applications.

**Mortgage loan servicing company:** A company that collects monthly mortgage payments from borrowers.

**Multiple listing service (MLS):** A service that compiles available properties for sale by member brokers.

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**Multiple Offers:** More than one buyers broker present an offer on one property where the offers are negotiated at the same time.

**NATIONAL ASSOCIATION OF REALTORS® (NAR):** A national association comprised of real estate professionals.

**Net sales price:** Gross sales price, less concessions, to the buyers.

**Niche:** A special area or interest.

**Off market:** A property listing that has been removed from the sale inventory in a market. A property can be temporarily or permanently off market.

**Offer to purchase:** When a buyer proposes certain terms and presents these terms to the seller.

**Office tour/caravan:** A walking or driving tour by a real estate sales office of listings represented by agents in the office. \*Usually held on a set day and time.

**Open house (public):** When a listing that is on market is available to the public for viewings and showings.

**Parcel identification number (PIN):** A taxing authority's tracking number for a property.

**Payoff letter:** A written document from a seller's mortgage company stating the amount of money needed to pay the loan in full.

**Pending:** A real estate contract that has been accepted on a property but the transaction has not closed.

**Personal assistant:** A real estate sales agent administrative assistant.

**Planned unit development (PUD):** Mixed-use development, that sets aside areas for residential use, commercial use, and public areas such as schools, parks, and so on.

**Points:** Points are fees paid to the lender for the loan. One point equals 1% of the loan amount. The payment is used to reduce the interest rate. But it's not reduced by 1 percent. Typically, the payment of one point will reduce the rate by about ¼%. Ask your mortgage originator how much does each the "POINT" reduces your note.

**Pre-approval:** A higher level of buyer/borrower pre-qualification required by a mortgage lender. Some pre-approvals have conditions the borrower must meet.

**Pre-approval means;** a lender has looked closely at both the borrower's credit report and his/her income and has determined that he/she qualifies for a loan.

The lender will tell the borrower the maximum amount of the loan the Mortgagee (LENDER) will make, and what loan programs the borrower qualifies for, and will discuss the interest rates offered for the different loans. **Note:** When a borrower has been "**Pre-Approved**" for a loan he/she can begin their search for their home/real estate with confidence about their "**Purchasing Power**." However, the final approval is not guaranteed that the lender will approve the loan.

**Note:** Always ask the loan originator about the conditions of the "**Pre-Approval**" given.

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**Prepaid interest:** Funds paid by the borrower at closing based on the number of days left in the month of closing.

**Prepayment penalty:** A fine imposed on the borrower by the lender when the loan is paid off before it comes due.

**Prequalification:** The mortgage company tells a buyer in advance of the formal mortgage application, how much money the borrower can afford to borrow. Some pre-qualifications have conditions that the borrower must meet. Note: The Pre-qualification for a loan does not typically include an analysis of the borrower's credit report or an in-depth look at his/her true ability to purchase real estate. The term means that someone has taken a general look at the borrower's income and expenses and placed them into a debt-to-income ration formula. **Note:** Being "**Pre-qualified**" does not mean the borrower is "**APPROVED**" for a mortgage loan. Read about "**Pre-Approval**" above.

**Preview appointment:** When a buyer's agent views a property alone to see if it meets his or her buyer's needs.

**Pricing:** When the potential seller's agent goes to the potential listing property to view it for marketing and pricing purposes.

**Principal:** The amount of money a buyer borrows.

**Principal, interest, taxes, and insurance (PITI):** The four parts that make up a borrower's monthly mortgage payment.

**Private mortgage insurance (PMI):** A special insurance paid by a borrower in monthly installments, typically of loans of more than **80 percent** of the value of the property. In other words . . . the Lender is loaning money to a borrower with less than **20% down** toward the loan. **PMI** protects the lender against a loss if a borrower defaults on the loan. It is usually required for loans in which the down payment is less than **20 percent** of the sales price or , in a refinancing, when the amount financed is greater than **80%** of the appraised value. **Note:** Depending on the type of policy, the insurer will pay the lender from **20 to 30 percent** of the mortgage balance if there is a default on the mortgage. Generally the insured payment of **20 to 30%** is sufficient to offset costs the lender incurs to foreclose, repossess and resell the property.

**Professional designation:** Additional non-licensed real estate education completed by a real estate professional.

**Professional regulation:** A state licensing authority that oversees and disciplines licensees.

**Promissory note:** A promise-to-pay document used with a contract or an offer to purchase.

**Property or home-finding assistance status reports:** Reports filed weekly or monthly by the listing or buying agent representing the transferee.

**R & I:** Estimated and actual repair and improvement costs.

**Real estate agent:** An individual who is licensed by the state and who acts on behalf of his or her client, the buyer or seller. The real estate agent who does not have a broker's license must work for a licensed broker.

**Real estate contract:** A binding agreement between buyer and seller. It consists of an offer and an acceptance as well as consideration (i.e., money).

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**REALTOR®:** A registered trademark of the NATIONAL ASSOCIATION OF REALTORS that can be used only by its members.

**Release deed:** A written document stating that a seller or buyer has satisfied his or her obligation on a debt. This document is usually recorded.

**Re-list:** Property that was listed with another broker but re-listed with a current broker.

**Rider:** A separate document that is attached to a document in some way. This is done so that an entire document does not need to be rewritten.

**Salaried agent:** A real estate sales agent or broker who receives all or part of his or her compensation in real estate sales in the form of a salary.

**Sale price:** The price paid for a listing or property.

**Sales meetings:** An informational meeting conducted by the managing broker held in the real estate sales office.

**Sales volume:** The total amount of all sales prices for all transactions completed by a real estate agent, broker, or real estate sales office.

**Secondary market:** An institutional investment market that purchases mortgages from mortgage lenders.

**Seller (owner):** The owner of a property who has signed a listing agreement or a potential listing agreement.

**Showing:** When a listing is shown to prospective buyers or the buyer's agent (preview).

**Sign rider:** An additional sign placed on a brokerage yard sign; it may include the agent's name, "open Sunday," "contract pending," "sold," the new price, and so on.

**Special assessment:** A special and additional charge to a unit in a condominium or cooperative. Also, it can be a special real estate tax for improvements that benefit a property.

**State Association of REALTORS®:** An association of Realtors® in a specific state.

**Supra®:** An electronic lockbox (ELB) that holds keys to a property. The user must have a Supra keypad to use the lockbox.

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**Temporarily off market (TOM):** A listed property that is taken off the market due to illness, travel, repairs, and so on.

**Temporary housing:** Housing a transferee occupies until permanent housing is selected or becomes available.

**Third-party company:** A relocation company hired by an employee's employer to coordinate the employee's move to a new location.

**Trailing spouse:** The spouse or partner of an employee of an employer who is being moved to a new location by the employer.

**Transaction:** The real estate process from offer to closing or escrow.

**Transaction fee:** A fixed amount in addition to commission charged to sellers.

**Transaction management fee (TMF):** A fee charged by listing brokers to the seller as part of the listing agreement.

**Transaction, settlement, or closing cost;** May include application fees; title examination, abstract of title, title insurance, and property survey fees; fees for preparing deeds, mortgages, and settlement documents; attorneys' fees; recording fees; and notary, appraisal, and credit report fees.

Under the Real Estate Settlement Procedures Act, the borrower receives a **"Good Faith Estimate"** of closing costs at the time of application or within three days of application. Most mortgage originators have the computer hardware & software to render this **Good Faith Estimate** immediately. The good faith estimate lists each expected cost either as an amount, percentage or range. **Note:** Ron has a sample of a **"Good Faith Estimate"** on [www.RonSellsAlabama.Com](http://www.RonSellsAlabama.Com).

Ron also has a sample of a **"Purchaser's Estimated Closing Cost"** form used by Real Estate Agents / REALTORS® / Brokers which is mandated by The **Alabama Real Estate Commission**. This form must be presented each time an offer is made and each time a counter offer is made by either the "Buyer" or Seller."

**However**, this must and should be understood, this **"Purchaser's Estimated Closing Cost"** form is an **ESTIMATED figure only!**

**BUYERS:** You may want to have another **Good Faith Estimate** completed by your **LENDER** before accepting a counter offer from a **SELLER** before committing to the **"REAL ESTATE PURCHASE / SALES CONTRACT!"** This will give you a greater expected knowledge of what your costs will be for the escrow closing.

**Transaction sides:** The two sides of a transaction, sellers and buyers. The term used to record the number of transactions in which a real estate sales agent or broker was involved during a specific period.

**Truth-in-Lending:** Is legislation governing the granting of credit that requires lenders to disclose the "True Cost" of loans and the actual interest rate and cost of the loans in a manner that is easily understood. **Note:** If you do not fully understand the loan costs, ask the mortgage originator to explain in terms/manner which you understand and are in agreement.

**24-hour notice:** Allowed by law, tenants must be informed of showing 24 hours before you arrive.

**Under contract:** A property that has an accepted real estate contract between seller and buyer.

**VA:** U.S. Department of Veterans Affairs.

**VA Funding Fee:** This fee may be waived if the mortgagor (Borrower) is "Disabled." Note: Disabled Veterans should always ask the Mortgagee (LENDER) for this "Waiver."

**VA Loan Guarantee:** A guarantee on a mortgage amount backed by the U.S. Department of Veterans Affairs.

**Vacate date:** The date on which the seller (transferee) vacates the property (generally the date when responsibility for property expense by the transferee ends) and the third-party company assumes ownership for the property through a buyout.

**Virtual tour:** An Internet web / **CD-ROM** - based video presentation of a property.

**Voice mail:** A telephone message system where voice messages can be retrieved directly or from a remote location.

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**VOWs** (Virtual Office Web sites): are an Internet based real estate brokerage business model that works with real estate consumers in same way as a brick and mortar real estate brokerage.

**W-2:** The Internal Revenue form issued by employer to employee to reflect compensation and deductions to compensation.

**W-9:** The Internal Revenue form requesting taxpayer identification number and certification.

**Walk-through:** A showing before closing or escrow that permits the buyers one final tour of the property they are purchasing.

**Will:** A document by which a person disposes of his or her property after death.

**Work sheet (transaction):** The real estate sales company form that records all information relevant to a transaction.

## **HOUSING TYPES:**

**Condominium/Cooperative/Apartment**                      **Terms**

**Common area/grounds:** The elements of building and grounds that all unit owners own jointly.

**Condominium:** A dwelling of two or more property units where the owner owns the interior space and, in common with other owners, owns a square foot ratio of the common areas, such as the grounds, hallways, stairways, lobby, mechanical systems of common areas, and parking and recreational areas.

**Cooperative (Co-op):** A corporation in which the tenants purchase shares that give them the right to occupy a unit in the building.

**Courtyard:** An outdoor space faced by a building.

**Duplex:** Two properties joined by one common wall

**Elevator building:** One that has one or more elevators to reach the units.

**Flat:** Another name for an apartment.

**Full-amenity building:** One that offers a variety of services to occupants: doorman, delivery/shipping room, dry cleaner, pool, tennis court, store, exercise facilities, and so on.

**Garden apartment:** A dwelling unit partially below grade.

**High-rise:** A multiple-floor building of ten or more floors.

**Management company :** A professional real estate management company that manages the physical operation of a building.

**On-site management:** The management of a building who works from an office within the building.

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### **Parking:**

- Deeded: A parking space that is owned as a piece of real estate.
- Leased: A parking space that is leased by the building occupant.
- Underground: A parking space located beneath grade of the building.
- Assigned: A parking space appointed by the association or management company.
- Valet: The car is parked and returned by a parking attendant for the occupant of the space.

**Self-managed:** Buildings and dwelling units overseen by unit owners or unit shareholders.

**Site engineer:** The mechanical or operations professional for a building who is on-site at his or her place of employment. Some engineers live on the premises and are referred to as the super, short for superintendent.

**Walk-up:** A building with no elevator.

### Other Property Terms:

**Income/investment property:** Property that provides compensation or tax advantages to the owner.

**1-4 unit:** A multiple-dwelling building of one to four units.

**2/3 flat:** A multiple-dwelling building that has two or three units stacked on top of each other.

**Lakefront:** A dwelling unit that has front footage on a lake.

**Lake view:** A dwelling unit that has visual exposure to a lake.

**Manufactured home:** All or part of a dwelling unit that is constructed in one location and placed in another location.

**Mid-rise:** A multiple-floor building that has three to nine floors.

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**Mobile home:** A dwelling unit that is constructed with attached wheels and can be moved from one location to another.

**Model home/condo:** A dwelling unit that the builder/developer finishes as a sales sample for the public to view.

**Penthouse:** A dwelling unit of the uppermost occupied floor of a building.

**Percent owner-occupied:** The number of units in a condo or co-op that are owner-occupied.

**Rental:** Property for which the occupant/tenant pays the landlord/owner a fixed periodical sum of money.

**Riparian:** Property rights relating to land bordering flowing water.

**Row houses:** Attached homes with a common side wall(s).

**Quadrominium:** Four attached condominiums.

**Single-family home:** A dwelling unit that has no common walls with another dwelling unit.

**Spec home:** A home built on speculation by a builder/developer.

**Studio:** A one-room dwelling unit.

**Townhouse:** A series of attached dwelling units with common wall(s).

**Vacation or resort or second home:** A residence owned as a non-primary residence.

**Water rights:** Rights by a property owner to use a body of water.

### HOUSE STYLES

American Four Square  
Bi-level  
Brownstone  
Bungalow  
Cape Cod  
Coach House

Colonial  
• Dutch  
• Center Entry  
• Federal  
• Georgian  
• Williamsburg  
• Contemporary

### HOUSE STYLES *continued*

Cottage  
Earth Home  
English Basement  
Farmhouse  
French Provincial  
Georgian  
Greystone  
Hillside  
Landmark  
Log  
Mediterranean  
Prairie

Queen Anne  
Rambler  
Ranch  
Raised Ranch  
Row House  
Spanish  
Split Level  
Traditional  
Tri-level  
Tudor-English  
Victorian  
Walk-out (basement)

### NEW CONSTRUCTION TERMS

Allowance  
Option  
Package

Proposed  
Stubbed bath  
Upgrade

### PROPERTY FEATURE TERMS

Air conditioning  
Central air  
Space pac

Window/wall  
Zoned

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## BASEMENT/FOUNDATION TERMS

**Block:** Concrete

**Brick:** Clay material placed on exterior walls

**Cellar:** A room for storing garden products, i.e., bulbs, canned goods, and so on

**Concrete**

**Crawl space:** A shallow space beneath the first floor

**English:** One that is partially above grade

**Exterior access:** One that has a door to the outside

**Finished:** One that has dry-walled or paneled rooms

**Full:** One that is the same size as the first floor, excluding the garage

**Partial:** One that does not cover the same area as the first floor

**Partially finished:** One that has drywall or paneled walls

**Piers/pillars:** Supports under a dwelling unit

**Slab:** A concrete slab foundation

**Stone:** Stone as side walls of foundation

**Unfinished:** One that has no finished space

**Walk-out:** One that has a door to the outside

**Wood:** side walls or the floor constructed from wood

## BATHS

Master

Full

Powder

Bidet

## DRIVEWAY

Shared

## ELECTRICAL

Circuit breakers -- Amps --- Fuses

## SAFETY EQUIPMENT

CO Detectors

Smoke/Fire Detectors

## EXTERIOR MATERIALS

Aluminum

Asbestos

Block

Brick

Cedar

Dryvit

Frame

Glass

Log

Marble/Granite

Shakes

Slate

Steel

Stucco

Stone

Vinyl

## FIREPLACES

Decorative

Electric

Gas logs

Gas starter

Heatilator

Wood-burning

## FLOORING TYPES

Carpet

Ceramic tile

Hardwood

• Pegged

• Parquet

• Random-width

Marble

Vinyl

Concrete

## GARAGES

Attached

Carport

Detached

Garage door openers

Transmitters

## HEAT/FUEL

Baseboard

Electric

Gas

Gravity air

Forced air

Heat pump

Hot water/steam

Oil

Propane

Radiant

Radiators

Solar

## LAUNDRY

First-floor laundry

Second-floor laundry

In-unit laundry

## MISCELLANEOUS ROOMS

Darkroom

Den/office/study

Exercise room

Foyer

Gallery

Great room

In-law arrangement

Lanai

Library

Loft

Maid's room

Porch, enclosed

Porch, screened

Recreation room

Sitting room

Workshop

## ROOF TYPES

Asphalt rolled

Asphalt shingles

Copper

Fiberglass rolled

Fiberglass shingles

Wood shakes/shingles

Rubber

Slate

Tar and gravel

Tile

Tin

Metal

## CONSTRUCTION TERMS

Cathedral ceiling

Dry bar

Handicapped accessible

Handicapped accessible

Handicapped equipped

Portico

Skylight

Wet bar

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- A

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**Call Ron today for real estate and mortgage information @ [334.546.1410](tel:334.546.1410) or Toll Free: [1-866.508.3535](tel:1-866.508.3535)**

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**Ron offers the following to all his clients:**

- |                                  |                                   |
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| * Obedience,                     | * Full Disclosure and Accounting, |
| * Reasonable Care and Diligence, | * Copies of signed paper work.    |

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**Send Ron your question by e-mail and he will respond as soon as possible. [RonHidalgo@MindSpring.Com](mailto:RonHidalgo@MindSpring.Com).**

**Thank you for taking time reading these materials and we pray you gained knowledge.**



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