

A

ABANDONMENT: To relinquish or give up a right or any further interest

ABSTRACT OF JUDGEMENT: A summary of the essential provisions of a court judgement, which when recorded in the county recorder's office, creates a lien upon the property of the defendant in that county, both presently owned or after acquired.

ABSTRACT OF TITLE: A condensed history or a summary of the essential provisions of a court judgment.

ACCELERATION CLAUSE: This clause in a note and trust deed permits the payee or beneficiary to declare the entire unpaid balance immediately due and payable when a given condition occurs. Such a condition can be the sale of the land. This clause is sometimes called and "alienation clause."

ACCESS RIGHT: The right of an owner of land to have ingress and egress to and from his property to a public street.

ACCOMODATOR (INTERMEDIATE): A party to an IRC S1031 exchange transaction who, pursuant to an Exchange Agreement, acquires relinquished property, holds money from the sale of the relinquished property, acquires replacement property, and then transfers the replacement property to the Exchange.

ACTUAL NOTICE: Notice which a party has received in fact or in reality, as compared with constructive notice which is implied or inferred.

AD VALOREM: Literally, "according to value." This term is usually used in reference to real property taxes which are assessed according to value, i.e., ad valorem.

ADJUSTABLE RATE MORTGAGE (ARM): Loan on which the monthly payments will increase or decrease over time. An ARM's interest rate may be tied to the 11th District Cost of Funds, one year T-note and six-month T-bill. ARM payments are typically adjusted every six months or once a year.

ADMINISTRATOR: A person appointed by a probate court as the representative of a decedent's estate where the decedent left no will.

ADVANCES: Money advanced by the beneficiary under a trust deed to pay real estate, taxes, hazard insurance premiums, and other items needed to protect the beneficiary's interest under the trust deed.

AFFIDAVIT: A written sworn statement made before an authorized official

AFFIDAVIT OF DEATH OF JOINT TENANT: The sworn statement recorded to evidence the death of a person whose title to property is held in joint tenancy.

AGENCY: Any relationship in which one party (agent) acts for or represents another (principal) under the authority of the later. Agency involving real property should be in writing, such as listings, trusts, powers of attorney, etc.

AGENT: A person who acts on behalf of a principal.

A.K.A.: This abbreviation refers to "also known as" and is used in instances where confusion exists concerning the identity in a party on the vesting:

ALIENATION CLAUSE: A clause in a note or trust deed permitting the payee or beneficiary to declare the entire balance immediately due and payable upon a transfer of the property. Also referred to as a "due on sale" clause.

ALL INCLUSIVE TRUST DEED (AITD/WRAP-AROUND): A junior Deed of Trust securing a promissory note, the face amount which is the sum of the liability secured prior Trust Deeds plus the cash or equity advanced by the AITD lender.

A.L.T.A.: America Land Title Association, commonly used in reference to a form of title policy required by lenders.

AMORTIZATION: The gradual repayment of a mortgage through monthly payments. In the early years of a mortgage, most of the monthly payment goes towards interest. Later in the mortgage, more of the payment goes toward reducing the loan's principal balance.

ANNUAL PERCENTAGE RATE (APR): The annual cost of a mortgage, including interest, loan fees and other costs, stated as a percentage of the loan amount.

APPRAISAL/APPRAISED VALUE: An opinion of the market value of a home expressed by a professional real estate appraiser.

ASSESSED VALUE: The value placed on land and improvements as a basis for taxation. In California this is usually accomplished by the county assessor's office, and the assessed values for real estate taxes are usually one quarter of market value.

ASSESSMENTS: Special and local levies upon property in the immediate vicinity of an improvement. Assessments can be imposed by such entities as flood control districts, street lighting districts and air pollution control districts which serve an area.

ASSIGNEE: One to whom a transfer of interest is made. For example, the assignee of a Deed of Trust or contract.

ASSIGNMENT: The transfer, in writing, of a person's interest to another person or entity in a asset, such as an assignment of stock, a Deed of Trust and note or a lease.

ASSIGNOR: One who makes an assignment. For example, the assignor of a Deed of Trust and note or a lease.

ASSUMPTION: An agreement by one party to pay an obligation previously owned by another. For example, the assumption of an existing Trust Deed by a new owner may occur when the property is sold.

ATTORNEY IN FACT: One who holds a power of attorney from another allowing him to act on behalf of the grantor of the power.

B

BALLOON PAYMENT: The final payment on an installment note, which is greater than the preceding payments and which, pays the note in full. Also, a payment that exceeds the normal payment program.

BENEFICIARY: In a Trust Deed, the lender is designated as the beneficiary. He obtains the benefit of the security.

BENEFICIARY DEMAND: A statement setting forth the amount required to payoff a loan in full.

BENEFICIARY'S STATEMENT: A report from the lender, usually in writing, setting forth the terms and conditions of a loan already of record, such as amounts still owed, interest rate, monthly payments, etc.

BILL OF SALE: A document that attests to the transfer of ownership of personal property.

BINDER: A report issued by a title insurance company binding or committing the title insurance company to issue a policy within a specified time.

BLANKET MORTGAGE OR TRUST DEED: A mortgage or trust deed which covers more than one lot or parcel of real property, often an entire subdivision.

BORROWER: One who obtains a loan and owes money to a lender.

BUYER: One who purchases or acquires property.

C

C.A.R.: California Association of Realtors. This Association guides the activities of the real estate licensees in the State of California.

C.C. & R's: Covenants, Conditions and Restrictions are those matters that limit the use and enjoyment of property usually by agreements contained in deeds and other documents.

C.E.A.: California Escrow Association. An active, Statewide organization providing guidance and services for escrow personnel, including training seminars and materials.

CAPS: Provisions of an adjustable rate mortgage which limit how much the interest rate can change at each adjustment period (i.e. every six months or once a year) or over the life of the loan (rate cap). A payment cap limits how much the payment due on the loan can increase or decrease.

CHAIN OF TITLE: The sequence of ownership or title on the property as evidenced by a chronological list of recorded instruments affecting the title to land.

CLOSING COSTS: Expenses in addition to the price of the home incurred by buyers and sellers when a home is sold. Common closing costs include escrow fees, title insurance fees, document recording fees and real estate commissions.

CLOUD ON TITLE: A defect in chain of title or in documentation keeping the title from being clear and easily conveyed.

COLLATERAL: The item used to secure a loan to assure the lender of repayment or provide a source of repayment in the event of default.

COLLECTION SERVICE: A service performed by a neutral third party in receiving and disbursing loan payment as instructed by the parties concerned.

COMMISSION: An amount paid to a realtor for his or her services, typically set at a percentage of the sales price.

COMMUNITY PROPERTY: Property acquired by husband or wife or both during marriage when not acquired as separate property.

CONDEMNATION: The exercise of the power of eminent by which property is taken for a public use upon payment of just compensation. Condemnation can also refer to the condemning of unsafe structures.

CONDOMINIUM: A multifamily or other structure in which units are individually owned and in which owners of individual units also own an undivided interest in common areas.

CONFIRMATION OF SALE: Court approval of the sale of property by an executor, administrator, guardian or conservator.

CONSERVATOR: A person appointed by the court to take care of the person or property of an adult person needing such care.

CONSIDERATION: The inducement for entering into a contract sometimes known as the sales price.

CONSTRUTIVE NOTICE: Notice given by the public records of claim of ownership or interest in property.

CONTINGENT: Dependent upon conditions or events specified but not yet accomplished. Property may be sold contingent upon the seller or buyer meeting a predetermined condition.

CONTRACT: An agreement by which a person undertakes to do or not to do a certain thing.

CONVENTIONAL MORTGAGE: A loan not guaranteed, insured or made by the federal or state government.

CONVEYANCE: A written document that transfers title to an asset from one person to another. A deed and an assignment are both conveyances, as is a bill of sale.

COPORATION: An artificial being, created by law, possessing certain right, privileges, and duties of natural persons.

COUNTY ASSESSOR: One who sets value of property for taxation purposes.

D

DEBT TO INCOME RATIO: The ratio of monthly debt payments to monthly gross income. Lenders use a debt to income or (DTI) ratio to determine whether a borrower's income qualifies him or her for a mortgage.

DECLARATION OF HOMESTEAD: Document recorded by a homeowner to protect his home from a forced sale up to prescribed amount in satisfaction of certain types of creditors.

DECREE: A type of court order.

DEED: A written document which conveys ownership of land from one person to another.

DEED OF TRUST: A document executed by the owner of the land by which the land is given as security for the payment of a note or other performance of an obligation. In California and some other states the Deed of Trust is usually used in place of a mortgage.

DEFAULT: Failure to perform a duty or to pay an obligation.

DEFICIENCY JUDGEMENT: A personal judgement in a judicial foreclosure action for the remaining amount due after a sale of the security.

DEMAND/BENEFICIARY'S DEMAND: A statement from a lender showing the amount due on a loan.

DEPOSIT RECEIPT: A document used when accepting "earnest money."

DISCLOSURE: In real estate, revealing all known facts which may affect the decision of a buyer or tenant. A broker must disclose known defects in the property for sale or lease. A builder must give to a potential buyer the facts of his new development (are there adequate school facilities?; an airport nearby?; etc.). A broker cannot charge a commission to buyer and seller unless both know (disclosure) and agree.

DOCUMENTARY TRANSFER TAX: A state tax on the sale or conveyance of real property located in any county in the state. Applies when the consideration exceeds \$100. Tax cities have their own City Transfer Taxes.

DOWN PAYMENT: The portion of the home's purchase price the buyer pays in cash.

D.R.E.: Department of Real Estate. The agency which regulates real estate licensees and the sale of property by developers in the State of California.

DUE-ON-SALE CLAUSE: A provision in a real estate loan calling for automatic maturity at the lender's option upon the sale or transfer of the real property to a third party. Also called an alienation clause or acceleration clause.

E

EARNEST MONEY: The deposit given by a buyer to a seller to show that the buyer is serious about purchasing the home. Earnest money binds the contract. Earnest money usually is refunded to homebuyers in the event a contingency of the sale contract cannot be met.

EASEMENT: A right or interest in the land of another, such as a right to cross over another person's property to reach yours.

EGRESS/INGRESS: An easement right of way for egress (exit) and ingress (entry) to a property owned by another.

EMINENT DOMAIN: A right power of a governmental body to take a property for a public purpose upon payment of just compensation.

ENCROACHMENT: The extension of an improvement onto the property of another, for example, a garage, fence or driveway that crosses over the lot line.

ENCUMBRANCE: A lien affecting the land and improvements, such as a mortgage or Trust Deed.

ENDORSEMENT: As to a title insurance policy, a rider or attachment forming a part of the insurance policy expanding or limiting coverage. Endorsement also refers to the act of signing a name of the back of a check or promissory note to evidence its transfer.

EQUITY: The difference between a home's value and the mortgage amount owed on the home.

ESCHEAT: The transfer of unclaimed funds to the State of California.

ESCROW: According to section 17003 of the State of California Financial Code: "...any transaction wherein one person, for the purpose of effecting the sale, transfer, encumbrance, or leasing of real or personal property to another person, delivers any written instrument, money, evidence of title to real or personal property, or other thing of value to a third person to be held by be held by such third person until the happening of a specified event or the performance of a prescribed condition, when it is then to be delivered by such third person to the grantee, grantor, promisee, promisor, obligee , obligor, bailee, bailor, or any agent or employee of any of the latter."

ESCROW ACCOUNT: An account in which the borrower's monthly deposits for taxes, hazard insurance, and mortgage insurance, if any, are in held in trust by the lender for the future payment of these items as they become due. Also, known as an Impound Account.

ESCROW ANALYSIS: The periodic examination of escrow accounts to determine if monthly deposits will provide sufficient funds to pay tax and insurance bills when due.

ESCROW HOLDER: The escrow officer, escrow company, or escrow agent.

EXCEPTION: An interest in real property which is excluded from the conveyance and remains in the grantor or which had been excluded in a prior conveyance.

EXCHANGE: A reciprocal transfer of real property which has certain tax advantages over a sale. Definite procedures must be followed in order to qualify the transfer as an exchange.

EXECUTOR: A person who is designated in a will as the representative of a decedent's estate.

EXECUTRIX: Feminine of executor.

F

FANNIE MAE AND FREDDIE MAC: The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation are government sponsored, privately owned entities which purchase mortgages from lenders and turn the mortgages into securities which are bought by investors. Fannie Mae and Freddie Mac are the key secondary mortgage market agencies.

FIDUCIARY: One who holds a position of trust and confidence, As an example: an escrow holder.

FIRE INSURANCE: Insurance against loss or damage by fire to specific property.

FIRPTA: Under the Foreign Investment of Real Property Act, every buyer must, unless an exemption applies, deduct and withhold 10% of the gross sales price from seller's proceeds and send it to the Internal Revenue Service, if the seller is a "foreign person" under that statute.

FIXED-RATE MORTGAGE (FRM): A loan on which the interest rate and monthly payments do not change.

FORECLOSURE: A proceeding to enforce a lien by the sale of the property in order to satisfy the debt.

G

GRANT: A transfer of real property.

GRANT DEED: A written instrument transferring title to real property.

GRANTEE: The Buyer of a deed.

GRANTOR: The seller of a deed.

GUARDIAN: A person appointed by the court to care for the person or estate of a minor or incompetent person.

H

HAZARD INSURANCE: A policy which protects against damage to a property caused by fire, wind or other hazards.

HOMEOWNER'S WARRANTY: A policy that covers certain repairs (such as plumbing or heating) of a newly purchased home for a certain period of time.

HOMESTEAD: A residence upon which the owner has recorded a Declaration of Homestead under California law.

HYPOTHECATE: To mortgage or pledge without delivery of the security to the lender. To give something as security without parting with possession.

I

IMPOUND ACCOUNT: An account held in trust by the lender in which the borrower is required to place monthly deposits for taxes, insurance and other purposes.

INDEMNITY: Insurance against possible loss or damage. A title insurance policy is a contract of indemnity.

INSTALLMENT NOTE: A promissory note providing for payment of the principal in two or more fixed amounts at different stated times.

INSURANCE CERTIFICATES: On condominium or town home properties, an insurance certificate is the evidence that the unit owner and lender, if any, are insured under the terms of a Master Insurance Policy.

J

JOINT TENANCY: Title held by two or more persons in equal shares with right of survivorship.

JOINT VENTURE: A business undertaking by two or more persons to conduct a single enterprise for profit.

JUDGEMENT LIEN: A statutory lien created by recording an abstract of judgement.

JUNIOR LIEN: A subordinate lien.

JURAT: The sworn statement form of the notary public certificate. The clause at the end of an affidavit with the date, location and person before whom the statement was sworn.

L

LAND SALE CONTRACT: An agreement to sell and purchase wherein legal title is withheld from the purchaser until such time as the required payments to the seller have been completed.

LEASE: A contract for the possession of land in consideration of payment of rent.

LEASE OPTION (LEASE WITH OPTION TO PURCHASE): A lease containing an option giving the lessee the right to purchase the property. The price and terms of the purchase must be set forth for the option to be valid. The option may run for the length of the leases or only for a portion of the lease period.

LEASE HOLD INTEREST: Having possession of a property by virtue of a Lease.

LENDER: One who lends money to borrowers.

LESSEE: The tenant under a lease.

LESSOR: The landlord under a lease.

LEGAL DESCRIPTION: Description of real property, as used in legal documents in contrast to a street address by which the property is commonly known. Legal descriptions usually refer to recorded maps, surveys or other public documents.

LIEN: A security interest in real or personal property which places the holder in a position prior to the rights of the general creditors of the owner. Examples include Trust Deeds, mortgages, special assessments, recorded judgements, mechanic's liens, taxes, etc.

LIFE ESTATE: An estate measured by the life of a natural person.

LIMITED PARTNERSHIP: A partnership composed of partners whose contribution and liability are limited.

LIQUIDATED DAMAGES: An agreed-to sum of money to be paid under a contract in the event of a breach where it would be difficult to prove the amount of actual damages.

LIS PENDENS: A notice recorded in the official records of a county to indicate that a lawsuit is pending affecting the lands described in the notice.

LOAN TO VALUE (LTV) RATIO: The ratio of the amount of money owed on a home to the home's value. The LTV ratio for a \$100,000 home financed with a \$90,000 mortgage would be 90 percent.

M

MARKET VALUE: The price that real property would reasonably be expected to bring were it to be offered for sale with a reasonable sales effort over a reasonable period of time.

MECHANIC'S LIEN/CONTRACTOR'S LIEN: A statutory lien in favor of laborers and suppliers who have contributed to a work of improvement.

METES AND BOUNDS: A term used in describing the boundary lines of land setting forth all the boundary lines together with their terminal points and angles.

MORTGAGE: A written document executed by the owner of land by which the land is given as security for the payment of a debt or performance of an obligation (rarely used in California).

MORTGAGE BANKER: A company which originates mortgages for a lien to the secondary mortgage market (for example to Fannie Mae or Freddie Mac).

MORTGAGE BROKER: A company that, for a fee, matches borrowers with lenders. Mortgage brokers do not originate loans.

MORTGAGE INTEREST DEDUCTION: The ability of mortgage brokers to deduct the interest paid on a home loan for purposes of federal and state income taxes.

MORTGAGEE: The party who obtains the benefit of a mortgage.

MORTGAGOR: The party who executes a mortgage.

MUTUAL WATER COMPANY: A water company organized by or for the benefit of water users in a given district with the object of securing an ample water supply at a reasonable rate. Shares of stock are issued to the users.

N

NOMINEE: A party designed to act in place of the original buyer in a real estate transaction.

NOTE: Written evidence of a debt by a borrower that included a promise of payment in accordance with specified terms. A valuable document which must not be lost even when paid in full. In real property transactions, a note is usually secured by a Deed of Trust.

NOTICE OF COMPLETION: A notice which should be recorded to indicate completion of a work of improvement to real property. A valid notice of completion limits the time for filing valid mechanic's liens.

NOTICE OF DEFAULT: Recorded notice that a default has occurred under a Deed of Trust and/or note.

NOTICE OF SALE: A notice recorded by the Trustee of a Deed of Trust stating that a foreclosure action has begun and giving the date of the proposed foreclosure sale.

O

OFFSET STATEMENT: A statement furnished to an escrow from an owner of land subject to an encumbrance (note) as to the balance due. Not to be confused with a beneficiary's statement. This can also be provided by a tenant regarding his rights of possession.

ORIGINATION FEE: A fee charged by a lender for making a mortgage.

OPEN END DEED OF TRUST: A Deed of Trust which secures additional notes for funds that a lender may advance to a trustor, subsequent to the execution of the original loan.

OWNER CARRY BACK: A term used to indicate that the seller is willing to take back a purchase money mortgage.

P

PARTNERSHIPS: A voluntary association of two or more persons to carry as co-owners of a business for profit.

PAYEE: One who receives payments.

PAYER: One who makes payments.

PERSONAL PROPERTY: All property which is not land or improvements permanently affixed to land. Example: stocks, bonds, furniture, automobiles, clothing, promissory notes, etc.

PIT: Principal, interest, taxes and insurance, the primary component of a monthly mortgage payment.

PLAT MAP: A drawing giving the general physical lay-out of the land covered and included in the preliminary title report.

PMI (PRIVATE MORTGAGE INSURANCE): Insurance against a loss by lender in the event of default by a borrower (mortgagor). The insurance is similar to insurance by a governmental agency such as FHA, except that it is issued by a private insurance company. The premium is paid by the borrower and is included in the mortgage payment.

POINTS: One point equals one percent of the mortgage amount. Points are charged by lender to increase the lender's return on the mortgage. Typically, lenders may charge anywhere from zero to two points. Loan points are tax deductible.

POWER OF ATTORNEY: A written authorization to an agent to perform specified acts on behalf of his principal. This may be granted as either a general or a limited power.

PRELIMINARY TITLE REPORT: A report from a title company of the present condition of title made prior to the issuance of a title policy.

PREPAYMENT PENALTY: An agreement to pay a penalty for the payment of a note before is actually becomes due.

PRINCIPAL: One who employs an agent to act on his behalf, such as the seller and buyer in an escrow transaction. Also, an amount of debt or the face value of a note or mortgage.

PROBATE: The official proving of a will as authentic or valid in a probate court.

PROPERTY PROFILE: An informational package furnished by title companies to real estate agents which usually provides copies of the current vesting deed, the tax parcel number, copies of trust deeds, and a plat map.

PRORATION: The allocation of property taxes, interest, insurance premiums, rental income, etc. between buyer and seller proportionate to time of use.

PUBLIC REPORT: A report issued by the Department of Real Estate containing information of interest to a buyer about newly subdivided property.

PURCHASE MONEY DEED OF TRUST: A deed of trust to secure payment of all or a portion of the purchase price of real property.

Q

QUALIFIED INTERMEDIARY: A party to an IRC S1031 exchange transaction who satisfies the "safe harbor" requirements of Reg. S1. 1031 (k)-1g (4); A Qualified Intermediary is not the agent of the Exchanger ; Money actually or constructively received by a Qualified Intermediary will not be attributed to the Exchanger.

QUIET TITLE: A legal action to establish title to real property usually used to obtain clear title on a property that is clouded by an issue of title.

QUIT CLAIM DEED: A deed which conveys whatever right, title or interest the grantor may have in property at the time of conveyance. There is no guarantee implied in a quit claim deed.

R

REALTOR: A real estate broker or agent who is a member of the local Board of Realtors, a state Association of Realtors and the National Association of Realtors. Realtors adhere to a high standard of professionalism and strict code of ethics.

REAL PROPERTY: Land and buildings affixed to the land, including the air space above and mineral rights below, as opposed to personal property or chattels.

RECONVEYANCE: The document that is evidence that the Deed of Trust affecting real property has been paid in full and that the lender and the trustee no longer have any interest in the property.

RECORDATION: Filing for record in the office of the county recorder, a very necessary process in dealing with real property.

RENT STATEMENT: A detailed statement provided by the seller covering the rental income of a property and amounts of deposits. The statement is used in escrow for rent proration purposes and for making adjustments between parties for deposits.

REQUEST FOR NOTICE OF DEFAULT: A notice recorded by the holder of a junior lien requesting that he be notified in the event that a Notice of Default is recorded under a senior deed of trust. If the deed of trust is foreclosed, the person requesting the notice will be notified of the foreclosure by the trustee processing the foreclosure.

R.E.S.P.A.: The Real Estate Settlement Procedures Act enacted by Congress in 1974, provides protective measures for borrower's, including establishing the manner in which closing costs are disclosed. Lenders are required to use the R.E.S.P.A. settlement statement at closing. In common usage, this form is called a "H.U.D." statement.

RESERVATION: Right reserved by the grantor in conveying property, or a right which had previously been reserved.

RESTRICTIONS: This is often referred to as covenants, conditions, and restrictions (CC&R) in regard to a piece of property, setting limitations on its use.

RIGHT OF WAY: The right of another to cross over, under or through a parcel of land.

S

SATISFACTION OF JUDGEMENT: Evidence of the payment in full a judgement lien.

SECURITY DEPOSIT: A deposit made to assure performance of an obligation, usually by a lessee.

SELLER: One who sells property to another.

SELLER FINANCING: A financing agreement in which a seller provides part (or all) of the financing needed by a buyer to purchase the seller's home.

SHORT-PAY SALE: A short sale is the sale of real property where the fair market sales price is less than the loan balance.

STATEMENT OF INFORMATION FORM: A brief statement of facts relied upon by title insurers to assist in the proper identifications of persons.

SUBESCROW AGENT: An approved agent to receive and disburse funds on behalf of the escrow holder or a lender, usually the title company named in the escrow.

SUBJECT TO: Usually referred to as the condition of title that exists at the time of acquisition by the buyer, such as subject to a Deed of Trust or record.

SUBORDINATION: The procedure of allowing a new loan or obligation to take priority over an existing encumbrance.

SUBORDINATION AGREEMENT: An agreement by which a prior lien is made inferior to an otherwise junior lien.

SURVEY: A map or plat containing a statement of courses, distances and quality of land and showing boundary lines of real property. Also, a process of measuring a parcel of land and ascertaining its area and boundaries.

SWING LOAN: A short-term loan obtained on a Seller's equity for the purpose of purchasing a second property.

T

TAX COLLECTOR: One who collects the taxes on the property.

TAX SERVICE: A service which provides notification to a lender of whether or not a borrower is paying the real property taxes. Companies who perform this service audit the tax rolls and issue notices to lenders when taxes are delinquent.

TENANCY IN COMMON: Ownership of property by two or more persons in an undivided interest without the right of survivorship.

TITLE: Evidence of a person's right to or the extent of his interest in the property.

TITLE INSURANCE: An insured statement of the condition of title or ownership of real property. For a one-time-only premium, the named insured and their heirs are protected against title defects, liens, and encumbrances existing as of the date of the policy and not specifically excluded from coverage. In the event of a claim, the title company provides legal defense for the policyholder and pays any covered losses incurred as a result of such claim.

TRUST: A fiduciary relationship in which one party (trustee) holds the title to property for the benefit of another party (beneficiary).

TRUST AGREEMENTS: A fiduciary relationship in which a trustee holds title to property for the benefit of a beneficiary.

TRUST DEED: A three-party security instrument conveying title to land as security for the performance of an obligation. The three parties are the Trustor (borrower), Trustee (acts only at time of payoff and in case of foreclosure), and Beneficiary (lender).

TRUSTEE (IN A DEED OF TRUST): The entity to which property is conveyed in trust, not to be confused with the beneficiary.

TRUSTEE'S DEED: In a case of a foreclosure, the deed given by the trustee under a deed of trust when the property is sold under the power of sale.

TRUSTOR (IN A DEED OF TRUST): The borrower under a Deed of Trust.

U

UNINCORPORATED AREA: Property located outside the limits of any city.

UNLAWFUL DETAINER: A legal action to recover possession of real property.

USUARY: Charging more interest than the law allows on a loan.

V

VENDEE: One who is purchasing property under a land sale contract

VENDOR: One who is selling property under a land sale contract.

VESTING: The manner in which the owner of real property holds title. For example, John Jones, a single man.

W

WILD DOCUMENT: A commonly used expression for a document that is recorded against a property but seems to have no basis for application or connection with the property.

WILL: A disposition of property effective upon the maker's death often referred to as a "last will and testament"

Z

ZONING: Local government regulations relating to the use of property.