



Title Terms

If real estate lingo tends to make your eyes glaze over, know that you're not alone. For many people, the terminology used during the process of buying or selling a home might as well be an alien language.

Here's a list of title terms to know for when you establish first contact with your agent or closer...

Appraisal

An estimate of the value of a property resulting from an analysis of facts about the property.

Closing

The conclusion of the sales transaction when the seller transfers title to the buyer in exchange for consideration. In Texas, these proceedings are usually held at a Title Company.

Closing Costs

Costs the buyer must pay at the time of the closing in addition to the down payment, which may include points, title charges, credit report fee, document preparation fee, mortgage insurance premium, inspections, appraisals, prepayments for property taxes, deed recording fee, and homeowners insurance.

Cloud on Title

A claim or encumbrance that impairs the title to real property.

Comparable Sales ("Comps")

Sales with similar characteristics to the subject property, used for analysis in the appraisal.

Deed

A written instrument by which title to land is conveyed.

Deed Restrictions

Limitations in the deed to a property that dictate certain uses that may or may not be made of the property.

Easement

A right to use another person's real estate for a specific purpose. The most common type of easement is the right to travel over another person's land, known as a right of way. In addition, property owners commonly grant easements for the placement of utility poles, utility trenches, water lines or sewer lines.

Earnest Money

Down payment made by a purchaser of real estate as evidence of good faith.

Hazard Insurance

Real estate insurance protecting against fire, some natural causes, vandalism, etc. depending upon the policy.

Legal Description

A description of land recognized by law, based on government surveys, spelling out the exact boundaries of the entire piece of land.

Lien

A monetary claim against a property.

Mortgage

The instrument by which real property is pledged as security for repayment of a loan.

PITI

A payment that combines Principal, Interest, Taxes, and Insurance.

Power of Attorney

A written authorization by a person to another person to act for him on his behalf.

Realtor®

A real estate broker or an associate who holds active membership in a local real estate board that is affiliated with the National Association of Realtors®.

Recording

Filing documents affecting real property with the County Recorder as a matter of public record.