

A

ABANDONMENT

The relinquishment of all rights and [title](#) to a property with no intention of reclaiming [ownership](#).

ABSOLUTE FEE SIMPLE TITLE

Absolute and unqualified [title](#); the ultimate one can hold.

ABSTRACT OF JUDGMENT

A summary of a court order which when recorded creates a [general lien](#) upon real and [personal property](#) of a debtor in the county in which it was recorded.

ABSTRACT OF TITLE

A condensed history of the [title](#) to a parcel of land consisting of the original grant and all subsequent conveyances and recorded [instruments](#), together with a statement of all [liens](#), charges, or [encumbrances](#) affecting [title](#) to that land.

ABUSUS - Civil Law Term

The right of the owner to the proceeds from a sale or [mortgage](#).

ACCELERATION CLAUSE

A clause in a [mortgage](#) or [installment contract](#) stating that upon [default](#) of payment due, immediate and full payment of the balance of the obligation becomes due and payable.

ACCEPTANCE

The indication by the [offeree](#) that he is [willing](#) to be bound by the terms of the [offer](#), and the receipt on [delivery](#) of the [instrument](#).

ACCESS RIGHT

The right of a property owner to have [ingress](#) and [egress](#) to and from his property.

ACCESSION

Acquisition of property by its joining or union with other property.

ACCORD

The agreement between [contracting](#) parties to make a substitution in a [contract](#).

ACCRETION

Gradual additions to land by [deposits](#) of sand or soil by bordering waters through natural causes.

ACCRUED DEPRECIATION

The difference between the cost of a replacement new, on the date of the appraisal, and the present appraised [value](#).

ACCRUED ITEMS OF EXPENSE

Those incurred expenses which are not yet payable. The seller's accrued expenses are credited to the purchaser in a [closing statement](#).

ACCUSATION

A written statement of charges against the [licensee](#), delivered to him prior to a hearing regarding the possible revocation or suspension of his [license](#).

ACKNOWLEDGMENT

A formal [declaration](#) made before a notary public or other authorized person, by a person who has [executed](#) an [instrument](#), that such execution is his free act and [deed](#).

ACQUISITIVE PRESCRIPTION

Civil Law Term: A concept existing in Louisiana Civil law which is similar to the [Common Law](#) concept of adverse possession.

ACRE

A measure of land equal to 160 square rods, 4,480 square yards, or 43,560 square feet.

ACRE FOOT

The volume of water equal to the quantity of water required to cover 1 [acre](#) 1 foot deep; 43,560 cubic feet.

B

BALLOON PAYMENT

The final installment payment on a [note](#) which is greater than the preceding installment payments and pays the [note](#) in full.

BARGAIN AND SALE DEED

A [deed](#) used to convey [title](#) to [real property](#), which may or may not include warranties; if any, they are generally limited to an assertion by the [grantor](#) that he has possession of the property.

BASELINE AND MERIDIAN

Imaginary lines used by [surveyors](#) in locating and describing land under the [rectangular survey](#) method. The north-south line is the meridian, the east-west line is the baseline.

BATTURE LAND

The land between a riverbank and the waters edge when the water level is low than normal. In Louisiana, the term applies to certain portions of the Mississippi River bed that are uncovered at the time of low water, but covered at the time of ordinary high water.

BENCHMARK

A permanent reference mark or point established for use in measuring differences in elevation.

BENEFICIARY

A person who receives and benefits from the gifts or acts of another; or who receives the proceeds from a [will](#), insurance policy or trust. Also, the term is used to describe the person who receives the proceeds or [principal](#) of a trust left in the [will](#) of another - a [testamentary](#) trust.

BEQUEATH

The giving of [personal property](#) by [will](#).

BEQUEST

[Personal property](#) given by a [will](#).

BIANNUAL

Happening twice each year; semi-annual.

BIENNIAL

Happening once every two years.

BILATERAL CONTRACT

A [contract](#) in which both parties have reciprocal obligations towards each other.

BILL OF SALE

A written [instrument](#) which passes [title](#) of [personal property](#) from seller to buyer.

BINDER

An agreement to cover a down payment for the purchase of real [estate](#) as evidence of good faith on the part of the purchaser; shows the receipt of a [deposit](#) and outlines the basic terms of the [transaction](#).

BLANKET MORTGAGE

One [mortgage](#) covering two or more specific parcels of real [estate](#).

BLOCKBUSTING

The discriminatory practice of encouraging members of one race or creed to move into a neighborhood, and then exploiting the situation by persuading residents to sell [their](#) houses at deflated prices because of the alleged social deterioration of the neighborhood.

BONA FIDE

In good faith, without [fraud](#); genuine; real.

BOND FOR DEED - Civil Law Term:

An [instrument](#) used in conveying Louisiana properties whereby the seller retains [title](#) after execution until such time as a designated amount has been paid in by the buyer (deemed the bond) at which time [title](#) passes and the seller assumes the position of a [mortgagee](#) with a security [interest](#) and the buyer-[mortgagor](#) assumes [title](#).

BREACH OF CONTRACT

Violation of any of the terms or conditions of a [contract](#); [default](#); non-performance.

BROKER

A [licensee](#) person who negotiates the purchase and sale of real [estate](#) for another.

BUDGET MORTGAGE

A [mortgage](#) with payments that cover [principal](#) and [interest](#), plus taxes, fire insurance, [lease](#) rent, etc.

BUILDING CODES

Rules established by local governments to regulate construction standards.

BUILDING LINE

A line at a certain distance from the front and/or sides of a lot, beyond which no building may project.

BUILDING RESTRICTIONS

Limitations on the use of property or the size and location of improvements established by legislation or by [covenants](#) in [deeds](#).

BUNDLE OF RIGHTS

[Ownership](#) concept in real [estate](#) which embraces the rights of possession, use, enjoyment and disposition.

C

CAPITALIZATION

The act of converting future income into current equivalent [value](#).

CAPITALIZATION RATE

The relationship or ratio between the [net income](#) from a real [estate](#) investment and the [value](#) of the investment, usually expressed as a percentage; the rate of [interest](#) which is considered a reasonable return on the investment.

CAUSE - Civil Law Term

The reason a person obligates himself.

CAVEAT EMPTOR

Let the buyer beware; the buyer must examine the goods or property and buy at his own risk.

CC and Rs

An abbreviation of [covenants](#), conditions, [restrictions](#), rights of way, and recorded [easements](#).

CERTIFICATE OF ELIGIBILITY

The document which verifies the [entitlement](#) of an individual to the benefits of the Servicemen's Readjustment Act of 1944 by establishing his service record qualifications with the government agency.

CERTIFICATE OF REASONABLE VALUE

Commonly known as C.R.V.; this is the appraisal commitment of the Veteran's Administration used to fix the [value](#) of a property being proposed for purchase by a veteran under the GI bill of rights.

CERTIFICATE OF TITLE

A certification based on immediately available public records and issued by a [title](#) company, or an opinion rendered by an attorney that the seller has good, marketable and/or insurable [title](#) to the property.

CERTIFIED PROPERTY MANAGER

Commonly known as C.P.M.; this identification is bestowed upon any property manager who has met the requirements of the Institute of Property Management operated under the auspices of the National Association of Realtors.

CHAIN OF TITLE

A sequential history of the conveyances and records of [ownership](#) to a piece of property through the years from the original grant to the present, as revealed through the public records.

CHATTEL

[Personal property](#) which is tangible and movable.

CHATTEL MORTGAGE

A [mortgage](#) covering [personal property](#).

CIVIL CODE

Civil Law Term: In Louisiana, the system of law as distinct from the [common law](#) of other states; handed down from the French and Spanish settlers who established [their](#) system of laws before the Louisiana Purchase.

CLIENT

The [principal](#) to a real [estate transaction](#) who employs the agent.

CLOSING

The time when a [transaction](#) is consummated, or the actual signing over of the documents and [delivery](#) of the [deed](#); the time after signing when the documents are recorded.

CLOSING STATEMENT

A statement of settlement made by a [broker](#) or an [escrow](#) company that reflects the financial position of the buyer and seller in that particular real [estate transaction](#).

CLOUD ON TITLE

Any conditions revealed by a [title](#) search which may affect or impair the owner's [title](#) to property because of [their](#) apparent or probable [validity](#).

CO-OWNERSHIP - Civil Law Term

The only method by which more than one party can own property in Louisiana. Involves undivided fractional [interests](#) of [ownership](#), not necessary equal in proportion.

CODICIL

A supplement or addition to a [will](#) which adds to, subtracts from, alters, revokes or qualifies the provisions of a [will](#).

COLLATERAL - Civil Law Term

A person with equal claim of inheritance; brothers and/or sisters from the same parents. This term is also used to indicate money or preferably [real property](#) pledged to guarantee the payment of a debt.

COLLATERAL MORTGAGE - Civil Law Term

A type of [mortgage](#) not defined in the Code which secures a collateral [note](#); this [note](#) may then be issued as security for debts incurred now or in some future time.

COLOR OF TITLE

That which appears to be good [title](#) but which is not in fact good [title](#), such as [title](#) held under a defective [deed](#).

COMMINGLING

Mixing money belonging to [clients](#) with personal funds.

COMMISSION

An agent's compensation for performance of the duties of his agency; in real [estate](#) practice, a percentage of the selling price of the property, or percentage of rentals, etc.

COMMON ELEMENT

In a condominium, land and all parts of a building normally used by all of the owners for [their](#) mutual convenience or safety.

COMMON LAW

Laws which have evolved from general usage and are legally established through court decision.

COMMON THINGS - Civil Law Term

Common "things" are those which may not be owned by anyone; things such as air and the high seas which may be freely used by everyone conformably with the use for which nature has intended them.

COMMUNITY PROPERTY

Personal and [real property](#) acquired by husband and wife through [their](#) joint efforts during marriage and owned equally by them.

COMPETENT PARTIES

Those who are qualified or mentally competent to enter into a [contract](#).

COMPOUND INTEREST

[Interest](#) paid both on the original [principal](#) and on [interest](#) accrued from the time it fell due.

CONCURRENT OWNERSHIP

The [ownership](#) of property by two or more people.

CONDEMNATION

The process by which property of a private owner is taken for public use, with [just compensation](#) to the owner, under the right of [eminent domain](#).

CONDITIONAL SALE - Civil Law Term

A sale which includes conditions.

CONDOMINIUM OWNERSHIP

The individual outright [ownership](#) of a single unit in a multi-unit property together with an [interest](#) in the [common elements](#) of that property.

CONFESSION OF JUDGMENT - Civil Law Term

A statement of [acknowledgment](#) of debt of [principal](#), [interest](#), and other costs. It is a mandatory statement in a collateral [mortgage](#) and the words "confess [judgment](#)" must appear in the terms of the [mortgage](#).

CONFUSION - Civil Law Term

The merging of [ownership](#) of both dominant and [servient estates](#) by the same person.

CONSIDERATION

[Valuable consideration](#), a promise or an act of legal [value](#) bargained for and received in return for a promise; [good consideration](#), love and affection.

CONSTRUCTION LOAN

A short term loan for building or repairing properties allowing the disbursement of funds at designated intervals as the work progresses.

CONSTRUCTIVE EVICTION

Breach of the [covenant](#) warranting [quiet enjoyment](#) in a [lease](#); when a landlord performs an act depriving the tenant of [quiet enjoyment](#) of the premises thereby causing the tenant to move.

CONSTRUCTIVE NOTICE

Notice given by the public records; legal notice.

CONSUMABLE

A thing which cannot be used without being consumed or its substance changed.

CONTINGENT

Dependent upon an uncertain future event.

CONTRACT

A legal agreement between [competent parties](#) for a [consideration](#) to perform or refrain from performing certain acts.

CONTRACT, IMPLIED

One in which, from the conduct of the parties, [their](#) mutual promises are implied - consulting a doctor or dentist implies a promise to pay the price of an office visit though no fees are mentioned.

CONTRACT, UNILATERAL

One in which only one party is obligated to do something.

CONTRACT, VOIDABLE - Civil Law Term

A relatively null [contract](#) that is capable of being affirmed or rejected at the [option](#) of one of the parties but which is binding on the other.

CONVENTIONAL MORTGAGE

A [mortgage](#) which is not FHA insured, or [VA guaranteed](#).

CONVENTIONAL SERVITUDE - Civil Law Term

By [contract](#); voluntary. May be established by judicial act, [prescription](#), or destination of the owner.

CONVEYANCE - Civil Law Term

The transfer of the [title](#) of land from one to another; an [instrument](#) which carries from one person to another an interest in land.

COOPERATIVE OWNERSHIP

[Ownership](#) that usually takes the form of shares of stock in a [corporation](#) owning the entire building and a proprietary lease giving the stockholder/tenant the right to occupy a unit for which he pays a proportionate share of the maintenance and operating expenses.

CORPORATION

A vehicle used to carry on business with its owners having liability only to the extent of [their](#) stock ownership considered to be an individual or separate entity.

CORPOREAL

Pertaining to a right or group of rights of a visible and tangible nature.

CORRECTION LINE

A system for compensating inaccuracies in the Government [Rectangular Survey](#) System which are caused by the curvature of the earth. Every fourth [township](#) line, at 24 [mile](#) intervals, is used as a correction line on which the intervals between the north and south [range](#) lines are re-measured and corrected to a full six [miles](#).

COUNTER-LETTER

An agreement to re-convey property where the property has been sold with the intention that it shall serve as security only.

COUNTEROFFER

Created by the rejection of an original [offer](#), the counteroffer [invalidates](#) the original [offer](#) and in effect constitutes a new [offer](#).

COVENANT

An agreement written into [deeds](#) and other [instruments](#) which promises or guarantees that something shall or shall not be done; an agreement stipulating certain uses or non-uses of property.

CUBIC FOOT METHOD

A means of estimating a building's [value](#) based on the cubic foot construction cost of comparable buildings.

CUL-DE-SAC

A passage way or street with only one outlet; a blind alley.

CURTESY

The right which a husband has in his wife's [estate](#) at her death.

D

DAMAGES

The indemnity recoverable by an injured party to compensate him for the loss suffered through an act or [default](#) of another.

DATION EN PAIEMENT - Civil Law Term

Giving by the debtor and receiving by the creditor of something besides money for the payment of a debt. This is directly from the French which means "a gift in payment".

DEBENTURE

A [note](#) or bond given as evidence of a debt; an unsecured [note](#).

DEBT SERVICE

The amount needed for payment of [principal](#) and [interest](#) on an amortized debt.

DECLARATION

To make known openly and in definite terms; that which along with the by-laws, defines the rules by which a condominium [will](#) exist.

DEDICATION

An appropriation of land by its owner for some public use, and [acceptance](#) for such use by authorized public officials on behalf of the public. In certain cases, five years of uninterrupted public use [will](#) be considered an [acceptance](#).

DEED

An [instrument](#) in writing, duly [executed](#) and delivered by the [grantor](#) that conveys to the [grantee](#) some right, [title](#) or [interest](#) in or to real [estate](#).

DEED RESTRICTIONS

Clauses in a [deed](#) specifying the limitations to which the [grantee's](#) property may be subject, its permissible and impermissible uses, and the ways in which the premises are to be maintained.

DEFAULT

Failure to meet an obligation or promise when due.

DEFEASANCE CLAUSE

The clause in a [mortgage](#) that gives the [mortgagor](#) the right to redeem his property upon the payment of his obligation to the [mortgagee](#), and declares the [instrument](#) null and [void](#) upon payment of debt when due.

DEFICIENCY JUDGMENT

A [judgment](#) for the balance of a debt; issued when the difference between the indebtedness sued upon and the sale price obtained at the [foreclosure](#) sale is less than the debt.

DELIVERY

The act or intent of transferring an [instrument](#) from one person to another in such a way that it cannot be recalled.

DEMISE

A conveyance of an [estate](#) to another for life, for years or at [will](#); to [lease](#).

DEPOSIT

Money given by one to another as evidence of his good faith; evidence or security for performance of a [contract](#).

DEPRECIATION

Loss of [value](#) brought about by physical deterioration or functional or [economic obsolescence](#).

DEPTH TABLE

A statistical table that may be used to estimate the [value](#) of the added depth of a lot.

DERELICTION

Land formed by water receding from a river or stream.

DESCENDANTS

Children, grandchildren, and great grandchildren to the Nth generation living at the time of a person's death who have rights or claims on the property of the decedent.

DESIGNATED AGENT

A [licensee](#) named by a [broker](#) as the agent of a [client](#).

DEVISE

A gift of realty by [will](#).

DEVISEE

One who receives a gift of real [estate](#) by [will](#).

DEVISOR

One who gives realty by [will](#).

DIRECT REDUCTION LOAN

A loan having a replacement schedule in which a declining amount of [interest](#) is deducted from a fixed payment amount. What remains of each payment is applied to the loan's outstanding [principal](#).

DISCOUNT POINTS

A fee based on a percentage of a loan, charged by a lender, as a service charge, or as an amount needed to produce the same [yield](#) on an FHA or VA loan that he would receive in the [conventional mortgage](#) market; each point charged represents 1% of the loan amount and increases the [interest rate](#) by 1/8 of one percent.

DISINHERISON - Civil Law Term

The act of depriving a forced [heir](#) of the inheritance the law gives him.

DISPOSABLE PORTION - Civil Law Term

That amount of a person's property which he may freely dispose of without affecting the legitime (forced [heirship](#) portion). Donations [inter vivos](#) or mortis causa cannot exceed 3/4 of the property of the disposer, if he leaves, at his decease, one child; and 1/2, if he leaves two or more children.

DOCUMENTARY STAMP TAX

A state tax on the transfer of [real property](#).

DOMINANT ESTATE

An [estate](#) attached to and benefitting from the [servient estate](#), e.g., an [easement](#) runs over the [servient estate](#) and serves the dominant [estate](#); also called dominant [tenement](#).

DONATION INTER VIVOS - Civil Law Term

A gift between living persons. A donation [inter vivos](#) is an act by which the owner ([donor](#)) divests himself of presently and irrevocably of a thing in favor of another ([donee](#)) who accepts it.

DONATION MORTIS CAUSA - Civil Law Term

A gift made in [contemplation](#) of death. A donation mortis causa is an act to take effect when the [donor](#) has died and by which he disposes of all or part of his property. The act is revocable.

DONEE

A person to whom a gift is made.

DONOR

A person who makes a gift.

DOWER

The legal rights that a widow possesses to her husband's [estate](#).

DUAL AGENCY

Designates a [broker](#)'s unethical acting for both buyer and seller in the same [transaction](#) without the consent or knowledge of both parties.

DUE ON SALE CLAUSE

The clause which allows the [mortgagee](#) the [option](#) of calling the [mortgage](#)'s unpaid balance immediately due if the [mortgagor](#) sells or otherwise [alienates](#) the [mortgage](#) property. Also called the [alienation](#) clause. DURESS - Unlawful constraint or action against a person forcing him to perform some act against his [will](#).

E

EARNEST MONEY

Initial payment made by purchaser of real [estate](#) as evidence of good faith.

EASEMENT

A right, privilege or [interest](#) which one party has in the land of another.

EASEMENT APPURTENANT

An [easement](#) that is attached to and runs with the land; it cannot exist apart from the particular land to which it is attached.

EASEMENT BY PRESCRIPTION

A method of acquiring a right to a portion of property by lapse of time, in the manner of adverse possession.

EASEMENT IN GROSS

An [easement](#) which does not attach to the land, and is usually given to a quasi-public [corporation](#), such as the electric or phone company.

ECONOMIC LIFE

The period of time over which a property may be profitably used.

ECONOMIC OBSOLESCENCE

A loss in [value](#) caused by factors apart from the subject property itself but nonetheless affecting the subject property.

EFFECTIVE AGE

The apparent rather than the chronological age of a property.

EFFECTIVE DEMAND

Consumer desire for an item coupled with the consumers' financial ability to purchase that item.

EGRESS

Means of leaving property without [trespassing](#) the property rights of other surrounding owners.

EMBLEMENTS

Trees or crops that are cultivated annually; the rights of a tenant to harvest the annual crop even after his [tenancy](#) has ended.

EMINENT DOMAIN

The right of a government to take private property for public use upon the payment of [just compensation](#).

ENCROACHMENT

A building or [fixture](#) which intrudes partly or wholly upon the property of another.

ENCUMBRANCE

A claim, line, charge, or liability attached to and binding upon [real property](#) which affects or limits the [title](#) thereof.

ENDORSEMENT

The placing of one's signature on a document, to make it negotiable or transferable.

EQUALIZATION FACTOR

A [value](#) used to adjust the [market values](#) of properties which have been assessed using differing assessment ratios.

EQUITABLE RIGHTS OF REDEMPTION

The period of time between the point when the borrower goes into [default](#) and the actual [foreclosure](#) sale within which the borrower or another [interested](#) party can pay the current (or entire) indebtedness and redeem the property.

EQUITABLE TITLE

The right that exists in [equity](#) to obtain absolute [ownership](#) to property when [title](#) is held in another's name; an interest in [title](#) to land that may not amount to a [fee simple estate](#) but is nonetheless a right of which a court [will](#) take notice and seriously consider.

EQUITY

The [interest](#) or [value](#) which an owner has in real [estate](#) over and above the [liens](#) against it; branch or remedial justice by and through which relief is afforded to parties in courts of equity.

EROSION

The gradual wearing away of land due to natural causes of wind and water.

ESCALATION CLAUSE

The clause in a [mortgage](#) which permits the holder to increase or decrease the [interest rate](#) during the term of the [mortgage](#).

ESCHEAT

The reverting of property to the state when [heirs](#) capable of inheriting are lacking, or the property is abandoned.

ESCROW

The [deposit](#) of [instruments](#) and funds with instructions to a third neutral party to carry out the provisions of an agreement or [contract](#).

ESTATE

The degree, quantity, nature and extent of [interest](#) a person has in [real property](#).

ESTATE FOR YEARS

A [lease](#); an [interest](#) in land by virtue of a [contract](#) for the possession for a definite and limited period of time.

ESTOPPEL

A doctrine which bars one from asserting rights which are inconsistent with a previous position or representation.

ESTOPPEL CERTIFICATE

An [instrument executed](#) by the [mortgagor](#) to the assignee upon the sale of the [mortgage](#), setting forth the present status of the [mortgage](#) and attesting to its [validity](#).

ET AL

Latin for "and others".

ET UX

Latin for "and wife".

EVICITION

A legal proceeding by a landlord to recover possession of leased premises from a tenant due to some breach of the [lease contract](#).

EXCHANGE

A method of conveying [real property](#) by trading with another property.

EXCLUSIVE AGENCY

A written [instrument](#) giving one agent the right to sell property for a specified time, but reserving the right of the owner to sell the property himself without the payment of a [commission](#).

EXCLUSIVE RIGHT TO SELL

A written agreement between owner and agent giving the agent the right to collect a [commission](#) if the property is sold by anyone during the term of his agreement.

EXECUTE

To complete, to perform, to make, to do, to follow out; to execute a [deed](#), to make a [deed](#), including especially signing; to execute a [contract](#), to perform the [contract](#), to follow out to the end, to complete.

EXECUTED CONTRACT

A [contract](#) that is fully signed or performed.

EXECUTOR

A person named in a [will](#) to carry out its provisions as to the disposition of the [estate](#) of a deceased person.

EXECUTORY CONTRACT

A [contract](#) not yet fully performed.

EXECUTORY PROCESS

Described as the fastest way to foreclose on a [mortgage](#) for nonpayment of debt; this method must be expressed in the [mortgage contract](#) and signed and agreed to by all parties.

EXECUTRIX

Feminine of [executor](#).

EXPRESS AUTHORITY

Clearly stated duties of an agent set forth by his [principal](#).

EXPROPRIATION - Civil Law Term

A taking, as under [eminent domain](#). Equivalent to the [Common Law](#) term [condemnation](#).

F

FEDERAL FAIR HOUSING ACT

Federal legislation forbidding discrimination in the sale, rental, and financing of real [estate](#) on the basis of race, color, religion, sex, handicap, familial status.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC)

A federal agency which buys [mortgages](#) in the [secondary money market](#) from commercial banks and federally insured savings and loan associations; "Freddie Mac".

FEDERAL HOUSING ADMINISTRATION (FHA)

An agency of the federal government which insures certain real [estate](#) loans.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA)

A part public, part private [corporation](#) that buys and sells [mortgages](#) in the [secondary money market](#). "Fannie Mae".

FEDERAL RESERVE SYSTEM

The national controller of the money supply, the Federal Reserve System regulates the printing of money, buys and sells bonds, and controls the reserve requirements of its member banks.

FEE CONDITIONAL

An [estate](#) granted absolutely but only so long as a specified event occurs or does not occur.

FEE DETERMINABLE

A fee [estate](#) which exists only until a specified event does or does not occur. Upon the happening of such event, the fee automatically ends and reverts back to the original [grantor](#), or to his [estate](#).

FEE SIMPLE

An [estate](#) in [real property](#), by which the owner has the greatest power over the [title](#) which it is possible to have, being an absolute [estate](#); an [estate](#) of inheritance belonging to the owner, that he may dispose of, trade, or [will](#), as he chooses.

FEE TAIL

An [estate](#) which was inheritable by particular lineal [heirs](#). Upon lack of such [heirs](#) the [estate](#) reverted back to the [grantor](#) or his [heirs](#). No longer recognized.

FEE TITLE POLICY

The [title insurance](#) policy covering the property owner.

FEUDAL SYSTEM

Medieval legal and social system in which [ownership](#) of the land was vested in the monarch.

FIDUCIARY

A person in a position of great trust and confidence, as the relationship between [principal](#) and agent.

FINDER'S FEE

A fee paid to a person for the services of putting together the two parties in a real [estate transaction](#).

FISCAL YEAR

A year, used for tax, corporate, and accounting purposes which begins on a date other than January 1.

FIXTURE

An article of [personal property](#) which has been installed in or attached to land or a building thereon, in such a manner, that it is now considered to be a part of the real [estate](#).

FORCED HEIR - Civil Law Term

A child of a deceased person who has not attained the age of twenty-four, or of any age who because of a mental [incapacity](#) or physical infirmity is incapable of managing his person or his property.

FORCED PORTION - Civil Law Term

The portion of the property of a deceased person that his [descendants](#) must receive upon his death.

FORECLOSURE

Procedure whereby property pledged as security for a debt is sold to pay the debt in event of [default](#) in payments or terms.

FRAUD

The intentional and successful employment of deception in order to cheat or deceive another person and to thereby gain some dishonest advantage.

FREEHOLD

An [estate](#) in [real property](#) for an indefinite and uncertain time.

FRONT FOOT

Property measurement by the front foot on its street line or waterfront line with each front foot extending the depth of the lot.

FRUCTUS - Civil Law Term

The [ownership](#) right regarding the fruits or incomes from Louisiana real [estate](#).

FULL, COMPLETE AND PERFECT OWNERSHIP - Civil Law Term

Refers to the owner's unrestricted power to dispose of the property. Similar to [fee simple ownership](#) in [Common Law](#).

FUNCTIONAL OBSOLESCENCE

Lack of desirability in terms of layout, style and design as compared with that of a new property serving the same function.

G

GENERAL AGENT

An agent authorized to handle specified matters for his [principal](#).

GENERAL LIEN

A [lien](#) attaching claim to all property of a person, both real and personal.

GENERAL PARTNER - Civil Law Term

All partners are general partners, having the powers, rights, and obligations of partners, unless specified otherwise in the articles of [partnership](#); a partner "in commendam" cannot be a general partner but may become liable as one under certain circumstances.

GENERAL WARRANTY DEED

A [deed](#) in which the [grantor](#) certifies that the [title](#) conveyed is free of defects which may have arisen before or during the time he owned the property.

GENUINE ASSENT

The [principal](#) that all parties entering into a [contract](#) must do so of [their](#) own free [will](#) and choice.

GOOD CONSIDERATION

Promises of intangibles (such as love and affection made to fulfill one requirement of a binding [contract](#)).

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA)

A federal agency which provides special assistance for federally aided housing programs; active in the [secondary money market](#) for government subsidized housing programs; "Ginnie Mae".

GRADUATED LEASE

A [lease](#) with fixed increases at stated intervals, or increases based upon periodic appraisals at stated times; also called a [step-up lease](#).

GRADUATED LOAN

A loan featuring an unlevel, amortized repayment schedule in which payments start small and become larger as the loan is repaid; graduated payment [mortgage](#).

GRANTEE

The purchaser; the person to whom an [interest](#) in realty is conveyed.

GRANTING CLAUSE

The part of a [deed](#) expressing the [grantor](#)'s intention to transfer his [interest](#) in his property to the [grantor](#).

GRANTOR

The seller; the person who conveys an [interest](#) in realty by [deed](#).

GRATUITOUS - Civil Law Term

A donation or [contract](#) made without [consideration](#).

GROSS INCOME

Total income derived from a business or income property before expenses are deducted.

GROSS LEASE

A [lease](#) of property in which the [lessor](#) meets all property charges incurred through [ownership](#).

GROSS MULTIPLIER

A number which is used to determine the approximate selling price for income property by multiplying the [gross income](#) times this number. (Income X Multiplier = Selling Price).

GROUND LEASE

A [lease](#) for the use of the land, usually providing for improvements to be placed on the land by the user.

GROUND RENT

The net rent paid for a parcel of unimproved land; that portion of the total rental is considered to represent a return upon the land only.

H

HABENDUM CLAUSE

The portion of a [deed](#) beginning "to have and to hold", which usually follows the [granting clause](#), and explains or limits the [estate](#) granted.

HABITATION - Civil Law Term

The nontransferable real right of a natural person to dwell in the house of another. One of the three types of personal servitude, (others are usufruct and right of use).

HEIR

One, generally in direct line of descendance, who receives any property by action of law in [intestate](#) successions.

HEIRSHIP, FORCED - Civil Law Term

Louisiana [descendants](#) are required to inherit certain portions of [their](#) deceased parents' property.

HIGHEST AND BEST USE

That legal use, which at the time of an appraisal is most likely to produce the greatest net return over a given period of time.

HOLDOVER TENANT

A tenant who remains in possession of a property after expiration of the [lease](#) term.

HOLOGRAPHIC WILL

Unwitnessed [will](#) hand-written by the person leaving the [will](#).

HOMESTEAD

The house and adjoining land of a family. In Louisiana, statutory exemptions against the right of general creditors is set at a maximum of \$15,000. Property tax exemptions is \$7,500 of assessed [value](#).

HOMOGENEOUS

The same or similar kind of structure; similar; as used in appraising, homogeneity tends to stabilize [values](#) in an area.

HYPOTHECATE

To pledge property as security; to [mortgage](#).

I

IMMOVABLE - Civil Law Term

Land and/or buildings situated on the land; other improvements to the land (landscaping, fruit trees, or vegetable garden) belong as part of the immovable.

IMPLIED AUTHORITY

The authority an agent is assumed to have because of a course of conduct, or which is inferred from the fact that he has been authorized to perform certain acts.

IMPROVEMENT - Civil Law Term

An addition made to property. Generally refers to buildings, but may include any permanent structure such as streets, sidewalks, utilities, etc.

IN REM

Pertaining to property. Used to designate legal proceedings against the property.

INCAPACITY

The lack of legal qualifications making a person incapable of performing some act. Mental deficient, [minors](#), etc. lack capacity to perform certain acts.

INCHOATE

Incomplete; not perfected.

INCORPOREAL

Intangible; without physical existence.

INDEFEASIBLE

Not capable of being annulled or [voided](#).

INGRESS

An entrance to property which does not [trespass](#) over the property rights of others.

INJUNCTION

A writ or order issued under the seal of a court to restrain one or more parties from performing an act which is deemed to be inequitable or unjust in regard to the rights of some other party.

INSTALLMENT CONTRACT

A [contract](#) which provides for payment of a purchase price in installments.

INSTRUMENT

A written legal document.

INTENTIONAL MISREPRESENTATION

The act of making [willfully](#) inaccurate statements about a property or withholding essential information concerning it.

INTER VIVOS

During one's life; from one living person to another.

INTEREST

The charge for the use of money over a period of time. Can be understood as the "rent" paid for the use of borrowed money.

INTEREST ESCALATION CLAUSE

The clause in a [promissory note](#) which pushes the [note's interest rate](#) to the maximum amount allowed by law in the event of the borrower's [default](#).

INTEREST RATE

The percentage charged to use a sum of money.

INTERIM FINANCING

A short-term loan obtained to cover financing of the construction of a building.

INTESTATE

A person who dies without a [will](#), or with one which is defective in form.

INVOLUNTARY LIEN

A [lien](#) imposed against property without consent of an owner; e.g., taxes, [special assessments](#), federal income [tax liens](#), etc.

IRREVOCABLE

Incapable of being recalled or revoked; unchangeable.

J

JOINT TENANCY

[Ownership](#) by two or more persons with rights of survivorship; all joint tenants own equal [interest](#) and have equal rights in the property; each owner is possessed of an undivided part of the whole.

JOINT VENTURE

A joining of two or more people in a specific business enterprise.

JUDGMENT

The final determination of the rights and liabilities of the parties by a court in an action before it.

JUNIOR MORTGAGE

A [mortgage](#) which is subordinate to a prior existing [mortgage](#) on the same real [estate](#).

JUST COMPENSATION

Compensation that is fair to both the owner and the public in [condemnation](#) proceedings. The theory is that to be just, the property owner should be no richer or poorer than before the taking. In Louisiana, just means the entire loss of property to the owner including moving expenses and loss of business.

L

LACHES

Delay or negligence in asserting one's legal rights.

LANDMARK

A [monument](#) or object used to establish the boundary line of a property.

LEASE

A [contract](#) whereby the lawful owner of the property transfers his rights of use and possession to another for a specified term.

LEASEHOLD

An [estate](#) or right in [real property](#) held under a [lease](#).

LEGACY

A gift of [personal property](#), usually money, by [will](#).

LEGAL CAPACITY

A requirement of parties entering into a [valid contract](#) is that they be legally competent and duly authorized.

LEGAL DESCRIPTION

A description, recognized by law, that [will](#) definitely locate and identify the property.

LEGATEE - Civil Law Term

One, generally in direct line of descendance, who receives any property through the [will](#) of a deceased person.

LESION BEYOND MOIETY - Civil Law Term

A situation that exists when a sale of immovable property has been made for less than half of its [market value](#).

LESSEE

One who rents property under a [lease contract](#).

LESSOR

An owner who enters into a [lease](#) with a tenant.

LEVERAGE

The use of borrowed funds in financing, with the anticipation that the property acquired [will](#) increase in return so that the investor [will](#) realize a profit, not only on his own investment, but on the borrowed funds as well.

LICENSE

A personal privilege to perform some act on the land of another.

LIEN

A right, given by law, whereby a creditor may satisfy a debt out of the proceeds of the sale of real or [personal property](#) belonging to the debtor; an [encumbrance](#), usually naming property as security for payment of a debt or for the discharge of an obligation.

LIEN THEORY

The theory of collateral property which gives the lender a [lien](#) against the borrower's property until the debt is repaid. [Title](#) is said to be [hypothecated](#) to the lender, i.e., if the borrower [defaults](#), the lender can foreclose.

LIFE ESTATE

An [estate](#) or [interest](#) in [real property](#) held for the duration of the life of a certain person. Upon the expiration of that life, the [estate will](#) automatically be vested in a [remainderman](#) or [reversioner](#).

LIMITED PARTNERSHIP

A [partnership](#) composed of general and limited partners whose contribution and liability are limited and specifically defined.

LIQUIDATED DAMAGES

An amount pre-determined by the parties to an agreement that [will](#) be forfeited as compensation for [breach of contract](#).

LIS PENDENS

A legal document giving [constructive notice](#) that an action at law is pending; a notice of pendency.

LISTING

A written employment agreement between a property owner and a [broker](#) authorizing the [broker](#) to sell, [lease](#) or [exchange](#) the realty.

LITTORAL

Property which borders a large body of water, such as a lake, ocean, or sea.

LOAN ORIGINATION FEE

The charge made by a lender to make a loan.

LOT, BLOCK, AND SUBDIVISION

In [subdividing](#) land, the tract is first assigned a name and each block and lot within that subdivision is numbered or lettered. A map of the subdivision is then recorded with the proper governmental authority.

LTVR

Loan to [value](#) ratio; the relationship in size between the amount of the borrower's loan and the [value](#) of the property. Found by dividing the loan amount by the property's appraised [value](#) or selling price, whichever is less; the percent of [value](#) which the bank [will](#) lend.

M

M.I.P.

The [mortgage](#) insurance premium collected by the FHA for insuring the [mortgage](#).

MANDATE - Civil Law Term

A mandate, procuration, or letter of attorney is an act by which one person gives power to another to [transact](#) for him and in his name, one or several affairs.

MARKET PRICE

The price a property brings in a given market.

MARKET VALUE

The highest price a [ready, willing and able](#) buyer, not forced to buy, [will](#) pay to a [ready, willing and able](#) seller, not forced to sell, allowing a reasonable time for exposure in the open market.

MARKETABLE TITLE

[Title](#) free and clear of objectionable [encumbrances](#); [title](#) which is free from reasonable doubts or defects, which can be readily sold or [mortgaged](#).

MECHANIC'S LIEN

A [lien](#) which exists against [real property](#) in favor of persons who have performed work or furnished materials for the improvement of real [estate](#).

MERGER OF TITLE

The absorption of one [estate](#) into another.

METES AND BOUNDS

A method of describing or locating [real property](#); metes are measures of length and bounds are boundaries; a description starting with a well-marked point of beginning and following the boundaries of the land until it returns once more to the point of beginning.

MILE

A linear measurement of distance equal to 1,760 yards, or 5,280 feet, or 1,608 meters.

MILL

One-tenth of one cent. Used in some states to compute property taxes.

MINERAL RIGHTS - Civil Law Term

The rights of [ownership](#) of all minerals appearing in solid state beneath the surface of land to which one has [title](#) and the exclusive right to explore and develop the property for the production of fugitive or liquid state minerals and to reduce them to possession, hence [ownership](#). May be reserved for 10 years in Louisiana unless activity occurs.

MINOR

A person who is under the legal age of competence; under 18 years of age.

MISDEMEANOR

A crime of lesser consequences than a felony which is subject to [minor](#) jail terms, fines, or both.

MISREPRESENTATION

A false statement made with the intent to induce some action by another party.

MISTAKES OF FACT

Errors regarding the facts of a [contract](#).

MISTAKES OF LAW

Errors regarding the legal implications of the facts of a [contract](#).

MONUMENT

A fixed object and point established by [surveyors](#) to establish land locations; includes not only artificial objects such as posts and fences, but natural objects such as trees, mountains and water courses.

MORTGAGE

An [instrument](#) in writing which, when recorded, creates a [lien](#) upon property pledged as security for the repayment of a debt or obligation.

MORTGAGE BANKER

A [corporation](#) or firm which makes, delivers, and services [mortgage](#) loans.

MORTGAGE BROKER

A person or firm which acts as an intermediary between borrower and lender.

MORTGAGE GUARANTEE MORTGAGEE CORPORATION

A private [corporation](#) specializing in buying and selling [mortgages](#); "Maggie Mae".

MORTGAGEE

The party who lends money and accepts a [mortgage](#) to secure the payment of the debt.

MORTGAGOR

The party who borrows money and gives a [mortgage](#) on the property as security for his obligation to repay the debt.

MORTIS CAUSE - Civil Law Term

Donations mortis causa refer to donations of disposable property by a legal [will](#) in any form. Must not impinge upon the legitime of forced [heirs](#).

MULTIPLE LISTING SERVICE (M.L.S.)

An [arrangement](#) among [brokers](#) whereby they share [their listings](#).

N

NAKED OWNER

The person who owns the right of abusus of the property.

NEGOTIABLE INSTRUMENT

A written [instrument](#) signed by its maker or drawer, containing an unconditional promise to pay a certain sum of money; can be passed freely from one person to another.

NET INCOME

With reference to income producing property, the sum derived after a vacancy allowance and expenses have been deducted from the [gross income](#); generally described as net income before [depreciation](#), and usually defining the income a property [will](#) earn in a normal year's operation.

NET LEASE

A [lease](#) in which the tenant pays rent for occupancy, plus maintenance and operation expenses, and usually including taxes and insurance.

NET LISTING

A [listing](#) which provides that the agent may retain all sums received over and above a net price to the owner as compensation for his services.

NET OPERATING INCOME

A property's [gross income](#) minus vacancy and unpaid rent losses and all other operating expenses except those due to [interest](#) and [depreciation](#).

NON-CONSUMABLE

A thing that can be enjoyed without altering its substance.

NON-HOMOGENEOUS

Unlike any other. When referring to land, each parcel is unlike any other, therefore non-[homogeneous](#).

NONCONFORMING USE

A use which is contrary to [zoning](#) laws, but which is permitted because the use was allowed before the [zoning](#) law came into effect; a grandfather clause.

NOTARIAL WILL - Civil Law Term

A [testament](#) which is similar to a statutory [testament](#) which is usually typed and signed by the [testator](#) in the presence of a notary and witnesses.

NOTE

A written [instrument](#) acknowledging a debt and promising payment.

NOVATION

The substituting of a new obligation for an old one.

NULLITY - Civil Law Term

An act that has no legal force or effect.

NUNCUPATIVE WILL

An oral [will](#).

O

OFFER

A promise by one party to act in a certain manner provided the other party [will](#) act in the manner requested. In a real [estate](#) sales [contract](#), the offer to purchase realty [according](#) to certain stipulated terms and conditions.

OLOGRAPHIC - Civil Law Term

A [will](#) which is entirely in writing of the [testator](#).

OPEN END MORTGAGE

A [mortgage](#) containing a clause which permits the [mortgagor](#) to borrow additional money up to the original amount of the loan after the loan has been reduced, without rewriting the [mortgage](#).

OPEN LISTING

A [listing](#) given to any number of agents without liability to compensate any except the one who first secures a buyer [ready, willing and able](#) to meet the terms of the [listing](#).

OPTION

A right given for [consideration](#) to purchase or [lease](#) a property upon specified terms within a specified time.

OPTIONEE

The one obtaining the [option](#) right.

OPTIONOR

The one granting the [option](#) to another.

ORDINANCE

A legislative enactment of a city or county, such as [zoning](#).

ORDINARY PROCESS - Civil Law Term

The normal (as opposed to the [executory](#)) process of court action, with delays, appeals, and requests for more evidence.

OWNERSHIP

The condition of having the right to possess, use and dispose of property.

OWNERSHIP, IN INDIVISION - Civil Law Term

A Louisiana term for a fractional owner. The fractions need not be proportionate. Each owner retains the right to a [partition](#) of the property and his or her [interests](#) are freely transferable.

OWNERSHIP, SOLE - Civil Law Term

A Louisiana term similar to [ownership](#) in [severalty](#).

P

PACKAGE MORTGAGE

A [mortgage](#) commonly used in subdivision developments whereby [chattels](#) such as appliances are "packaged" into the [mortgage](#) along with the [real property](#).

PARTITION

Court proceedings by which co-owners of commonly owned property seek to sever [their](#) common [ownership](#).

PARTITION BY LICITATION - Civil Law Term

A judicial order to sell property at a cash sale to the highest bidder and divide the proceeds fractionally among co-owners.

PARTITION IN KIND - Civil Law Term

A judicial order to divide the property physically and place each undivided owner in sole [ownership](#) of 100 percent of a portion of said property.

PARTNERSHIP

A [contract](#) between two or more persons to carry on as co- owners of a business, and to share the profits in certain proportions.

PARTNERSHIP IN COMMENDAM - Civil Law Term

A Louisiana term for the [limited partnership](#) as known in [Common Law](#).

PARTY WALL

A wall erected on the line between adjoining properties which are under separate [ownership](#), for the use of both owners.

PATENT

A conveyance for the transfer of [title](#) to land owned by the government; land patent.

PERCENTAGE LEASE

A [lease](#) of property in which the rental is based upon the volume of gross sales made on the leased premises.

PERIODIC TENANCY

[Tenancy](#) of property for an indefinite period which can be terminated by either party with proper notice.

PERSONAL PROPERTY

Any property not [real property](#); movables.

PERSONAL SERVITUDE - Civil Law Term

A charge on a thing for the benefit of a person. The Code identifies three classes: usufruct, habitation, and the rights of use.

PHYSICAL DEPRECIATION

Any loss to property [values](#) caused by normal wear and tear or usage. Also includes such things as termite damage, dry rot, and the like.

PHYSICAL LIFE

The period of time over which a building is able to function without falling down.

PITI MORTGAGE

Abbreviation of [principal](#), [interest](#), taxes and insurance; used when stating a [mortgage](#)'s total monthly payment amount.

PLAT

A plan or map of a certain piece or pieces of land.

PLOTTAGE

The land increment produced by combining smaller individually owned plots into a larger tract under a single [ownership](#); see assemblage.

POLICE POWER

The inherent right of a government to enact such legislation as may be deemed necessary to protect and promote the health, safety and general welfare of the public.

POWER OF ATTORNEY

A written [instrument](#) authorizing a person to act as the agent on behalf of another to the extent indicated in the [instrument](#).

PREDIAL SERVITUDE - Civil Law Term

A charge on a [subservient estate](#) for the benefit of the [dominant estate](#). The two [estates](#) must belong to different owners. A predial servitude is a real right burdening immovables. There are three classes: natural, legal, and voluntary (conventional).

PREPAYMENT CLAUSE

The clause in [mortgage](#) or [note](#) stating the penalty, if any, for payment before it actually becomes due.

PRESCRIPTION

[Title](#) obtained by possession for a prescribed period; prescriptive rights.

PRIMA FACIE EVIDENCE

Evidence which is good and sufficient on its face ("at first view") to establish a given fact or case, unless rebutted or contradicted.

PRIMARY MONEY MARKET

The source of loan funds available directly to borrowers, whether for first or second [mortgages](#).

PRINCIPAL

The employer of an agent or [broker](#); a sum of money owed as a debt upon which [interest](#) is calculated.

PRINCIPAL MERIDIAN

A meridian which serves as a reference for other meridians; a part of the rectangular method of [survey](#).

PRINCIPLE OF CONTRIBUTION

The economic principle which holds that if a single improvement on a property does not result in a greater net return from the whole property, the cost of the improvement cannot be justified.

PRINCIPLE OF HIGHEST AND BEST USE

The appraisal principle which holds that the best use of a property is that which [will](#) produce the highest and most durable return on an owner's investment.

PRIVATE GRANT

Conveyance of property from one private person to another.

PRIVATE THINGS - Civil Law Term

In the Code, "things" are divided into common, public, and private; corporeal and incorporeal; and movables and immovables. private things are owned by individuals, other private (juridical) persons, and by the state or its political subdivisions in [their](#) capacity as private persons.

PRIVILEGE - Civil Law Term

A right that the nature of a debt gives to a creditor and [entitles](#) him to preference above other creditors.

PROBATE

An action of the court to determine the [validity](#) and legality of a last [will](#) and [testament](#).

PROCURING CAUSE

The cause of a series of events which leads to the consummation of a sale.

PROMISSORY NOTE

A written promise to pay a certain sum of money at a definite date in the future.

PROPRIETORSHIP

A business held by a person who has legal [title](#) or exclusive right thereto.

PRORATE

To divide or distribute proportionately; to divide monies, usually at the time of [closing](#), proportionately between seller and buyer.

PROTECTIVE ZONING

[Zoning](#) regulation the size and placement of buildings and other improvements on [their](#) land and the overall use of space within an area, having the end of putting land to its [highest and best use](#).

PURCHASE MONEY MORTGAGE

A [mortgage](#) on property given by a buyer, either to the seller or to a third party in order to secure a portion of the purchase price.

Q

QUANTITY SURVEY METHOD

A method of finding an improvement's replacement or [reproduction cost new](#) by tabulating the cost of all building materials plus costs for design, labor, and management.

QUIET ENJOYMENT

The right of an owner or tenant legally in possession of the use of property without interference from the landlord, or [grantor](#), or anyone claiming through him.

QUIET TITLE

A court action brought to establish [title](#) or to remove a cloud on the [title](#); an action clearing tax [titles](#) or [titles](#) based upon adverse possession.

QUITCLAIM DEED

A [deed](#) containing no warranties or [covenants](#), which relinquishes any [interest](#), [title](#) or claim in property the [grantor](#) may have, if any.

R

RANGE

A strip of land six [miles](#) wide, determined by government [survey](#), running north and south.

READY, WILLING AND ABLE

A person who is prepared, financially able, and [willing](#) to enter into a binding [contract](#).

REAL PROPERTY

Land itself, the improvements thereon, and the rights, [title](#) and [interest](#) one has in it.

RECEIVER

A court appointed custodian who holds property for the court, pending final disposition of the matter before the court.

RECISSION

The annulling, revocation, or repealing of a [contract](#) by mutual consent of the parties, or for cause by either party to the [contract](#), and returning the parties to [their](#) original position (the "status quo").

RECISSION CLAUSE

A clause occasionally found in an agreement of sale which requires the seller to return all of the buyer's payments less costs and a fair rental [value](#) in the event the buyer [defaults](#).

RECORDING

The act of writing or entering an [instrument](#) into a book of public records, which constitutes notice to all persons of the rights or claims contained in the [instrument](#); often called [constructive notice](#) or legal notice.

RECTANGULAR SURVEY

The government system of land [survey noted](#) for accuracy, adapted to the measurement of extensive territory.

REDEMPTION

Buying back one's property after [default](#) or a judicial sale.

REDHIBITION

The right to have a sale [rescinded](#) or the price reduced due to a hidden defect which, had the buyer known of it, would have caused him or her to [offer](#) a lesser price or not act at all.

REDLINING

The unethical, sometimes illegal, practice of systematically refusing to make loans in certain neighborhoods.

REGULATION Z

Passed to enforce the Truth in Lending Law, Regulation Z establishes guidelines for disclosure of loan costs, the borrower's right of [recission](#), and fair advertising practice regarding personal, agricultural and family loans.

RELATION BACK

A provision in [escrow](#) agreements allowing, in the event of the seller's death, the [closing](#) date of the sale to "relate back" to the date the [escrow](#) agreement was made.

RELEASE CLAUSE

A clause in a [blanket mortgage](#) which gives the property owner the right to pay off a portion of the indebtedness, thereby freeing a portion of his property from the [mortgage](#).

RELEASE OF MORTGAGE

The [instrument](#) given by the [mortgagee](#) to the [mortgagor](#) indicating discharge of the [mortgage](#), stating that the obligation has been fulfilled and the debt paid off.

RELICION

Gradual recession of water from the usual watermark.

REMAINDER ESTATE

An [estate](#) created by single grant simultaneously with another which vests with a third party after termination of the prior [estate](#); such as a [life estate](#).

REMAINDERMAN

The one in whom an [estate](#) vests after termination of a prior [estate](#).

REPLACEMENT COST NEW

The cost to replace the subject improvement with one having equivalent [utility](#), but constructed with modern materials and [according](#) to current standards in workmanship, design and layout.

REPRODUCTION COST NEW

The cost, at today's prices, of constructing an exact replica of the subject improvement using the same or very similar materials.

RESCIND

To annul; cancel.

RESPA

Acronym of the Real [Estate](#) Settlement Procedures Act, federal legislation passed to regulate disclosure of the buyer's settlement costs.

RESTRICTION

A clause in a [deed](#) or other written [instrument](#) limiting the use to which the property may be put.

REVERSION

The residue of an [estate](#) left to the [grantor](#) or his [heirs](#) after termination of all prior [estates](#) and [interests](#); the right of a [lessor](#) to recover possession of leased property upon the termination of the [lease](#), with all subsequent rights to use and enjoy the property.

REVERSIONARY INTEREST

A present right to future possession of an [estate](#).

RIDER

An addition, amendment or [endorsement](#) to a [contract](#) or other document.

RIGHT OF SURVIVORSHIP

The right to acquire the [interest](#) of a deceased joint owner; distinguishing feature of a [joint tenancy](#).

RIGHT OF WAY

An [easement](#) or right of passage over another's land.

RIPARIAN RIGHTS

The right of a landowner to the use of water on or adjacent to his land.

RUNNING WITH THE LAND

A [covenant](#) which extends beyond the original parties to an agreement and binds all subsequent parties.

S

SAFETY CLAUSE

A clause in a sales [contract](#) entitling the [broker](#) to a [commission](#) for the sale of the property by the owner himself for an extended period of time after the [contract](#) has expired.

SALE AND LEASEBACK

The sale and subsequent leasing back by the seller- [lessee](#).

SALE WITH WARRANTY - Civil Law Term

Similar to [General Warranty Deed](#). Gives best guarantee of [title](#).

SALE WITHOUT WARRANTY - Civil Law Term

Similar to [Quitclaim Deed](#). Gives no guarantee of [title](#).

SANDWICH LEASE

A [leasehold interest](#) of a sub[lessor](#) which lies between the primary [lease](#) (owner) and the operating [lease](#) (user).

SATISFACTION OF MORTGAGE

An [instrument](#) used when a [lien](#) is paid off and satisfied on the records; also called satisfaction piece.

SECONDARY MONEY MARKET

The marketplace for the sale and purchase of existing [mortgages](#).

SECTION

A section of land established by government [survey](#) containing 640 [acres](#), or 1 square [mile](#).

SECURITY DEPOSIT

A [deposit](#) made to assure performance of an obligation, usually by a [lessee](#).

SEIZIN

Possession of [real property](#) by one [entitled](#) thereto; a warranty that at the time of [delivery](#) of a [deed](#), the [grantor](#) actually has the right and capacity to convey good legal [title](#).

SEPARATE PROPERTY

Property owned by a husband or wife which is not [community property](#); property acquired by either spouse prior to marriage or by gift or [devise](#) after marriage.

SERVIENT ESTATE

An [estate](#) of land over which an [easement](#) exists in favor of the [dominant estate](#); servient [tenement](#).

SERVITUDE - Civil Law Term

A servitude is the [alienation](#) of one of the elements of [ownership](#) of one [estate](#) in favor of another. An [easement](#) under the [common law](#) is not necessarily the same legal right as a servitude under Louisiana law. Servitudes may be lost through the failure to use them. There are two classes: personal and predial.

SETBACK

An [ordinance](#) prohibiting the erection of a building or structure between the curb or other established line and the setback line; the distance a house must be set back from the street in [accordance](#) with local [zoning](#) rules.

SEVERALTY

Sole or independent [ownership](#).

SEVERANCE DAMAGES

[Damages](#) paid to an owner when his property has been partially taken by [condemnation](#), thus reducing the [highest and best use](#) of the remaining property.

SIMPLE INTEREST

[Interest](#) computed upon the declining balance of a particular amount; as [principal](#) declines so does the [interest](#) payment.

SITUS

The site, place, location or position occupied by [real property](#).

SPECIAL AGENT

A person who is authorized to perform only certain specified functions on behalf of his [principal](#).

SPECIAL ASSESSMENT

An assessment generally made against only those specific parcels of realty directly benefiting therefrom.

SPECIAL WARRANTY DEED

A [deed](#) in which the [grantor](#) warrants or guarantees [title](#) against defects arising during his [ownership](#) of the property only and not against defects existing before the time he owned it.

SPECIFIC LIEN

A [lien](#) which is applicable to one property in particular versus a [general lien](#) which applies to all property of the individual involved.

SPECIFIC PERFORMANCE

A remedy which the court [will](#) grant in certain cases, compelling the defendant to perform or carry out the terms of a [valid](#), existing agreement or [contract](#).

SPOT ZONING

A [zoning](#) practice allowing certain portions of an area to be used for purposes not generally permitted within that area.

STATUTE

A law established by an act of the legislature.

STATUTE OF FRAUDS

State law requires among other things that certain [contracts](#) relating to real [estate](#) must be in writing to be enforceable at law.

STATUTE OF LIMITATIONS

laws setting forth the period of time in which suit can be brought for a particular act.

STATUTORY RIGHTS OF REDEMPTION

The rights which prescribe the period of time after a [foreclosure](#) sale within which the borrower allowed to redeem his property by paying the debt in full.

STEERING

Directing prospective buyers or tenants into or away from certain areas on illegal discrimination grounds.

STEP-UP LEASE

A [lease](#) with fixed increases at stated intervals, or increases based upon periodic appraisals at stated times; [graduated lease](#); graded [lease](#).

STRAIGHT LEASE

The type of rental [arrangement](#) requiring rent payments of fixed amounts made at specific intervals through the [lease](#)'s duration.

STRAIGHT LINE DEPRECIATION

Setting aside or allowing a fixed sum of money each year to offset replacement or improvements when needed.

STRAIGHT LOAN

A [note](#) on which [interest](#) only is paid during the term of the loan. When the loan expires, the entire sum of [principal](#) is due.

STRAW MAN

One who purchases property for another to conceal the identity of the real purchaser; a dummy purchaser.

SUBDIVIDING

The process of apportioning a parcel of land into individual lots.

SUBDIVISION REGULATIONS

The governmental regulation of the ways in which subdivided property must be planned and completed.

SUBLEASE

A [lease](#) given by a [lessee](#) for a portion of the unexpired balance of his term, or one given for a portion of the leased premises.

SUBORDINATION CLAUSE

A clause in a [mortgage](#) or [lease](#) stating that the rights of the holder shall be secondary or subordinate to a subsequent [encumbrance](#).

SUBROGATION

The substitution of one person in place of another with reverence to a lawful claim, demand or right, so that he succeeds to such rights of the other.

SUMMARY POSSESSION

A process whereby the landlord may terminate a [lease](#) for good reason and the tenant must appear and show cause why he would not be evicted. Also called Dispossess Proceeding or Unlawful Detainer.

SURETY

One who becomes a guarantor for another.

SURRENDER

The cancellation of a [lease](#) by an act of mutual consent of [lessor](#) and [lessee](#).

SURVEY

The process by which a parcel of land is measured and its area ascertained.

SYNDICATION

Multiple [ownership](#) of an investment, usually in the form of a [limited partnership](#).

T

TAKE-OUT FINANCING

Permanent or long-term financing of individual condominium units for [their](#) respective buyers.

TAX DEED

A [deed](#) for property sold by a government unit for non-payment of assessed taxes.

TAX LIEN

A claim against [real property](#) going into effect when taxes are assessed against that property.

TAX SALE

A sale of property, usually at auction, for non-payment of assessed taxes.

TAX, TAXATION

A charge or burden to support government, levied upon persons or property by legislative authority.

TENANCY

A state of [ownership](#).

TENANCY AT SUFFERANCE

A [tenancy](#) arising when the tenant wrongfully holds over after the expiration of his term. The landlord has the choice of evicting the tenant or accepting him for a similar term and under the conditions of the previous holding.

TENANCY AT WILL

Possession and occupancy of land terminable at the [will](#) of either party.

TENANCY BY THE ENTIRETY

A [tenancy](#) held by husband and wife giving each the equal right to possession and enjoyment during [their](#) joint lives, along with the right to sole [ownership](#) upon the death of either partner.

TENANCY FOR YEARS

Leasing of a property for a fixed period of time.

TENANCY IN COMMON

[ownership](#) by two or more persons who hold [undivided interest](#), without [right of survivorship](#). Upon the death of one tenant, his [interest](#) goes to his [heirs](#). [Interest](#) need not be equal, and each owner is possessed of the whole of an undivided part.

TENDER

To [offer](#); to present.

TENEMENT

All rights in land which pass with conveyance of the land.

TESTAMENT

The written [declaration](#) of one's last [will](#).

TESTATE

Leaving a [will](#) upon death.

TESTATOR

One who leaves a [will](#) in force at his death.

TIME OF THE ESSENCE

In a [contract](#), a requirement of punctual performance.

TITLE

Evidence that an owner of land is in lawful possession thereof; an [instrument](#) evidencing such [ownership](#).

TITLE DEFECT

A legal right or claim against a property registered on the [title](#).

TITLE INSURANCE

A policy of insurance which indemnifies the holder for loss sustained by reason of a defect in the [title](#), provided the loss does not result from a defect excluded by the policy provisions.

TOPOGRAPHY

The nature of the surface of land.

TORRENS SYSTEM

System of [title](#) recordation and protection provided by the laws of some states.

TORT

A negligent or intentional wrong; a wrongful act; violation of a legal right.

TOWNHOUSE

A structure whose [common elements](#) may be shared by two or more unit occupants.

TOWNSHIP

A [section](#) of land established by government [survey](#) that is six [miles](#) long, six [miles](#) wide and containing 36 [sections](#), each one [mile](#) square.

TRADE FIXTURE

Articles of [personal property](#) annexed to [real property](#), but which are necessary to the carrying on of a trade and are removable by the owner or tenant when he leaves.

TRANSACT

To conduct business affairs; to carry out, perform or manage.

TRANSFER TAX

The tax required by a governmental agency when [real property](#) is transferred from one party to another.

TRESPASS

Wrongful invasion of land by one having no lawful right to enter.

TRUST DEED

A [deed](#) given by borrower to [trustee](#) to be held pending fulfillment of an obligation.

TRUSTEE

One who holds property in trust for another to secure the performance of an obligation.

TRUSTOR

The borrower in a trust agreement.

TRUTH-IN-LENDING

A federal law designed to let borrowers know the exact cost of obtaining credit; a disclosure device.

U

UNDIVIDED INTEREST

[Title](#) to property owned by two or more persons, none of whom are [entitled](#) to claim or possess any specific part.

UNDUE INFLUENCE

Taking any advantage of another by playing on his weaknesses or distress.

UNIFORM DECLARATION OF RESTRICTIONS

A document recorded by a subdivider to place restrictive [covenants](#) on all property within the subdivision.

UNILATERAL CONTRACT

A [contract](#) whereby only one party is obligated to perform his obligation to another.

UNIT-IN-PLACE METHOD

The method of finding an improvement's replacement or [reproduction cost new](#) by itemizing the cost of each component part of the improvement, i.e., the cost of flooring, plastering, the electrical system, etc.

UNITIES OF TITLE

Necessities usually required in the formation of a [joint tenancy](#) or [tenancy by the entirety](#); time, [title interest](#) and possession.

UNIVERSAL AGENT

An agent authorized to handle all types of matters for his [principal](#).

UNMARKETABLE TITLE

A [title](#) containing substantial defects which might cause a prospective purchaser to suffer [title](#) litigation and possible loss.

USUFRUCT - Civil Law Term

The right to the use and the fruits of a Louisiana [ownership](#). It is a combination of two of the three bundles of rights in Louisiana, namely usus and fructus; the right of enjoying the use of property, and the income produced by the property, the substance of which is owned by another.

USURY

Charging a rate of [interest](#) on a loan greater than that permitted by law.

USUS - Civil Law Term

The [ownership](#) right in Louisiana which is the extended use of a property. It [entitles](#) its owner to absolute possession of the property for the duration of the right of interruption.

UTILITY

The usefulness of an item; its ability to satisfactorily function for the purpose for which it was intended.

V

VA GUARANTEE

The loan amount which the Veteran's Administration [will](#) guarantee on loans to eligible veterans or [their](#) surviving spouses.

VALID

Having binding force; legally sufficient and authorized by law.

VALUABLE CONSIDERATION

Materially valuable items pledged to fulfill one requirement of a [valid contract](#).

VALUATION

The estimated worth of property.

VALUE

The worth of one thing in comparison with another; the [market value](#); something desirable and therefore having worth.

VARIABLE RATE LOAN

A loan in which the [interest rate](#) rises or falls [according](#) to an indicator of market [interest](#) such as the Prime Lending Rate.

VARIANCE

Permission obtained from [zoning](#) authorities permitting the construction of a building or structure that is forbidden by present [zoning ordinances](#); a departure from the general rule.

VENDEE

The buyer.

VENDOR

The seller.

VESTED INTEREST

A present right of [title](#) to realty, but with possession delayed to some uncertain time in the future.

VOID

To have no force or effect; that which is unenforceable.

VOIDABLE

That which is capable of being adjudged [void](#), but is not [void](#) unless action is taken to make it so.

VOLUNTARY LIEN

Any [lien](#) placed on property with the consent of, or as a result of, the voluntary act of the owner, e.g., a [mortgage](#).

W

WARRANTY DEED

A [deed](#) in which the [grantor](#) fully warrants a good clear [title](#) to the property; a [deed](#) that contains [covenants](#) of [title](#).

WASTE

[Willful](#) destruction of any part of the land which would injure or prejudice the landlord's [reversionary](#) right.

WILL

A legal [declaration](#) of a person's wishes as to the disposition of his property after his death.

WRAP-AROUND MORTGAGE

A wrap-around [mortgage](#) is a vehicle sometimes used to provide secondary or additional financing. It is a [mortgage](#) which includes within its [lien](#) an existing or prior [mortgage](#). The wrap-around [mortgage](#) assumes the existing or prior [mortgage](#), includes it with any additional financing being provided, creates a new [mortgage](#) for the total amount and therefore, advances to a primary position. The [mortgagor](#) then makes one payment for the total amount to the wrap-around [mortgagee](#), who in turn maintains the [debt service](#) on the prior obligation.

WRIT OF EXECUTION

A writ or court order authorizing and directing an officer of the court to carry out the [judgment](#) or decree of the court.

Y

YIELD

The return on an investment; the amount of profit made as a percentage of the amount invested.

Z

ZONING

An act of the city or county authorities by exercise of [police power](#) in regulating, controlling or specifying the type of use to which property may be put in specific areas.

ZONING EXCEPTION

A permit allowing the non-conforming use of a property if this use benefits the general public.

ZONING ORDINANCE

The acts of an authorized governmental body which regulate land use.
