

Real Estate Glossary



Accepted Offer – An offer of terms to purchase property that was agreed upon by the seller and buyer regarding the price and conditions stated on the offer. At this time the property is now considered UAG “under agreement”.

Advanced Professional Real Estate Credentials held by 1% of Realtors and Susan Mogren

- GRI - Graduate Realtor Institute – National Recognition to service clients with the highest ethical standards and in depth market knowledge, increased proficiency to enhance professionalism, and business success.
- SRS - Sellers Representative Specialist – Premier credentials in Seller Representation.
- SRES - Seniors Real Estate Specialist - Specialist for counseling home buyers and sellers age 50+, Downsizing, Empty Nesters, Retired, Seniors.
- ABR - Accredited Buyers Representative - Benchmark in Excellence in Buyer Representation

Agency – Agency means acting on behalf of someone else. Often Realtors or Real Este Agents are referred to as Agents. An agent is bound to keep all personal information confidential that could weaken your bargaining position.

Agency - Exclusive Agency Relationship Seller or Buyer - An advocate for the client in a real estate transaction. It specifies one client working with one agent, with the benefit of excellent skill and services, and in return, loyalty and compensation, as a result of a completed transaction. Exclusive agency is when a customer becomes a client and a time period of working together is specified. This relationship is usually established in writing within an agency agreement. An agent commits time, priority and industry knowledge. A client commits their loyalty.

Agency - Massachusetts Disclosure Law - A Law that requires the agents to inform the buyer and/or seller of proper relationship representation in a transaction. A Massachusetts educational form will be presented, to sign.

Agency Relationship –This is someone whom you’ve established a formal agency relationship – someone who represents your best interests in a real estate transaction and owes you fiduciary responsibilities for a specified period of time. Fiduciary is a trust relationship, and the agent representation is based on the clients lawful instruction, loyalty to the best interests of the client, reasonable care and due diligence, confidentiality and accountability. Any agent is bound to keep all personal information confidential that could weaken your bargaining position.

Appraisal (Value) – A professional analysis used to estimate the value of the home. A necessary step in validating the home’s worth to you and your lender, to secure financing.

Assessed Value - The valuation placed on property by a public tax assessor with a town formula, for purposes of taxation. Assessors analyze and review actual property transactions to determine assessed values. Assessors do not create the market. By law, the real estate market determines actual property value.

Bill of Sale – A written document that transfers title to personal property.

Broker – A person who can endorse authority to “agents,” and for a commission or a fee, brings parties together and assists in negotiating contracts between them.

Buyer’s Agent – A licensed real estate agent who represents the buyer in a transaction. In most cases a Buyer’s Agreement to work together has been signed by agent and buyer, indicating what the agent will do for the buyer, the fee in which the agent will be paid for services, the length of time that the agreement is valid, and any other terms of the agreement. This commits the agents time, knowledge, and priority, and goes both ways, it commits the buyer’s loyalty. Agents don’t work for free, they defer pay until you are in your new home.

Buyer Beware - Most buyers are unaware that in Massachusetts, with a few exceptions, the rule of Buyer Beware is still alive and well. That is why the vast majority of transactions, buyers choose to have the property inspected by a licensed home inspector. And it is also why there is a contingency in the offer, giving the buyer the right to opt out of the agreement if they are not satisfied, or if defects or serious issues, cannot be overcome.

Buyer Due Diligence - According to MA law, the seller is not required to disclose anything except known lead paint. You should drive the neighborhood, check Google Earth maps, check cell phone coverage, call town offices for information, call the local police department for crime info and registered sex offenders, do lead paint testing if applicable. Ask sellers any and all questions you have including water intrusion. If you want to know if there has been any deaths in the house, the seller must disclose that, but only if asked.

Clear Title – A title that is free of liens or legal questions as to ownership of the property.

Closing – A BUYER meeting with their attorney at which a sale of a property is finalized by the buyer signing the mortgage documents and paying closing costs. It is also called “settlement,” in other parts of the country. After this meeting the paperwork is filed in Massachusetts Land Court (onsite if you meet at the registry of deeds, otherwise courier, or sometimes electronically filed). When the property is “on record” you are the official owner, and have legal access. Typically, the seller does not attend closing, they pre-sign. The seller attorney will show up at the closing to attend to legalities.

Closing Costs – The costs to complete the real estate transaction. Paid at closing, they include: points, taxes, title insurance, financing costs, and items that must be prepaid or escrowed. Ask your lender for a complete list of closing costs items, which will typically make up about two to five percent of the purchase price.

Closing Disclosure (CD) - At least three days before your closing, you should receive a Closing Disclosure, which is a five-page document that gives you more details about your loan, its key terms, and how much you are paying in fees and other costs to get your mortgage and buy your home. Formerly known as “The HUD”.

Commission – Agents don’t work for free, they defer pay until you are successfully in your new home. This success fee is charged by a broker, who pays an agent as in independent contractor. The agent is responsible for marketing expenses, and their own taxes, retirement, and health insurance. A commission is generally a percentage of the price of the property.

Commitment Letter - A formal offer by a lender stating the terms under which it agrees to lend money to a home buyer. Also known as a loan commitment. This typically is due 5 days before closing, to signal success.

Comparative Market Analysis (CMA) - A report on comparable homes in the area that is used to derive an accurate value for the home in question. Also called a Price Analysis.

Condominium – A real estate project in which each unit owner has title to a unit in a building, an undivided interest in the common areas of the project and sometimes the exclusive use of certain limited common areas.

Condo Warrantable - A warrantable condo is one that a homebuyer can finance using a conventional mortgage, after having been approved under a set of guidelines set by government-sponsored enterprises Fannie Mae and Freddie Mac. If you’re looking to buy a condo, making sure it’s “warrantable” can be vital in being able to pay for it. Buying or selling a warrantable condo is similar to buying or selling a single-family home. Non-warrantable condos, on the other hand, aren’t as easy to buy or sell. These condos may look a lot like warrantable condos, but for one reason or another, Fannie

and Freddie have deemed them too risky to buy. Therefore, non-warrantable condos are harder to obtain financing for, and thus harder to sell in the future.

Contingency – This term refers to conditions that have to be met in order for the purchase of a home to be finalized.. For example, home purchasers often include a contingency that specifies that the contract is not binding until the purchaser obtains a satisfactory home inspection report from a qualified home inspector.

Commercial Property - Property that is zoned commercial (businesses) and Multi-families that consist of 4 or more units. Commercial loans typically require a higher deposit and hold a higher interest rate.

Credit Score – A number ranging from 300-850 that is based on an analysis of your credit history. It helps lenders determine the likelihood that you'll repay future debts. Yes, this number helps determines your interest rate.

Deed – The legal document conveying title to a property.

Deferred Maintenance – When a seller runs out of time, energy, or money to do ongoing maintenance. This might include attending to replacing items considered “end of life. “

Deposit – A sum of money given to bind the sale of real estate, or a sum of money given to ensure payment or an advance of funds in the processing of a loan. See earnest money deposit.

Designated Agency – A business model where one agent represents a buyer and seller, the other agents in the office do not also represent them.

Down Payment – The part of the purchase price of a property that the buyer pays in cash and does not finance with a mortgage.

Dual Agency - Dual agency is when one agent represents both sides, rather than having both a buyer's agent and a listing agent. In Massachusetts a dual agent provides comps, and owes honesty and accurate information and full disclosure to both parties. A Dual Agent goes neutral on guiding price point and negotiations.

- To MY sellers: I do not engage in dual agency, unless I am ALREADY working with someone who might like your property, that is the only person I would go into dual agency with. I will always work for you and not take on a new dual agency. I could process paperwork for a buyer for your property, but not be obligated to them as a buyer's agent. Buyers would be required to sign the Massachusetts Agency Disclosure Form that they understand that I represent the seller.

Due Diligence – Buyer due diligence means taking caution and doing your homework and research. This might include making sure there is cell phone coverage at the new house, driving the neighborhood to look for business, industrial or railroad tracks, checking with the town if home business or Air BNB is allowed, zoning compliance, radon and lead paint. This would include anything else important to you such as new developments nearby, crime rates or nearby sex offenders.

Earnest Money Deposit - A deposit made by the potential home buyer to show that he or she is serious about buying the house. Deposits typically accompany an Offer, with an additional deposit at the signing of P&S.

Easement – A right of way giving persons other than the owner, access to or over a property.

- **Equity is Ownership** - In homeownership, equity refers to how much of your home you actually own—meaning how much of the principal you've paid off. Put another way, equity is the difference between the fair market

value of the home and the unpaid balance of the mortgage. If you have a \$200,000 home, and you still owe \$150,000 on it, you have \$50,000 in equity.

Escrow – The deposit of funds or documents with an escrow agent (typically the listing broker or attorney), to be disbursed upon the closing of a sale of real estate. In the event of transaction default, the deposit money is released when both buyer and seller sign a “mutual agreement to release deposit.”

It is typical for real estate taxes and property insurance to be escrowed by the lender, to insure payment.

Fiduciary – Professionals who are held to the highest standard of care, and are required to act in the best interests of their clients at all times.

My Real Estate Fiduciary duties to you:

- Obedience: As long as it is legal, I follow your requests.
- Loyalty: Your needs above all else, including my own
- Disclosure: Full facts, and timely.
- Confidentiality: Includes integrity and honesty
- Accountability: For all Funds
- Reasonable Care and Diligence.

Financial Peace University – A successful system of money management, getting back to the basics of “earn before you spend”. Create a spending plan, debt snowball system to eliminate debt, and enhance money communication in your life. Taught by Dave Ramsey, and daughter Rachel Cruze, with Chris Hogan. The former 16 week class has been reduced to a 9 week class with new materials in 2019. It is facilitated by volunteers, and free when you purchase materials. It has a Christian slant, take what you want, and leave the rest. Read the Book Total Money Makeover by Dave Ramsey. The class helps you learn with and from others, get organized, and create a common language and goals with your partner.

Fixed Rate Mortgage - There are two types of conventional loans: the fixed-rate and the adjustable-rate mortgage. In a fixed-rate mortgage, the interest rate stays the same throughout the life of the loan.

Foreclosure – Procedure whereby property pledged as security for a debt is sold to pay the debt in the event of default in payments or terms.

FSBO (For Sale By Owner) – A property owner who has their own property on the market for sale. The house is not listed with a real estate agency.

Full Service Agent - I offer one type of service. Full Service.

- I work in the Professional Services Industry with fiduciary duty.
- Real Estate License since 1991
- Full time Full Service professional since 2013.
- I hold Advanced Real Estate accreditations held by the top 1% of agents.
- I have a Marketing and Interior Design Degree.
- I offer my time and knowledge to educate and advocate for best results, FOR YOU.
- I do not work for free, I defer my pay until you are in your new house.
- 5%, 6%, or 7% to be split 50% with a buyer agent.
- Check out my [testimonials](#), “ Go the Extra Mile “ is frequent.

- In real estate, you need to spend money to make money, I can show you how.
- Confidential pricing strategies.
- Negotiation skills that win you money.
- No dual agency, I am here for you, if a buyer comes through without an agent, I am still YOUR agent.
- I am a diligent seasoned buyer's agent and 50% of my business is buyers. This perspective helps me be the best listing agent. I anticipate red flags, avoid pitfalls of the transaction, and set you up for success.
- I drive information about your house to the public in a way that will attract both agents and buyers.
- Results are not magical, here is the formula: Optimum Presentation + Ultimate Exposure + Maximum Interest = Premium Selling Price. RESULTS appear "magical". 😊 Results are an art, AND a science.

Home Inspection – A thorough inspection that evaluates the structural and mechanical condition of a property. A satisfactory home inspection is often included as a contingency by the purchaser. Typically, they cost \$500-\$900 and paid for by the buyer. The purpose is to check that the house's systems and function, roof, plumbing, foundation, electrical, appliances, water intrusion, are performing. Some may need to be brought up to code. Defective issues that may turn up during an inspection may factor into the negotiation on a final price. Failing to do an inspection may result in surprise costly repairs down the road for the home buyer. The purpose of the home inspection is not to renegotiate the price, although you can. The purpose is for licensed professional to unearth any defects that the seller or buyer might not be aware of. Inspection allows buyers to evaluate their investment from the stand point of time, energy, and money in this property. Home Inspectors must be licensed and carry 250K of errors and omission insurance.

People ask me if they should get an inspection on NEW construction. YES! A punch list that is covered under warranty should be presented to the builder. Recently a new construction inspection unearthed flashing that needed to be better installed under shingles, crushed heating ducts in the attic, and when we flushed the first floor toilet a puddle happened in the basement. You are covered if they did not install the wax toilet rings! If you have a one year new home warranty, a home inspection should be conducted at 11 months so that a builder can fix or restore failings or defects. At my daughter new home, the 11 month inspection identified a ceiling stain in the garage, and uncovered a defective roof.

Home Warranty - This warranty is buying into a purchased insurance pool, it protects from future problems to things such as plumbing and heating, which can be extremely expensive to fix. They offer a 24 hour service number, and charge a set service fee (usually around \$125) to come out and evaluate the item. Typically, they authorize repair or replace, and ask if they can cut a check for a "like item", so you can buy what you want.

HOA Home Owners' Association – A nonprofit association that manages the common areas of a development or condominium complex. When you move, a 6D certificate will be required from the HOA to show that your fees are paid in full. Plan this request accordingly, you must forward this to your attorney prior to close.

iBuyers: An "iBuyer" is the catchall term for a real estate investor company who uses technology to estimate the value of your home, sight unseen. They make a cash offer on your home INSTANTLY and "sell you" on convenience, transparency, and avoiding any showings while you still own the house. They charge you a "service charge" which might include your taxes, utilities, maintenance and how long your house might take to sell. They offer to deduct from YOUR profits, expenses such as needed home repairs, concessions to the buyer, and closing costs. It would stand to reason that this type seller would be "sold" on an easy quick solution, and value the certainty of a low-ball all-cash offer, speed, and convenience, (70% off market value?) rather than professional full service, and professional marketing that attracts fair competition, which in turn attracts fair market value.

Income (Investment) Property - Real estate developed or improved to produce income.

Interest - This is the cost of borrowing money for a home. Interest is combined with principal to determine monthly mortgage payments. The longer a mortgage is, the more you will pay in interest when you have finally paid off the loan. Your interest rate will depend on the evaluation of your purchase price, your down payment, your credit score and loan type.

Investment Property – A property that is not occupied by the owner.

- **Fixtures vs Personal Property** - Property Exclusions should be clear before a house listing is made public. A fixture is legally lighting, decorations, equipment or appliances that have been ATTACHED to the house. Fixtures are regarded as part of the property, and it is a given that they will go to the buyer, along with the rest of the property. If it causes damage to the property to remove it, it is a fixture. Light fixtures and attached mirrors stay, unless they were originally excluded. A mirror hung on a hook is personal property. Unless an appliance is built in, it is considered personal property. Washer and dryers are considered personal property. You can disconnect them without damage to the house. Refrigerators are considered personal property unless it is built in. A microwave may appear built in on an enclosed shelf, but if you can unplug it from the wall, it is personal property. Air conditioners stay only if built in. Wall Mounted TV's are a grey area and should be discussed. If removed by the seller, wall damage remediation should be a clearly outlined. Whenever possible, leave the TV and wall mount, and purchase new for your new space. Curtains and drapes are considered personal property and do not stay with a home. Rods and Blinds, however, are attached and therefore remain with the house.

Jumbo Loan - The maximum amount for a conforming loan is \$484,350 in most counties, as determined by the Federal Housing Finance Agency. Homes that exceed the local conforming loan limit require a jumbo loan. Also called non-conforming conventional mortgages, jumbo loans are considered riskier for lenders because these loans can't be guaranteed by Fannie and Freddie, meaning the lender is not protected from losses if a borrower defaults. They may require a larger deposit and higher credit score.

Listing - Property that is for sale. The term gets its name from the fact that these homes are often "listed" on a website or in a publication.

Listing Agent – This is the agent who represents the seller in the home-buying process. On the other side is the Buyer's Agent, who represents the buyer.

Listing Contract – A contractual agreement with the owners of a property to represent them in the process of selling their property. The contract consists of how the agent will promote the sale of the property, the fee in which the sell agent will be paid when the property closes, the cooperative amount disclosed to pay the buy side agent, the length of time that the agreement is valid and any other terms of the agreement.

Loan – A sum of borrowed money (principal) that is generally repaid with interest.

Market Analysis – Explains a snap shot of the business cycle of real estate which is affected by income, job growth, and interest rates. In real estate, the market is determined by supply and demand, or "months of inventory". At the current sales pace, how long would it take to sell the total number of houses available on the market?

The formula is : $\text{Active Listings} / \text{Sold} = \text{Months of Inventory}$. Lower inventory is associated with a Seller's Market, higher inventory is associated with a Buyer's market.

Market Value – Also known as “Full and Fair Cash Value”, or the price a willing buyer will pay a willing seller for property, when both are considered knowledgeable about the market and under no outside influence to buy or sell.

MLS (Multiple Listing Service) – A network of listings which allows agents listings to be “advertised” to other agents who are MLS members. Strict rules and regulations must be followed which are administered by the Board of Realtors, that is affiliated with that particular MLS system.

MLS Listing STATUS/TYPES –

- New – A listing new to the MLS Pinergy system is marked “NEW” for the first three days on market, after which it changes to ACT.
- Active - A listing which is “ACT” is an on-market listing that has not had a status change in the last 3 or more days. The listing will appear on an active search, client matches, and all opted-in online publishers.
- Contingent - A property that would otherwise be UAG, but for which the Owner has requested it still be listed in the MLS system for backup offers, has a status of “CTG.” A Contingent property must meet one of the following conditions: Inspection, Attorney Review, Appraisal, Financing, Third-Party Approval, or Pending P&S. Listings with a status of CTG have to be available for showings, and will be automatically changed to UAG after 14 days if not extended by the broker or office manager.
- Under Agreement – Off Market Status. Properties which have a signed purchase and sale agreement or a bilateral offer to purchase fall under the status of “UAG.”
- Price Change PCG– The list price for a property has been changed and will appear as “PCG” for three days before reverting back to “ACT.”
- Back on Market BOM - listing which reaches the “UAG” or “CTG” status but for which the deal falls through is changed to “BOM” status. This status also applies to listings that were previously withdrawn. A “BOM” status reverts back to “ACT” in three days.
- Cancelled - Canceled (CAN) status indicates a mutually agreed termination to the contract. Only the Broker/Owner or Manager have the ability to cancel a listing in MLS Pinergy.
- Withdrawn A listing whose Owner requests that it be temporarily taken off the market has a status of “WDN.” The property will not show up on searches for Active properties until the status is changed to “BOM.” The original expiration date of the listing agreement does not change therefore, these listings will expire.
- Non MLS Listing – This listing is for sale but not listed on the MLS. When it is not in the seller’s best interest to publicize and actively have a house available to show, an agent can market a house through any other private means, and the seller must sign a non-MLS agreement.
- Coming Soon – The house is pre-marketed in MLS, no showings can occur, the price is established and published, and the maximum time frame is 21 days. At 21 days it automatically switches to Active. This is a courtesy new listing alert that can drive interest.

Mortgage – A legal document that pledges a property to the lender as security for payment of a debt.

Mortgagee – The lender in a mortgage agreement.

Mortgage Application – A form used to apply for a mortgage loan and to record pertinent information concerning a prospective mortgagor and the proposed security. Lenders use the information on the loan application to evaluate whether or not they can give the loan, and if so, the amount of money they can lend.

Mortgage Banker – A company that originates mortgages exclusively for resale in the secondary mortgage market.

Mortgage Broker – An individual or company that brings borrowers and lenders together for the purpose of loan origination.

Mortgage Rate – The interest rate you pay to borrow money to buy your home. The lower the rate, the better. The size of your loan, your credit score, and down payment amount, determine your rate.

Mortgagor – The borrower in a mortgage agreement.

Mortgage Underwriting - Mortgage underwriting is a process in which the lender uses to assess risk and ensure a borrower meets all of their minimum requirements for a home loan. The loan officer will build a file for the borrower including all required documents which is turned into the underwriter for the final loan approval.

NAR – National Association of Realtors

Negotiating Style – A seller's agent represent you. Are you a people pleaser? Are you someone who needs to ponder and process? Do you hate haggling? Are you earnest and honest? Linear Logical? The expediter? King of the Hill? Emotional ping pong? Patient and silent? All are welcome! I would describe myself as pleasantly persistent.

- **Offer** - A legal document in which a buyer offers a certain price for a property under the terms stated on the offer, by the buyers. Offers are presented with a monetary deposit to show the seller that you are serious about purchasing the property. (Also see accepted offer) This is the initial price offered by a prospective buyer to the seller. A seller may accept the offer, reject it, or counter with a different offer.

Open House – A marketing tool in which a listing agent opens a house for viewing to the public. This particular marketing tool means everyone is not supervised because they are not one-on-one with their licensed Buyer's Agent. Remove valuables, prescription drugs, portable electronics, extra house keys and garage door openers.

Owner's Policy – (AKA Title Insurance) This policy is purchased for a one-time fee and protects a homeowner's investment in a property for as long as they or their heirs have an interest in the property. Only an owner's policy protects the buyer should a covered title problem arise with the title that was not found during the title search. Possible hidden title problems can include errors or omissions in deeds, mistakes in examining records, forgery and undisclosed heirs.

Point(s) – A one-time charge by the lender for originating a loan. A point is 1 percent of the amount of the mortgage.

Power of Attorney – A legal instrument authorizing one to act as another's agent or attorney.

- **Pre-Approval Letter** - A letter from a lender indicating that you qualify for a mortgage of a specific amount. Your Realtor will submit this letter with an OFFER, to show the seller you have the ability to pay. Typically, it must be renewed every 60 days. Note that if you end up competing for a home against other offers, it can help to have a local lender. Local lenders want continued referrals and really care about their reputation; listing agents prefer to deal with them for this reason. Banking institutions are not known for being buyer centric.

Principal - The principal is the amount of money borrowed to purchase a home. Paying off the principal allows a buyer to build equity in a home. Principal is combined with interest to determine the monthly mortgage payment.

Principal, Interest, Taxes and Insurance (PITI) – The four components of a monthly mortgage payment. Principal refers to the part of the monthly payment that reduces the remaining balance of the mortgage. Interest is the fee charged for

borrowing money. Taxes and insurance refer to the amounts that are paid into an escrow account each month for property taxes and mortgage and hazard insurance.

Private Mortgage Insurance (PMI) – Private mortgage insurance (PMI) is an insurance premium that the buyer pays to the lender in order to protect the lender from default on a mortgage. These insurance payments typically end once the buyer builds up 20% equity in a home. You are not subject to PMI fee with a 20% deposit.

- **Purchase and Sale Agreement** - A written contract signed by the buyer and seller stating the terms and conditions under which a property will be sold. An additional deposit from the buyer is escrowed at this time (usually in the amount of the real estate commission fee).

Radon – A radioactive gas found in some homes that in sufficient concentrations, can cause health problems. The EPA recommends mitigation for any radon reading at or above 4.0. Radon mitigation is a simple process. Utilizing an inline fan and a PVC vent stack, negative pressure is created underneath an existing structure and dispersed into the outside air. In new construction, systems and can be designed into the building process, allowing both effective mitigation and the benefit of a hidden system.

Real Property – Land and appurtenances, including anything of a permanent nature such as structures, trees, minerals and the interest, benefits and inherent rights thereof.

Real Estate Associate - A person hired hourly, to open doors for buyers. Typically no professional experience required.

Real Estate Agent (Salesperson) – A real estate agent is a professional with a real estate license who works under a broker and assists both buyers and sellers in the home-buying process. This is a person licensed to negotiate and transact the sale of real estate on behalf of the property owner. Some brokerages hire sales people as hourly employees, and, when you need service, whoever is on call will assist. Some brokerages exclusively hire agents who offer full professional services, with exclusive representation. This agent is fully your advocate, with years of professional skill, experience, and expertise.

Real Estate Broker - A real estate broker is a real estate agent who has passed a state broker's exam and met a minimum number of transactions. These brokers are able to work on their own and/or hire agents who "represent" them or their firm.

- **Real Estate Professional** – An individual, as a trusted advisor and advocate, who works in the Professional Services Industry. Agents bring their time, knowledge and expertise to the process of buying and selling homes, which can be infrequent, emotional, and expensive. Real Estate Agents are there to help you connect the dots because there is so much information available to you. This may include understanding marketing vs house facts, discovering your dream home, understanding options and pricing strategies, winning the house, providing trusted professionals and resources to answer all of your questions, negotiating any details that come up, explaining confusing paperwork, helping you know what is going on in the housing market, and evaluating your purchase as an investment. Professionals navigate the ship, recognize red flags, anticipate pitfalls, recommend changing winds, and smooth the highs and lows of the transaction. They are entrepreneurs working for more than one person at a time. They have the courage to take risks and work for free until closing, and pledge to work for YOUR highest and best interest. A real estate agent is a professional with a real estate license who is an independent contractor, and works under a broker, and assists both buyers and sellers, in the home-buying process

REALTOR® – A Realtor is a real estate agent who specifically is a member of the National Association of Realtors. NAR has a code of standards and ethics that members must adhere to.

- **Referrals** – Referrals allow YOUR AGENT to have the time they need to concentrate on 5 Star Service for YOU, AND EVERYONE YOU KNOW. It insures that YOU have an optimum experience, because their attention is not divided with culling for new business, robo calling, door knocking, or internet leads. Please refer me!

Registry of Deeds – This houses all permanent public records of all properly drawn legal documents submitted by the public relative to real estate including deeds, mortgages, surveyor and architect plans, liens, Certificates of Title, and other records as mandated by statute.

REO (Real Estate Owned) – Property which is in the possession of a lender as a result of foreclosure or forfeiture.

Right of First Refusal – A provision in an agreement that requires the owner of a property to give another party the first opportunity to purchase or lease the property before he or she offers it for sale or lease to others.

Seller Disclosure - A seller has no obligation to disclose anything to others about the house or nearby conditions. A seller can only get into trouble if they are asked a direct question and answered falsely. **A Real Estate Agent must disclose** “any fact, the disclosure of which may influence the buyer or perspective buyer not to enter into the transaction.” Off site conditions may require disclosure only if the conditions are “unknown and not readily observable by the buyer and if the existence of those conditions is of sufficient materiality to affect the habitability, use, or enjoyment of the property and, therefore, render the property substantially less desirable or valuable to the objectively reasonable buyer. “ Consult your attorney for applicable disclosure if you have a Level 3 Sex offender living next door. If I were a buyer, I would want to know this.

Seller Pre-listing Home Inspection - Identify and attend to needed repairs, replacements, or defects so buyers don't get scared away. Water intrusion, mold, pests and structural defects get in the way of ANY SALE. Move in Ready Buyers typically don't want to buy YOUR delayed maintenance list. Real Estate is your greatest investment, but you may need to spend money to make money. Ask me how to spend wisely. You may need a new kitchen and baths, but we will discuss why this is a bad idea financially. If you are not prepared to spend any money, I can market the home as needs TLC, so plan to forfeit some market value so contractors are attracted to update it, make money and offer it in turn key-condition.

Showing of a Listing – When a potential buyer tours a property for sale. AKA Property Tour: A buyer's tour seeing multiple properties during a dedicated period of time.

Short Sale – A short sale occurs when a property is sold and the lender agrees to accept a discounted payoff, meaning the lender will release the lien that is secured to the property upon receipt of less money than is actually owed.

Smokes and CO2 inspection – In Massachusetts, a seller must update and inspect smoke detectors and Co2 detectors, in order to transfer property. They can't be older than 10 years old. Contact your town Fire Department for location requirements, type required, and inspection. The FD fee is usually \$25-\$50 for each visit. Your attorney must have the original certificate in hand, in order to close. I have someone I can recommend who can attend to updating as needed, or call your own electrician.

Subdivision – A housing development that is created by dividing a tract of land into individual lots for sale or lease.

Tax Stamps – In Massachusetts, the state requires that a real estate seller must pay a stamp tax on the sale at the time of recording the deed. At this time of writing, the tax stamp is equivalent to \$2.28 for every \$500 of sale price. Thus if you were selling your house for \$500,000, - the tax stamp would be \$2,280. The amount is subtracted from the sellers proceeds.

Title - A legal document evidencing a person's right to or ownership of a property.

Title Insurance - Title insurance is often required as part of the closing costs. Recording errors abound, and delay closings, unless you have title insurance. It covers research into public records to ensure that the title is free and clear, and ready for sale. If you purchase a home and find out later that there are liens on the home (unpaid contractor, unpaid taxes, or heirs that never endorsed the sale,) you'll be glad you had title insurance.

Town Offices – Know your town offices: Building Department – permits and codes, Board of Health – water and septic, Zoning, Conservation, Assessors, Taxes.

Transaction – A listing is considered a transaction starting from when there is an accepted offer on it. The status of the listing now becomes under agreement.

Wish List – All houses are unique, and will never fulfill 100% of your wish list. If you find a house that meets 80% of your wish list, that is your signal to buy.

Put your wishes in writing, to call it in NOW! Call me for a wish list form to facilitate discussion with loved ones.

"When getting help with money, whether it is insurance, real estate or investments you should always look for someone with the heart of a teacher, not the heart of a salesman." Dave Ramsey Financial Peace University