

CHAPTER TWENTY-NINE

INDEX & GLOSSARY

ABANDONMENT—The relinquishment of all rights and title to a property with no intention of reclaiming ownership. **7-216**

ABSTRACT OF TITLE—A condensed history of the title to a parcel of land consisting of a summary of every recorded instrument, together with a statement of all liens, charges or encumbrances affecting title to that land. **8-224**

ABUTTING OWNER—An owner whose land touches a highway or other public place.

ACCELERATED COST RECOVERY SYSTEM—A method of depreciation in which more depreciation is deducted in earlier years and less in later years. **21-435**

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. **14-312**

ACCEPTANCE—Voluntary expression by the offeree to be bound by the exact terms of the offer; must be unconditional. **9-236**

ACCESSION—Acquisition of property by its joining or union with other property. **4-184**

ACCESS RIGHT—The right of a property owner to have ingress and egress to and from his property.

ACCRETION—Gradual additions to land by deposits of sand or soil by bordering waters through natural causes. **4-184**

ACCRUED DEPRECIATION—The difference between the cost of a replacement new, on the date of the appraisal, and the present appraised value. **22-449**

ACKNOWLEDGEMENT—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. **8-221**

ACQUISITION COST—The price and all related fees paid to acquire a property.

ACRE—A measure of land equal to 160 square rods, 4,840 square yards, or 43,560 square feet. **23-463**

ACTUAL AUTHORITY—Such authority that a principal intentionally gives his agent.

ACTUAL EVICTION—A process whereby the

landlord may terminate a lease for good reason and the tenant must appear and show cause why he should not be evicted. Also called dispossession proceeding, summary possession, and unlawful detainer. **18-367**

ACTUAL NOTICE—Notice received by direct communication; notice that has been brought expressly to a person's attention. **8-221**

ADJOINING OWNER—One whose property is contiguous or next to. **7-217**

ADJUSTABLE RATE MORTGAGE (ARM)—A mortgage loan that allows the interest rate to be changed at specific intervals over the term of the loan. **14-316**

ADJUSTED BASIS—For tax purposes, the original cost of property reduced by depreciation deductions and increased by the cost of capital improvements. **21-434**

ADJUSTED SALE PRICE—The amount realized on the sale of a home minus the qualified expenses of fixing up a home to sell it.

ADMINISTRATOR—A person appointed by the court to administer the estate of a deceased person who died intestate (no will). **6-211**

ADMINISTRATOR'S DEED—A deed given by an administrator. **12-298**

AD VALOREM—Tax according to valuation. **21-431**

ADVERSE POSSESSION—The means of acquiring title to land against the real owner, where possession has been actual, open, hostile, exclusive, continuous and under claim of right for 30 or 60 years. **13-308**

AFFIDAVIT OF TITLE—A statement reduced to writing and sworn to before a notary public or some other authorized officer in which the seller states the existence of any known liens or facts relating to the title that were not included in the title binder, and reveals any judgments that were not revealed in the search. **8-227**

AFFIRM—To confirm or to ratify.

AGENCY—The legal relationship resulting from an agreement that the agent is authorized by a principal to perform certain acts on behalf of the principal in dealing with a third party. **10-265**

AGENT—A person who is authorized to act on behalf of another person, called the "principal." **10-265**

AIR RIGHTS—The rights vested by a grant of an estate in real property to all or any portion of the space above the ground. **4-183**

ALIENATION—The transferring of real property from one person to another. **4-189**

ALIENATION CLAUSE—A clause in a conventional mortgage calling for payment of the entire principal balance in full in the event a transfer of title to the mortgaged property takes place; also known as a "due-on-sale clause." **14-312**

ALLUVION—That increase of soil on a shore or bank of a river as the result of accretion. **4-184**

AMENITIES—Those things which are marked by such qualities as pleasantness, comfortableness and agreeableness. In appraising, the amenities of property are those qualities which increase the pleasure of ownership and are not necessarily related to monetary values. **9-269**

AMERICAN LAND TITLE ASSOCIATION (ALTA)—A national association of more than 2,000 land title companies established to encourage uniformity and quality in title insurance policies. **8-228**

AMERICANS WITH DISABILITIES ACT—A law that provides access requirements and prohibits discrimination against people with disabilities in public accommodations, state and local government, transportation, telecommunications and employment. **16-347**

AMORTIZATION—The gradual paying off of a debt on an installment basis. **14-320**

AMOUNT REALIZED—Selling price minus selling expenses.

ANNEXATION—The act of attaching, adding, joining or uniting one thing to another.

ANNUAL PERCENTAGE RATE (APR)—The effective rate of interest for a loan per year, disclosure of which is required by the Federal Truth in Lending Law. **16-342**

ANTENUPTIAL AGREEMENT—An agreement made by a man and woman in contemplation of their marriage and to be effective on marriage. Also called prenuptial agreement.

APPRAISAL—An estimate of value of real estate; the report stating and supporting the estimated value of realty. **22-443**

APPRECIATION—An increased value of property due to economic or related causes which may prove to be either temporary or permanent.

APPRENTICESHIP—Formerly, the term used to describe the requirement that broker applicants must have been continuously licensed as salespersons for at least three years immediately preceding application. Today referred to as "experience requirement."

APPURTENANCE—That which has been added to a property, which becomes an inherent part of the property, and will pass with it when con-

veyed. **4-183**

APR—See "annual percentage rate."

ARM—See "adjustable rate mortgage."

ARELLO—The Association of Real Estate License Law Officials. A federation of real estate license law officials to assist each other in the administration and enforcement of license laws in the United States and Canada.

ARRANGER OF CREDIT—A person who regularly arranges for consumer credit by another person if a finance charge is imposed. **16-341**

ARREARS—Delinquency in meeting an obligation; or paid at the end of a period (i.e., end of the month) for the previous period.

ASSEMBLAGE—Putting together two or more lots to form a large parcel. To be distinguished from "plottage," which is the resulting value. **22-444**

ASSESSED VALUATION—An assessment of property values by the government for the purpose of taxation. **21-431**

ASSESSMENT TAXES—A charge against real estate made by a unit of government to cover the proportionate cost of improvements. **21-433**

ASSIGNEE—The person to whom an agreement or contract is transferred. **9-239**

ASSIGNMENT—The method or manner by which a right or contract such as a lease or mortgage is transferred from one person to another. **9-239**

ASSIGNOR—A party who assigns or transfers an agreement or contract to another. **9-239**

ASSUMPTION OF MORTGAGE—Taking of title to property by assuming liability for payment of an existing note secured by a mortgage. **14-313**

ATTACHMENT—The act of taking realty by judicial order and placing it within the custody of the court. **15-336**

ATTORNEY GENERAL'S MEMORANDUM—A summary of the New Jersey Law Against Discrimination. Commission rules require every licensed salesperson or broker to give a copy of the memorandum when listing property. **20-424**

ATTORNEY-IN-FACT—One who is authorized to perform certain acts for another under a power of attorney. **10-270**

ATTORNEY REVIEW CLAUSE—In New Jersey, a clause that must appear in all purchase and sale agreements and all leases prepared by real estate licensees, allowing buyers and sellers a period of three days to consult an attorney who can review and cancel the contract or lease. **9-242**

ATTRACTION PRINCIPLE—The pulling force of a commercial business center due to one or more of the various merchandising factors existing.

AVULSION—The sudden removal of land of one owner and depositing it on the land of another when a stream changes its channel. **4-134**

BACK-UP OFFER—An offer presented after expiration of the attorney review period. **9-244**

BALLOON MORTGAGE—A mortgage loan in which the scheduled payments will not amortize the loan over the mortgage term, thus requiring a final payment (balloon payment) that is larger than the scheduled payments. **14-320**

BALLOON PAYMENT—Final installment payment on a note which is greater than the preceding installment payments and pays the note in full. **14-320**

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. **12-298**

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 base line. Used mostly in Western states. **23-462**

BASIS—Original cost of property plus value of any improvements put on by the seller and minus any depreciation taken. **22-443**

BEARING WALL—Supports any vertical load in addition to its own weight.

BEFORE AND AFTER METHOD—An appraisal method used in condemnation cases where there has been a partial taking of the property. **13-307**

BENCHMARK—A permanent reference mark or point established for use in measuring differences in elevation. **23-455**

BENEFICIARY—A person who receives and benefits from the gifts or acts of another; one who receives the proceeds from a will, insurance policy or trust.

BEQUEATH—Formerly, the giving of personal property by will. Today, the term "devise" is used. **6-211**

BEQUEST—Formerly, personal property given by a will. (See "bequeath"). **6-209**

BIANNUAL—Happening twice each year; semi-annual.

BIENNIAL—Happening once every two years.

BILATERAL CONTRACT—A contract in which both parties have reciprocal obligations toward each other. **9-235**

BILL OF SALE—A written instrument which passes title of personal property from seller to buyer. **4-185**

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. **9-240**

BIWEEKLY LOAN—A loan in which 26 half-size payments are made each year, resulting in the

borrower saving interest and paying off the loan sooner than under a standard loan arrangement with monthly payments. **14-321**

BLANKET MORTGAGE—One mortgage covering two or more specific parcels of realty. **14-322**

BLIGHTED AREA—A real estate district where the conditions of property are below standard and productivity substantially reduced as a result. "Blighted area" is very often a term of art used in federal statutes involving urban renewal, etc. An area is not so designated without official action of the governing body of the community under these statutes.

BLOCKBUSTING—The unlawful 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. **20-416**

BONA FIDE—In good faith, without fraud; genuine; real. **8-222**

BONA FIDE PURCHASER FOR VALUE—A person who purchases real property in good faith for valuable consideration, without knowledge of any claim to or interest in the real property by any other party.

BOOT—Additional consideration of unlike property included in a 1031 Exchange to equalize the value of property exchanged. **21-436**

BRANCH OFFICE—Any office other than the main office from which real estate business is conducted. **3-16**

BRANCH OFFICE SUPERVISOR—The individual responsible for the supervision of a branch office. **3-21**

BREACH OF CONTRACT—Violation of any of the terms or conditions of a contract; default; non-performance. **9-241**

BRIDGE LOAN—A short-term loan used by a buyer to purchase real property. The bridge loan usually is refinanced by a long-term loan; also called "gap" financing. **14-322**

BROKER—A licensed person who negotiates the purchase and sale of real estate for another. **3-16**

BROKER OF RECORD—The supervising broker of a partnership or corporation who is responsible for the actions and inaction of all licensed salespersons and broker-salespersons of such entities. **3-31**

BROKER-SALESPERSON—A broker who operates under the supervision of a licensed real estate broker. **3-16**

BUDGET—In property management, a projection of expected income, vacancies and operating expenses prepared by the property manager. **19-403**

BUFFER ZONE—A parcel of land separating two

other parcels or areas, such as a strip of land between an industrial and a residential area. **24-466**

BUILDING CODES—Regulations defining materials and/or performance standards for structural components, as well as heights, safety features, sanitation and health requirements, and setback and sideline restrictions. **24-469**

BUILDING LINE—A line at a certain distance from the front and/or sides of a lot, beyond which no building may project. **24-467**

BULK TRANSFER ACT—A section of the Uniform Commercial Code designed to protect business creditors when a significant portion of inventory is sold, not in the ordinary course of business. Such sales are called "bulk sales" or "bulk transfers." **26-506**

BUNDLE OF RIGHTS—Ownership concept in real estate, which embraces the rights of possession, use, enjoyment and disposition. **4-187**

BUREAU OF SUBDIVIDED LAND SALES CONTROL—A bureau within the New Jersey Real Estate Commission that administers the Real Estate Sales Full Disclosure Act. The Act is intended to discourage fraud and misrepresentation in the sale of properties located in other states. **3-31**

BUYER'S AGENT—A broker who represents a buyer in a real estate transaction. **10-267**

CADRA—New Jersey's Coastal Area Development Review Act that applies to projects near coastal waters in the southern part of the state. It regulates all development activities and all related work such as excavation, grading, shore protection, structures and site preparation. **27-518**

CAPITAL GAIN—The gain on the sale of a capital asset such as real estate. **21-434**

CAPITALIZATION—The act of converting future income into current equivalent value. **22-446**

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. **22-447**

CASH FLOW—Gross income minus vacancy and collection loss factors, operating expenses and debt service; the income to the investor after these expenses have been paid. **19-406**

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

CERCLA—The Comprehensive Environmental Response, Compensation and Liability Act, commonly known as Superfund. This federal law established prohibitions and regulations concerning closed and abandoned hazardous waste sites, provided liability for people responsible for re-

leases of hazardous waste at these sites and established funding to provide clean-up when no responsible party could be identified. **27-515**

CERTIFICATE OF ELIGIBILITY—The document that 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. **14-318**

CERTIFICATE OF NO DEFENSE—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; estoppel certificate.

CERTIFICATE OF OCCUPANCY (C.O.)—A document issued by a local government indicating that the building is in compliance with public health and building codes and may be legally occupied. **24-469**

CERTIFICATE OF REASONABLE VALUE—Commonly known as a C.R.V.; this is the appraisal commitment of the Veterans Administration used to fix the value of a property being proposed for purchase by a veteran under the GI Bill of Rights. **14-320**

CERTIFICATE OF TITLE—An opinion rendered by an attorney as to the status of title to a property according to the public records.

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. **19-407**

CHAIN—A measurement of distance. Engineer's chain is a series of 100 wire links, each of which is one foot in length. A surveyor's chain is a series of wire links, each of which is 7.92 inches long. The surveyor's chain has a total length equal to four rods or 66 feet. Ten square chains of land is one acre. **23-463**

CHAIN OF TITLE—A sequential history of the conveyances, encumbrances and records of ownership to a piece of property through the years from the original grant to present, as revealed through the public records. **8-224**

CHATTEL—Personal property which is tangible and movable. **4-185**

CHATTEL MORTGAGE—A personal property mortgage. **4-185**

CITE—To quote an authority or an example; to call to attention or enumerate.

CIVIL RIGHTS ACT OF 1866—A federal law that prohibits all racial discrimination in the sale or rental of property, without exception. **20-418**

CLIENT—The principal to a real estate transaction who employs the agent. **10-269**

CLOSING—The time when a transaction is con-

summed, or the actual signing over the documents and delivery of the deed; the time after signing when the documents are recorded. **17-353**

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. **17-355**

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. **8-225**

CODICIL—A supplement or addition to a will which adds to, subtracts from, alters, revokes or qualifies the provisions of the will. **6-211**

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. **3-27**

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. **11-289**

COMMITMENT—A promise, such as that by a title insurer to write a specific policy of title insurance in favor of a named insured in a specific amount, subject to the requirements, exceptions, conditions and stipulations contained in the form. Also called a "title report" or "binder." **8-225**

COMMON ELEMENT—In a condominium, land and all parts of a building usually used by all the owners for their mutual convenience or safety; also called "common area." **5-202**

COMMON EXPENSE—In a condominium, the expenses of operation; all sums designated as such by the declaration or bylaws.

COMMON LAW—Laws that have evolved from general usage and have been legally established through court decision.

COMPARABLES—Properties that are similar to the subject property. Commonly called "comps." **22-445**

COMPARATIVE MARKET ANALYSIS—An informal estimate of value to assist property owners in establishing an asking price for their properties. **3-24**

COMPENSATORY DAMAGES—The amount of money actually lost; the amount that will be awarded by a court in the event of default. **9-241**

COMPETENT PARTIES—Those who are qualified or mentally competent to enter into a contract. **9-238**

COMPLAINANT—The person who files a complaint alleging unlawful discrimination. **20-417**

COMPOUND INTEREST—Interest paid both on the original principal and on interest accrued from the time it fell due.

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. **13-307**

CONDEMNEE—One whose property is condemned. **13-307**

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. **5-201**

CONSEQUENTIAL DAMAGE—A term used to define damage arising from the acts of public bodies or adjacent owners to a given parcel of land which impairs the value of that parcel without actually condemning its use in whole or part.

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. **9-235**

CONSTRUCTION LOAN—A temporary mortgage used to borrow money to construct improvements on real property. **14-321**

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. **18-367**

CONSTRUCTIVE NOTICE—Notice given by the public records; legal presumption of notice given by the public records. Also called "legal notice." **8-221**

CONSUMER INFORMATION STATEMENT—A statement on New Jersey Real Estate Relationships as prescribed in NJAC 11:5-1.43(h). **10-282**

CONSUMMATE—To bring to completion, perfection or fulfillment.

CONTIGUOUS—In close proximity; adjoining; e.g., parcels of land next to each other.

CONTINGENCY—A condition in a contract which could void it, or otherwise change its terms, if not met.

CONTINGENT—Dependent upon an uncertain future event.

CONTINUATION—An update of a title search, covering the period from the preliminary title report to the time of the recording of the documents. **8-225**

CONTRACT—A legal agreement between competent parties for a consideration to perform or refrain from performing certain acts. **9-235**

CONVENTIONAL LIFE ESTATE—A life estate created by grant, by reservation or by will. **4-190**

CONVENTIONAL MORTGAGE—A mortgage which is not FHA-insured or VA-guaranteed. **14-316**

CONVEYANCE—The transfer of the title of land from one to another; an instrument which carries

from one person to another an interest in land. **12-299**

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. **5-203**

CORNER INFLUENCE—The additional value attributed to a corner lot due to its various advantages for business uses.

CORPORATION—A vehicle used to carry on business, with its owners having liability only to the extent of their stock ownership; considered being an individual or separate entity. **5-200**

CORPOREAL—Rights of a visible and tangible nature. **4-188**

CORRECTION DEED—A deed used to cover a prior erroneous deed; a deed of confirmation; a reformation deed. **12-298**

COST—The total dollar expenditure for the labor, materials and other items related to construction improvements plus the value of the land.

COST APPROACH—Estimating the value of a piece of property by adding to the estimated land value the estimate of the replacement cost or reproduction cost of the building less depreciation. Also called "summation" or "reproduction cost" approach. **22-447**

COUNTEROFFER—A new offer made in response to an earlier offer. **9-237**

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 use or non-use of property. **12-297**

COVENANT NOT TO COMPETE—A clause in a sales agreement in which a seller of a business agrees not to compete with the buyer in that same business under the terms specified. **26-505**

CREDIT—In closing statements, an amount entered in a person's favor.

CREDITOR—A person who arranges or extends credit on a regular basis, as defined in the federal Truth-in-Lending Law. **16-341**

CUL-DE-SAC—A passageway or street with only one outlet; a blind alley; a turn-around.

CURTESY—The right that a husband has in his wife's estate at her death. **6-210**

DAMAGES—The indemnity recoverable by an injured party as compensation for the loss suffered through the act or default of another. **9-241**

DEBIT—In a closing statement, an expense or money received against a credit.

DEBT SERVICE—Amount needed for payment of principal and interest on an amortized debt.

DECLARATION—That which, along with the by-laws, defines the rules by which a condominium will exist. **5-202**

DEDICATION—A transfer of property from an individual to the public. **7-216**

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. **12-293**

DEED OF TRUST—See "trust deed." **12-298**

DEED RESTRICTION—A private limitation in a deed, placed by a grantor limiting the use of land by future owners. **4-187**

DEFAULT—Failure to meet an obligation or promise when due. **9-241**

DEFEASANCE CLAUSE—The clause in a mortgage that gives a 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. **14-312**

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. **14-311**

DELIVERY—The act or intent of transferring an instrument from one person to another in such a way that it cannot be recalled. **12-299**

DEMISE—To convey an estate for years; synonymous with lease.

DEPOSIT—Money given by one to another as evidence of good faith; evidence or security for performance of a contract. **9-238**

DEPRECIATION—Loss of value brought about by physical deterioration or functional or economic obsolescence. **22-447**

DESCENT—Ownership transferred by means of inheritance. **6-210**

DETERIORATION—Loss in value brought about by wear and tear. **22-447**

DEVISE—A gift of real or personal property by will. **6-211**

DEVISEE—One who receives a gift of real estate or personal property by will.

DEVISOR—One who gives real or personal property by will.

DISCLOSED DUAL AGENT—An agent that legally represents both the buyer and the seller in the same transaction. **10-268**

DISCOUNT POINTS—A fee paid to induce a lender to make a mortgage loan. Each point charged represents 1% of the loan amount and decreases the interest rate by 1/8 of 1%. **14-315**

DISPOSSESS PROCEEDINGS—A legal process by a landlord to remove a tenant and regain possession of real property due to some breach of the

lease agreement by the tenant. **18-367**

DOMINANT ESTATE—An estate attached to and benefiting from the servient estate, e.g., an easement runs over the servient estate and serves the dominant estate; also called the "dominant tenant." **7-215**

DONEE—A person to whom a gift is made.

DONOR—A person who makes a gift.

DOWER—The one-half interest a wife has in the property of her husband; a life estate in one-half of the land the husband owns during the continuance of the marriage relationship. **6-209**

DOWER CONSUMMATE—The completed dower; the right a wife has in her husband's property upon his death. **6-209**

DOWER INCHOATE—The right a wife has in her husband's property during his life. **6-209**

DUAL AGENCY—Representing two clients in the same transaction. **10-268**

DUAL AGENT—An agent who represents both buyer and seller in the same transaction. **10-268**

DUAL CAPACITY—Collecting a commission as a real estate broker in a transaction, when at the same time representing either party in a different transaction for a consideration, i.e., lawyer, executor. **3-28**

DUAL CONTRACT—A contract drawn for an illegal purpose. For example, where a buyer and seller enter into a second contract with different terms than those on the original contract to benefit fraudulently from the arrangement. **9-236**

DUE-ON-SALE CLAUSE—See Alienation Clause. **14-312**

DUPLICATE ORIGINAL—A photocopy of an original document.

DURESS—Unlawful constraint or action against a person, forcing him to perform some act against his will. **9-239**

EARNEST MONEY—Initial payment made by a purchaser of real estate as evidence of good faith. **3-26**

EASEMENT—A right, privilege or interest which one party has in the land of another. **7-215**

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. **7-215**

EASEMENT BY NECESSITY—The right of an owner to cross over the property of another for a special necessary purpose, such as in a land-locked situation. **7-216**

EASEMENT BY PRESCRIPTION—A method of acquiring a right to a portion of property by lapse of time, in the manner of adverse possession. **7-216**

EASEMENT IN GROSS—An easement that does not attach to the land, and is usually given to a

quasi-public corporation such as the electric or phone company. **7-215**

ECONOMIC LIFE—The period of time over which a property may be profitably used. **22-446**

ECONOMIC OBSOLESCENCE—See "external obsolescence." **22-449**

ECONOMIC RENT—The rental warranted to be paid in the open real estate market based upon current rentals being paid for comparable space. **22-446**

EFFECTIVE GROSS INCOME—Used in the income approach in estimating value. Effective gross income is found by subtracting an allowance for vacancies and collection losses from potential gross income. **22-446**

EGRESS—Means of leaving property without trespassing the property rights of other surrounding owners. **7-215**

EJECTMENT—A form of action to regain possession of real property, with damages for the unlawful retention; generally used when there is no land-lord/tenant relationship.

ELECTIVE SHARE—In New Jersey, a minimum one-third share which a surviving spouse may claim in lieu of any amount specified in the deceased spouse's will. **6-210**

EMBLEMENTS—Trees or crops that are cultivated annually; the rights of a tenant to harvest the annual crop even after his tenancy has ended. **4-186**

EMINENT DOMAIN—The right of a government to take private property for public use upon the payment of just compensation. **4-187**

EMPLOYING BROKER—The supervising broker for a real estate company organized as a sole proprietorship. **3-16**

EMPLOYMENT AGREEMENT—The employment agreement signed by the broker and salesperson (or broker-salesperson). **3-21**

ENCROACHMENT—A building or fixture which intrudes partly or wholly upon the property of another. **7-217**

ENCUMBRANCE—A claim, lien, charge or liability attached to and binding upon real property which affects or limits the title thereto. **12-297**

ENFORCEABLE—A contract in which the parties may be required legally to perform.

EQUAL CREDIT OPPORTUNITY ACT—A federal law prohibiting unlawful discrimination in the extension of credit. **16-345**

EQUALIZATION—The process by which the assessed values of properties are raised or lowered to correct assessment inequities, particularly between various tax districts in a county. **21-432**

EQUITABLE TITLE—Title of a purchaser under a contract of sale or agreement of sale. **14-325**

EQUITY—The interest or value which an owner has in real estate over and above the liens against it; branch of remedial justice by and through which relief is afforded to parties in courts of equity. **14-313**

EQUITY OF REDEMPTION—The right of an owner to reclaim property before it is sold through foreclosure proceedings by payment of the debt, interest and cost. **15-334**

EROSION—The gradual wearing away of land due to natural causes of wind and water. **4-184**

ERRORS AND OMISSIONS INSURANCE—Designed to protect professionals from innocent negligent acts. **10-273**

ESCALATOR CLAUSE—A lease provision that allows rent increases during the term of a lease to reflect increased operating expenses such as higher taxes, maintenance costs and fuel oil. **18-366**

ESCHEAT—The reverting of property to the state when heirs capable of inheriting are lacking, or the property is abandoned. **4-187**

ESCROW—Deposit of instruments and funds with instructions to a third neutral party to carry out the provisions of an agreement or contract. **3-25**

ESCROW ACCOUNT—See "Trust Account."

ESCROW AGENT—An independent third party who acts in a fiduciary capacity and is legally bound to carry out the terms of an escrow agreement. (See "Escrow"). **14-326**

ESCROW HOLDER—The one who receives a deed or other item from a grantor to be delivered to the grantee upon the performance of a condition or the occurrence of a contingency.

ESTATE—The degree, quantity, nature and extent of interest a person has in real property. **4-188**

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. **18-365**

ESTOPPEL CERTIFICATE—See "Certificate of No Defense."

ESTOVERS—Wood which a lessee is permitted to use from the landlord's premises to provide minimum fuel, repairs and tools for his necessary use. (The opposite of waste).

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. **18-367**

EXCEPTION—A deed provision that withholds some right or interest that otherwise would pass with the deed. For example, a grantor may wish to withhold from the deed sub-surface rights. **12-299**

EXCHANGE—A method of conveying real property by trading with another property. **21-436**

EXCHANGE PERIOD—In a 1031 Exchange, the replacement property must be received by the end of the exchange period. The exchange period begins on the date the taxpayer closes on the relinquished property and ends at midnight on the 180th day thereafter, or the due date (including extensions) for the taxpayer's tax return. **21-437**

EXCHANGER—The investment property owner who does a 1031 Exchange by disposing of the relinquished property and acquiring a replacement property. **21-436**

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. **11-289**

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 the agreement. **11-289**

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 form; to perform the contract; to follow out to the end; to complete.

EXECUTED CONTRACT—A contract that is fully signed or performed. **9-236**

EXECUTOR—A person named in a will to carry out its provisions as to the disposition of the estate of a deceased person. **6-211**

EXECUTORY CONTRACT—A contract not yet fully performed. **9-236**

EXECUTRIX—Feminine of "executor." **6-211**

EXPRESS AUTHORITY—Clearly stated duties of an agent, as set forth by his or her principal.

EXTERNAL OBSOLESCENCE—Loss of value caused by factors outside the property, such as zoning. **22-449**

FACADE—The front of a building.

FAMILIAL STATUS—Defined under Fair Housing Laws as an adult with a child or children under 18, a person who is pregnant, one who has legal custody of a child, or is in process of obtaining custody. **20-415**

FEDERAL FLOOD INSURANCE—A federal program to aid in rebuilding homes destroyed by floods and designating areas where floods are most likely to occur. **16-347**

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." **14-324**

FEDERAL HOUSING ADMINISTRATION (FHA)—

An agency of the federal government which insures certain real estate loans. **14-317**

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA)—A part public, part private corporation that buys and sells mortgages in the secondary money market, known as "Fannie Mae." **14-323**

FEE CONDITIONAL—An estate granted absolutely, but only so long as a specified event occurs or does not occur. **4-189**

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. **4-189**

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. **4-189**

FEE TAIL—an estate that 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.

FHA-INSURED LOAN—A mortgage loan insured by the Federal Housing Administration. **14-317**

FIDUCIARY—A person in a position of great trust and confidence, as the relationship between principal and agent. **10-266**

FINANCE CHARGE—Under the Truth-in-Lending Law, the total dollar amount the loan will cost over its entire life. **16-342**

FINDERS' FEE—A fee paid to a person for 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.

FIXING-UP EXPENSES—Expenses incurred for physically preparing a personal residence for sale.

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. **4-186**

FLASHING—Metal strips placed around roof openings to provide water tightness.

FORECLOSURE—Procedure whereby property pledged as security for a debt is sold to pay the debt in event of default in payments or terms. **15-333**

FORFEITURE—Loss of money or anything of value due to failure to perform; a right expressly given in an installment contract whereby the seller terminates the contract for non-payment, and

retains all of the payments previously made by the buyer. **9-245**

FORESHORE—Land between the high-water mark and low-water mark.

FRAUD—The intentional and successful employment of deception in order to cheat or deceive another person and to thereby gain some dishonest advantage. **9-242**

FREEHOLD ESTATE—An estate in real property for an indefinite and uncertain time, e.g., a fee simple or a life estate. **4-188**

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. **23-463**

FUNCTIONAL OBSOLESCENCE—See "Obsolescence." **22-449**

GABLE—The vertical triangular end of a building.

GAMBREL ROOF—A roof with a lower steeper slope and an upper flatter one.

GENERAL LIEN—A lien which attaches to all property owned by the debtor. **15-336**

GENERAL PARTNERSHIP—A partnership in which all partners are personally liable for partnership debts that exceed partnership assets. **5-201**

G.I. LOAN—Same as VA loan. **14-318**

GOODWILL—An intangible asset arising from the reputation of a business. **26-505**

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." **14-324**

GRADUATED LEASE—See "Step-up Lease." **18-336**

GRADUATED PAYMENT MORTGAGE (GPM)—A mortgage calling for lower payments in early years than in later years. Payments increase in steps each year until the installments become sufficient to amortize the loan. **14-321**

GRANDFATHER CLAUSE—See "Nonconforming Use." **24-467**

GRANT—A transfer of real property. **4-189**

GRANTEE—The purchaser; the person to whom an interest in realty is conveyed by deed. **12-297**

GRANTOR—The seller; the person who conveys an interest in realty by deed. **12-297**

GRI—The professional designation of Graduate Realtor's Institute, earned by completion of prescribed courses of study conducted by state boards of Realtors®.

GROSS INCOME—Total income derived from a business or income property before expenses are deducted. **22-446**

GROSS LEASE—A lease of property in which the lessor meets all property charges incurred through ownership. **18-366**

GROSS MULTIPLIER—A number which is used to determine approximate selling price for income property by multiplying the gross income times this number (income x multiplier = selling price). **22-446**

GROUND LEASE—A lease for the use of the land, usually providing for improvements to be placed on the land by the user. **18-366**

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.

GUARANTY FUND—A fund established from licensing fees for paying claims of persons who have been injured by the illegal acts of licensees. **3-20**

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. **12-299**

HEIR—One who inherits property.

HEREDITAMENTS—Any property, real or personal, tangible or intangible, that may be inherited. **4-188**

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. **22-444**

HOLDOVER TENANT—A tenant who remains in possession of a property after expiration of the lease term. **18-367**

HOLOGRAPHIC WILL—An unwitnessed will written in hand by the person leaving the will. **6-211**

HOMOGENEOUS—The same or similar kind of structure; similar; as used in appraising, homogeneity tends to stabilize values in an area.

HORIZONTAL PROPERTY ACT—The name given to the laws that recognize condominium ownership in New Jersey; horizontal layers of ownership. **5-201**

HUD—U.S. Department of Housing and Urban Development.

HUD-1 UNIFORM SETTLEMENT STATEMENT—A standard settlement form required by RESPA. **16-344**

HYPOTHECATE—To pledge property as security; to mortgage. **14-311**

I.F.A.—Abbreviation for "Independent Fee Appraiser."

IDENTIFICATION PERIOD—The replacement property or properties in a 1031 Exchange must be identified before the end of the identification period. The identification period begins on the date the taxpayer transfers the relinquished

property and ends at midnight on the 45th day thereafter.

IMPLIED AUTHORITY—The authority that 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.

IMPROVEMENTS—Beneficial attachments to raw land that increase its value or improve its usefulness. **4-183**

INCAPACITY—Lack of legal qualifications making a person incapable of performing some act. Mental deficients, minors, etc. lack legal capacity to perform certain acts. **9-242**

INCHOATE—Incomplete; not perfected. **6-209**

INCOME APPROACH—Determining the value of property by dividing net annual income by the capitalization rate. Used on income-producing properties. Also called "capitalization approach." **22-446**

INCORPOREAL—Intangible; without physical existence. **4-188**

INDEFEASIBLE—Not capable of being annulled or voided. **4-189**

INDEPENDENT CONTRACTOR—One who is retained to perform a certain act subject to the control and direction of another as to the end result, but not as to how the act is performed. The critical feature is that an independent contractor, unlike an employee, is not subject to the control of the person who retained him or her. **10-271**

INDUSTRIAL PARKS—Tracts subdivided into usable sites for sale or lease, catering to light industry, and providing a planned and controlled environment.

INGRESS—An entrance to property which does not trespass over the property rights of others. **7-215**

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.

IN REM—Foreclosure proceedings by a municipality against the property directly, as distinguished from a proceeding against a person, in taking property for nonpayment of taxes. **15-335**

INSTALLMENT CONTRACT—A contract that provides for payment of a purchase price in installments. **21-437**

INSTITUTIONAL LENDER—The major source of mortgage money for residential loans; savings and loan, federal and state banks and life insurance companies.

INSTRUMENT—A written legal document.

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

INTESTATE—Having made no valid will; also a person who dies without a will, or with one which is defective in form. **6-211**

INVERSE CONDEMNATION—Legal action in which an owner attempts to force a public agency to buy his land. **13-307**

INVOLUNTARY LIEN—A lien imposed against property without consent of an owner: e.g., tax, special assessment and federal income tax liens. **15-333**

IRREVOCABLE—Incapable of being recalled or revoked; unchangeable.

IRREVOCABLE CONSENT—A form signed by a non-resident licensee agreeing to be open to suit in New Jersey courts if he or she violates the state's laws or regulations. **3-19**

ISRA—The Industrial Site Recovery Act, a New Jersey statute that imposes certain pre-conditioning on the sale, transfer or closure of industrial establishments involved with hazardous substances or waste. **27-516**

JOINT TENANCY—Ownership by two or more persons with rights of survivorship; all joint tenants own equal interests and have equal rights in the property. Each owner is possessed of an undivided part of the whole. **5-197**

JOINT VENTURE—A joining of two or more people in a specific business enterprise; similar to a partnership, and generally with no intention of a continuing relationship beyond the original purpose. **5-201**

JUDGMENT—The final determination of the rights and liabilities of the parties by a court in an action before it. **15-336**

JUNIOR LIEN—A subordinate lien.

JUNIOR MORTGAGE—A mortgage that is subordinate to a prior existing mortgage on the same realty. **14-312**

JUST COMPENSATION—The fair market value of land that must be paid to the condemnee when the government exercises its power of eminent domain through the act of condemnation. **4-187**

LACHES—Delay or negligence in asserting one's legal rights.

LAND—The surface of the earth, the area above and below the surface, and everything permanently attached thereto. **4-183**

LAND CONTRACT—Written agreement in which buyer agrees to buy certain realty and seller agrees to sell upon terms and conditions set forth therein. Title remains with the seller until terms and conditions are fulfilled; buyer has equitable title. **14-325**

LAND PATENT—An instrument conveying government-owned lands to individuals.

LATERAL SUPPORT—The support that the soil of an adjoining owner gives to his neighbor's land. **7-218**

LEASE—A contract whereby the lawful owner of the property transfers his rights of use and possession to another for a specified term. **18-365**

LEASEHOLD—An estate or right in real property that involves possession but not ownership. **4-190**

LEGACY—A gift of personal property, usually money, by will.

LEGAL DESCRIPTION—A description, recognized by law, that will definitely locate and identify the property. **23-455**

LEGAL LIFE ESTATE—A life estate created by law such as a dower or curtesy. **6-209**

LESSEE—One who rents property under a lease contract. **18-365**

LESSOR—An owner who enters into a lease with a tenant. **18-365**

LESS THAN FREEHOLD—A lease; a leasehold estate. Also called "non-freehold." **4-190**

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 enter the land of another for a specific purpose. **7-217**

LICENSE LENDING—Any arrangement under which a broker fails or oversee and direct the operations of the business of which he or she is licensed as a broker of record or employing broker. (See 11:5-4.3 (b)). **3-19**

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. **15-333**

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. **4-189**

LIFE TENANT—The holder or grantee of a life estate.

LIKE-KIND—In a 1031 Exchange, like-kind property is any property used for business or investment purposes. **21-436**

LIKE-KIND PROPERTY—Property having the same nature. To qualify for a tax-deferred exchange and the resulting tax benefit, the properties being exchanged must be of "like-kind." For example, investment property traded for investment property would qualify. **21-436**

LIMITED COMMON ELEMENT—In a condominium, those common elements reserved for the use of a certain apartment, or certain apartments, to the exclusion of other apartments. **5-202**

LIMITED PARTNERSHIP—A partnership com-

posed of general and limited partners whose contribution and liability are limited and specifically defined. **5-201**

LIQUIDATED DAMAGES—An amount predetermined by the parties to an agreement that will be forfeited as compensation for breach of contract. **9-241**

LIS PENDENS—A legal document giving constructive notice that legal action is pending. **15-333**

LISTING—A written employment agreement between a property owner and a broker authorizing the broker to sell, lease or exchange the realty. **11-289**

LITTORAL—Property that borders a large body of water such as a lake, ocean or sea is said to be littoral property. **4-183**

LOAN COMMITMENT—A commitment by a lender as to the amount he will loan to a qualified borrower on a particular piece of real estate.

LOAN-TO-VALUE RATIO (LTV)—The ratio between a mortgage loan and the market or appraised value, whichever is lower. **14-314**

LOFT BUILDING—An industrial building, formerly used by one manufacturer, but now subdivided into many individual partitions, suitable for small manufacturers.

LOT AND BLOCK NUMBER—A method of describing real estate that references a tract of land by lot and block numbers on a recorded map; also called a "plat." **23-457**

M.A.I.—Designates a person who is a member of the American Institute of Real Estate Appraisers of the National Association of Realtors.

MANAGEMENT PLAN—A plan prepared by a property manager that outlines the owner's objectives and how the manager intends to accomplish them. **19-402**

MANSARD—A roof having two slopes on all sides, with the lower slope steeper than the upper one.

MANUFACTURED HOME—A housing unit that consists of one or more transportable sections, built off-site and connected on-site, and manufactured in accordance with the National Manufactured Housing Construction Code Act.

MARGINAL LAND—Land which barely pays the cost of working or using.

MARKETABLE TITLE—Title free and clear of objectionable liens or encumbrances; title which is free from reasonable doubts or defects, which can be readily sold or mortgaged. **8-226**

MARKET PRICE—The actual price paid in a given transaction. Contrast with market value. **22-443**

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. **22-443**

MASTER DEED—The instrument that legally establishes a condominium. **5-202**

MASTER PLAN—A guide to the use of property within a community, as established by a planning board, to project the desired future growth and nature of the area covered. **24-465**

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 the real estate. **15-335**

MEETING OF THE MINDS—A condition that must exist for the formation of a valid contract. **9-238**

MEGAN'S LAW—A New Jersey law that establishes law registration and notification provisions and requires the classification of convicted sex offenders using a three-tier system.

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. **23-455**

MILE—A linear measurement of distance equal to 1,760 yards, 5,280 feet, or 1,608 meters. **23-463**

MILL—One-tenth of one cent. Used in some states to compute property taxes. **21-431**

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

M.I.P.—The mortgage insurance premium collected by the FHA for insuring the mortgage. **14-317**

MISDEMEANOR—A crime of lesser consequences than a felony and 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. **9-238**

MOBILE HOMES—Three-dimensional single-family units, built to be towed on their own chassis, not required to satisfy local building codes. **4-185**

MODULAR—A building composed of modules, joined with one another, horizontally or vertically or both, the modules themselves being self-contained sections constructed in a factory on the assembly line.

MONTH-TO-MONTH TENANCY—A periodic tenancy which automatically renews at the end of each month, unless one of the parties to the agreement (landlord or tenant) serves the other with a proper notice to cancel. **18-365**

MONUMENT—A fixed object and point estab-

lished 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. **23-455**

MORAL TURPITUDE—An act viewed by society as demonstrating a serious lack of morals or conscience, such as embezzlement, fraud, shoplifting or sex crimes.

MORTGAGE—An instrument in writing which, when recorded, creates a lien upon property pledged as security for the repayment of a debt or obligation. **14-311**

MORTGAGE BANKER—A corporation or firm which makes, delivers, and services mortgage loans. **14-325**

MORTGAGE BROKER—A person or firm which acts as an intermediary between borrower and lender. **14-325**

MORTGAGE INSURANCE PREMIUM (MIP)—The mortgage insurance premium paid by the borrower to the FHA on insured loans. The MIP can be paid in cash at closing or added to the loan amount. **14-317**

MORTGAGE OR LOAN POLICY—Title policy that insures the interest of a mortgagee or lender to the title or real property. **8-226**

MORTGAGEE—The party who lends money and accepts a mortgage to secure the payment of the debt. **14-311**

MORTGAGOR—The party who borrows money and gives a mortgage on the property as security for his or her obligation to pay the debt. **14-311**

MULTIPLE LISTING SERVICE (M.L.S.)—An arrangement among brokers whereby they share their listings. **11-290**

MUNICIPAL SERVICE FEE—A fee imposed by municipalities to offset the cost of municipal services provided to mobile home parks.

NAR—The National Association of Realtors®. Only brokers who are members of local real estate boards are entitled to use the trademark name "REALTOR." **2-5**

NAVIGABLE WATERS—Those bodies of water which are capable of being used for public transportation. **4-184**

NEGATIVE AMORTIZATION—An increase in the outstanding balance of a loan caused by the failure of mortgage payments to cover interest charged on the loan. **14-316**

NEGATIVE CASH FLOW—Cash flow from an income-producing property that is less than zero.

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.

NEGOTIATE—To transact business; to arrange terms of a contract.

NET INCOME—With reference to 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. **22-446**

NET LEASE—A lease in which the tenant pays rent for occupancy, plus maintenance and operation expenses, usually including taxes and insurance. **18-366**

NET LISTING—A listing that provides that the agent may retain all sums received over and above a net price to the owner as compensation for his services. A prohibited practice in New Jersey. **11-290**

NOMINAL CONSIDERATION—One bearing no relation to the real value of the contract. An example is a property which is deeded for \$10.00.

NONCONFORMING USE—A use which is contrary to zoning laws, but which is permitted (grandfathered) because the use was allowed before the zoning law came into effect. **24-467**

NONCULPATIVE WILL—An oral will.

NON-INSTITUTIONAL LENDER—A non-institutional source of mortgage financing, including loan correspondents, purchase money mortgages, land contracts, sale and leaseback transactions, pension funds and credit unions.

NON-RESIDENT LICENSE—A license issued to a person who is not a resident of New Jersey.

NOTARY PUBLIC—An officer of the court who is authorized to take acknowledgements to certain documents, such as deeds and mortgages, and before whom affidavits may be sworn.

NOTE—A written instrument acknowledging a debt and promising payment. **14-311**

NOTICE TO QUIT—Notice to a tenant to vacate. **19-404**

NOVATION—A three-party agreement under which one party is released and another is substituted. **14-313**

OBSOLESCENCE—Functional obsolescence or lack of desirability in terms of layout, style and design as compared with that of a new property serving the same function; external obsolescence or a loss in value from causes in the neighborhood, but outside the property itself. **22-449**

OFFER—A promise by one party to act in a certain manner provided the other party would act in the manner requested. In a real estate sales contract, the offer to purchase realty according to certain stipulated terms and conditions. **9-236**

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. **14-323**

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. **11-289**

OPERATING EXPENSES—Amounts paid to maintain income-producing property other than debt service and income taxes. **22-446**

OPTION—A right given for consideration to purchase or lease a property upon specified terms within a specified time. **9-239**

OPTIONEE—The one obtaining the option right. **9-239**

OPTIONOR—The one granting the option to another. **9-239**

ORDINANCE—A legislative enactment of a city or county, such as zoning.

OVER-IMPROVEMENT—An improvement that is not the highest and best use for the site on which it is placed, usually by reason of excess size or cost.

OWNER'S POLICY—Policy of title insurance that insures an owner's title to real property; also called a "fee" policy. **8-226**

PACKAGE MORTGAGE—A mortgage, commonly used in subdivision developments, whereby chattels such as appliances are "packaged" into the mortgage along with the real property. **14-322**

PAROL EVIDENCE—Oral testimony rather than that reduced to writing. **9-240**

PAROL EVIDENCE RULE—A rule of law that specifies that oral or parol evidence may not be introduced in court to contradict what has already been stated in writing, unless such statements are intended to show that a fraud has been perpetrated, that a mistake was made, or to clarify what was meant by the words contained in a contract. **9-240**

PARTIAL TAKING—The taking of a portion of a piece of property through condemnation. **13-307**

PARTITION—Court proceedings by which co-owners of commonly owned property seek to sever their common ownership. **5-198**

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. **5-201**

PARTY DRIVEWAY—A common driveway used by two adjoining owners, creating an easement in favor of both. **7-218**

PARTY WALL—A wall erected on the line between adjoining properties, which are under separate ownership, for the use of both owners. **7-218**

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. **18-366**

PERFORMANCE BOND—A bond which provides assurance of the completion of an undertaking in accordance with an agreement, such as that supplied by a contractor guaranteeing the completion of a building project.

PERIODIC TENANCY—Tenancy of property for an indefinite period, which can be terminated by either party with proper notice. **18-365**

PERSONAL PROPERTY—Any property not real property; personalty. **4-185**

PHYSICAL DETERIORATION—Any loss to property values caused by normal wear and tear or usage. Also includes such things as termite damage and dry rot. **22-447**

PLANNED UNIT DEVELOPMENT (PUD)—A development and zoning concept which is designed to produce a high density of dwelling units with maximum utilization of open spaces. **24-469**

PLANNING BOARD—The municipal body responsible for subdivision and site plan (subdivision) applications. **24-465**

PLAT—A plan or map of a certain piece or pieces of land. **7-216**

PLAT FIELD BOOK—A public record containing facts pertaining to land.

PLOTTAGE—The land increment produced by combining smaller individually owned plots into a larger tract under single ownership; see "Assemblage." **22-444**

POINT OF BEGINNING (P.O.B.)—A known identifiable point at which a metes and bounds description starts and ends. Also called the "point of origin." **23-455**

POINTS—See "Discount Points." **14-315**

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. **4-187**

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. **10-270**

PRE-FABS—Structural parts, fabricated in advance, and assembled on the site.

PRENUPTIAL AGREEMENT—See "Antenuptial Agreement."

PREPAYMENT CLAUSE—The clause in a mortgage or note stating the penalty, if any, for payment before it actually becomes due. **14-315**

PRESCRIPTION—Title obtained by possession for a prescribed period; prescriptive rights. **7-216**

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 MORTGAGE MARKET—The source of loan funds available directly to borrowers,

whether for first or second mortgages. **14-323**

PRINCIPAL—The employer of an agent or broker. Also, a sum of money owed as a debt upon which interest is calculated. **10-265**

PRIVATE MORTGAGE INSURANCE (PMI)—Default insurance on conventional loans, provided by private mortgage insurance companies. Usually the top 20% of the loan is insured in return for the insurance premium paid by the borrower. **14-315**

PROBATE—The legal process of determining the validity of a will, paying the debts of the estate and determining who is to receive the remainder of the estate. **6-210**

PROBATION—A sanction that can be imposed by the Real Estate Commission in addition to suspension or revocation of license and fines. **3-29**

PROCURING CAUSE—The cause of a series of events, which leads to the consummation of a sale. **10-270**

PROFIT AND LOSS STATEMENT—A statement showing business income, expenses, and profit and loss. Prepared no less than yearly by the property manager of an income-producing property. **19-406**

PROMISSORY NOTE—A written promise to pay a certain sum of money at a definite date in the future. **14-311**

PROMULGATE—To publish, announce or declare.

PROPRIETARY LEASE—A lease in a cooperative apartment between the owner-corporation and the tenant stockholder. **5-203**

PROPRIETORSHIP—A business held by a person who has legal title or exclusive right thereto. **5-200**

PRORATE—To divide or distribute proportionately; to divide monies, usually at time of closing, proportionately between seller and buyer. **17-354**

PROSPECTUS—A printed statement distributed to describe and to advertise a new business venture, a real estate project or stock issue.

PUFFING—Statements a reasonable person would recognize as being non-factual or exaggerated. **10-267**

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. **14-321**

QUALIFIED FEE—An estate in fee simple bound by limitations imposed by the grantor. **4-189**

QUALIFIED INTERMEDIARY—A specifically formed company that facilitates a 1031 Exchange by transferring the relinquished property and acquiring a replacement property. **21-437**

QUIET ENJOYMENT—The right of an owner or tenant legally in possession to the use of property without interference from the landlord, or

grantor, or anyone claiming through him. **12-297**

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. **13-303**

QUITCLAIM DEED—A deed containing no warranties or covenants, which relinquishes any interest, title or claim in property the grantor may have, if any. **12-293**

QUORUM—A majority of the entire body; minimum needed to legally conduct a meeting.

RACIAL STEERING—See "Steering."

RADON—A radioactive gas formed by the natural breakdown of uranium. **27-513**

RATIFICATION—The approval or confirmation by one person of an act of contract performed or entered into on his behalf by another, who at the time lacked authority to act as his agent.

READY, WILLING AND ABLE—A person who is prepared, financially able and willing to enter into a binding contract. **10-269**

REAL ESTATE—The physical land at, below and above the earth's surface with all appurtenances, including structures. **4-183**

REAL ESTATE COMMISSION—The state regulatory agency that governs the licensure process and has the power to approve all real estate licenses. The Commission also is empowered to deny, fine, revoke or suspend a salesperson or broker license if the licensee violates any license law or regulation. **3-15**

REAL ESTATE INVESTMENT TRUST (REIT)—A method of pooling investor funds using the trust form of ownership and featuring single taxation of profits. **5-201**

REAL ESTATE SALES FULL DISCLOSURE ACT—A New Jersey law that regulates the sale across state lines of subdivided land under certain conditions. **3-31**

REAL ESTATE SETTLEMENT PROCEDURES ACT (RESPA)—A federal law dealing with federally related real estate loans for one- to four-family dwellings. Intended to provide borrowers with estimate of closing costs so they can comparison shop. **16-343**

REALTOR®—See "NAR." **2-5**

REALTOR®-ASSOCIATE—A salesperson who works for a Realtor®/Broker and belongs to the local Board of Realtors®.

REALTY TRANSFER FEE—A transfer tax that must be paid by the seller upon passing of title. **12-300**

REBATES—Licensed real estate brokers may legally provide a purchaser of **residential real estate** a rebate from the commission the broker receives. There are a number of restrictions regarding who may provide and receive the rebate, conditions concerning the providing of the

rebate, limitations on the nature of the rebate that may be paid, and advertising requirements. **3-21**

RECAPTURE CLAUSE—In a percentage lease, a clause that allows the landlord to cancel if the volume of business falls below a stated minimum. **18-366**

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

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." **8-221**

RECORDING OFFICE—The office located in the county seat of each of New Jersey's counties where important documents such as deeds, mortgages and releases are registered on the public record to protect against subsequent claimants. **8-221**

RECTANGULAR SURVEY—Government system of land survey noted for accuracy, adapted to the measurement of extensive territory (not used in New Jersey). **23-462**

REDLINING—The unlawful practice of refusing to approve mortgage loans in certain neighborhoods on the basis of race or ethnic composition. **16-345**

REFERRAL AGENT—A natural person whose brokerage-related activities are limited to referring prospects for the sale, purchase, exchanging, leasing or rental of real estate to the real estate broker through whom he or she is licensed as a referral agent. **3-16**

REFORMATION—An action to correct a mistake in a deed or other document.

REGULATION Z—A federal regulation requiring creditors to provide full disclosure of the terms of a loan (Truth-in-Lending). **16-314**

RELEASE—The relinquishment or surrender of a right, claim or interest.

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. **14-322**

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.

RELICTION—Gradual recession of water from the usual watermark. **4-184**

RELINQUISHED PROPERTY—In a 1031 Exchange, the property that is transferred.

REMAINDER ESTATE—An estate created by a single grant simultaneously with another which vests with a third party upon termination of the

prior estate, such as a life estate. **4-190**

REMAINDERMAN—The one in whom an estate vests after termination of a prior estate. **4-190**

RENDERED—Furnished; presented; performed; made.

REPLACEMENT PROPERTY—Property received in a 1031 Exchange.

RESCIND—To annul; cancel. **9-281**

RESCISSION—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"). **9-281**

RESCISSION 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. **9-281**

RESERVATION—A right retained by a grantor in conveying property. **4-189**

RESIDENT MANAGER—The manager of a residential income-producing property who supervises the care of an apartment complex or building, while living in one of the units.

RESPONDENT—The person who must answer or respond to a complaint alleging unlawful discrimination. **20-417**

RESTRICTION—Clause in a deed or other written instrument limiting use to which the property may be put. **7-217**

REVERSE ANNUITY MORTGAGE (RAM)—A type of mortgage developed for elderly homeowners with substantial equity wherein the mortgagee makes monthly payments to the mortgagor. Consequently, the homeowner is not forced to sell the home to meet fixed living expenses. **14-321**

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. **4-190**

REVERSIONARY INTEREST—A present right to future possession of an estate. **18-365**

REVOCAION—The right of the Real Estate Commission to deactivate a broker or salesperson license for wrongdoing. Revocation is for at least all of the remaining license term. **3-28**

RIDER—Addendum to cover supplemental changes to an agreement. **9-242**

RIGHT OF RESCISSION—Under the federal Truth-in-Lending Law, the right of a customer to cancel a credit transaction if it involves placing a lien against his principal residence. The rescission period is three business days, including Saturdays. **16-342**

RIGHT OF SURVIVORSHIP—The right of a co-

owner automatically to receive the title of a deceased co-owner immediately without probate. **5-197**

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. **4-183**

RULES AND REGULATIONS—The Real Estate Commission is expressly vested with the power and authority to promulgate and enforce all necessary rules and regulations for the conduct of real estate licensees. **3-15**

RUNNING WITH THE LAND—A covenant which extends beyond the original parties to an agreement and binds all subsequent parties. **7-215**

SALE AND LEASEBACK—The sale and subsequent leasing back by the seller-lessee. **14-326**

SALES COMPARISON APPROACH—An appraisal of property through the examination and comparison of actual sales of comparable properties. **22-445**

SANDWICH LEASE—A lease held by a lessee who becomes a lessor by subletting.

SATISFACTION OF MORTGAGE—An instrument used when a lien is paid off and satisfied on the records; also called "satisfaction piece." See "Release of Mortgage." **15-333**

SEAL—An impression made to attest to the execution of an instrument.

SECOND MORTGAGE—A second mortgage is subordinate to a first mortgage and, in the event of foreclosure, the second mortgage would not be paid until the first mortgage has been paid in full.

SECONDARY MORTGAGE MARKET—The marketplace for the sale and purchase of existing mortgages. **14-323**

SECTION—A section of land established by government survey containing 640 acres, or one square mile. Also, a portion of a tax map description. **23-462**

SECURITY AGREEMENT—A legal document that pledges personal property as security for a debt; chattel mortgage. **4-185**

SECURITY DEPOSIT—Deposit made to assure performance of an obligation, usually by a lessee. **18-369**

SEISIN—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; also "seizen." **12-297**

SELLER'S AGENT—An agent who works only for the seller and has legal obligations, called fiduciary duties, to the seller. **10-267**

SERVICEMEMBERS CIVIL RELIEF ACT—A federal law that protects servicemen and women, including reservists and members of the

National Guard (when on active duty) from loss of their homes through foreclosure. **15-335**

SERVIENT PREMISES—The property encumbered by an easement. **7-215**

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. **24-467**

SEVERALTY—Ownership by only one person. **5-197**

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 land. **13-307**

SHERMAN ANTITRUST ACT—A federal law that include civil and punitive damages for activities in restraint of interstate and foreign trade.

SIMPLE INTEREST—Interest computed upon the declining balance of a particular amount; as principal declines so does the interest payment.

SKY LEASE—A lease of space above a piece of real estate.

SPECIAL AGENT—A person who is authorized to perform only certain specified functions on behalf of his or her principal. **10-265**

SPECIAL ASSESSMENT—An assessment generally made against only those specific parcels of realty directly benefiting therefrom. **21-433**

SPECIAL WARRANTY DEED—A deed in which the grantor warrants title only against defects occurring during the grantor's ownership. **12-298**

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. **15-333**

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. **9-242**

S.R.A.—Abbreviation for "Society of Residential Appraisers."

STATUTE OF FRAUDS—State law which requires, among other things, that certain contracts relating to real estate must be in writing to be enforceable at law. **9-235**

STATUTE OF LIMITATIONS—Laws setting forth the period of time in which suit can be brought for a particular act. **9-240**

STATUTORY RIGHT OF REDEMPTION—See "Redemption." **15-335**

STEERING—Directing prospective buyers or tenants into or away from certain areas on illegal discrimination grounds. **20-416**

STEP-UP LEASE—A lease with fixed increases at stated intervals, or increases based upon periodic appraisals at stated times; graduated lease;

graded lease. **18-366**

STIGMATIZED PROPERTY—A property on which the value is negatively influenced by a social condition (barking dog, loud neighbors, etc.) or a psychological impairment (murder, suicide, report of ghosts, etc.)

STOCK IN TRADE—Goods used in carrying on a trade or business.

STRAIGHT-LINE DEPRECIATION—Setting aside or allowing a fixed sum of money each year to offset replacement or improvements when needed. **21-435**

STRAIGHT NOTE—A note requiring only interest payments at regular intervals until maturity, when the full balance becomes due. **14-321**

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

SUBDIVISION—A tract of land divided into lots suitable for home building purposes. **24-466**

SUBJECT PROPERTY—The property being appraised.

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. **18-368**

SUBLESSOR—A lessee or tenant who grants a sublease to another. **18-368**

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. **14-312**

SUBROGATION—The substitution of one person in place of another with reference to a lawful claim, demand or right, so that he succeeds to such rights of the other. **8-227**

SUMMARY POSSESSION—See "Actual Eviction."

SUMP PUMP—An automatic water pump used in basements to raise water to the sewer level.

SURETY—One who becomes a guarantor for another.

SURRENDER—The cancellation of a lease by an act of mutual consent of lessor and lessee. **18-367**

SURVEY—The process by which a parcel of land is measured and its area ascertained. **23-455**

SUSPENSION—The right of the Real Estate Commission to deactivate for less than the remaining term the license of a broker or salesperson, in the event of wrongdoing. **3-29**

SYNDICATION—Multiple ownership of an investment, usually in the form of a limited partnership. **5-201**

TACKING—Combination of possession period by different adverse possessors. **13-308**

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 taxes.

TAX MAP—A map showing the location of a parcel of real property located within the boundaries of the jurisdiction which is accompanied by other relevant information such as lot sizes and dimensions, and lot identification. **23-462**

TAX-DEFERRED EXCHANGE—Under Section 1031 of the Internal Revenue Code, property used in a trade or business can be exchanged for like-kind property and the tax deferred until a later date. **21-436**

TAX SALE—A sale of property, usually at auction, for non-payment of assessed taxes. **15-335**

TEMPORARY BROKER'S LICENSE—A temporary broker's license issued to a salesperson on death or incapacity of a licensed broker or broker-salesperson. **3-18**

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. **18-365**

TENANCY AT WILL—Possession and occupancy of land terminable at the will of either party. **18-365**

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. **5-198**

TENANCY FOR YEARS—Leasing of a property for a fixed period of time. **18-365**

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. Interests need not be equal, and each owner is possessed of the whole of an undivided part. **5-197**

TENDER—To offer; to present.

TENEMENT—All rights in land which pass with a conveyance of the land.

TESTAMENT—The written declaration of one's last will. **6-210**

TESTATE—Leaving a will upon death. **6-211**

TESTATOR—A person who makes a will. **6-211**

TESTING—A method of enforcing fair housing laws under which civil rights organizations observe real estate offices to assess compliance with those laws. **20-421**

TIME OF THE ESSENCE—In a contract, a requirement of punctual performance. **9-245**

TITLE—Evidence that an owner of land is in lawful possession thereof; an instrument evidencing such ownership. **8-221**

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. **8-222**

TITLE REPORT—See "Commitment."

TITLE SEARCH—An examination of public records to determine if the seller of real estate holds the interest that he alleges to hold and to ascertain the quality of title. **8-223**

TOPOGRAPHY—The nature of the surface of land.

TORRENS SYSTEM—A system for the registration of land in some states (not New Jersey), indicating the status of the title, including ownership and encumbrances, without the necessity of additional search of the public records.

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

TOWN HOUSE—The architectural style of 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 contains 36 sections, each one mile square. (Not in New Jersey.) **23-462**

TRADE—See "Exchange."

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. **4-187**

TRAILER—A recreational vehicle, travel trailer, camper or other transportable, temporary dwelling unit, with or without its own motor power, designed and constructed for travel and recreational purposes, to be installed on a non-permanent foundation if installation is required.

TRANSACTION BROKER—A broker who works with a buyer and seller or both in the same transaction without representing any of the parties.

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

TRUST ACCOUNT—An account in which a broker or attorney holds client earnest money deposits or other funds; also called an "escrow account." **3-25**

TRUST DEED—Deed given by borrower to trustee to be held pending fulfillment of an obligation. **12-298**

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

TRUTH-IN-LENDING—A federal law designed to let borrowers know the exact cost of obtaining credit; a disclosure device. **16-341**

UNDER-IMPROVEMENT—Construction of improvements on land which is less expensive and

smaller than required for that land to produce highest use.

UNDISCLOSED DUAL AGENT—An illegal agency relationship arising when a real estate broker represents two principals in a transaction without their informed consent. **10-269**

UNDIVIDED INTEREST—Title to property owned by two or more persons, with no one co-owner having exclusive rights to any specific part.

UNDUE INFLUENCE—Taking any advantage of another by playing on his weaknesses or distress. **9-239**

UNENFORCEABLE—A contract status in which the contract is not enforceable by court action for some reason. **9-236**

UNILATERAL CONTRACT—A contract whereby only one party is obligated to perform his obligation to another. **9-235**

UNIMPROVED LAND—Land upon which no buildings have been constructed; also called "raw land." **4-183**

UNITED STATES GOVERNMENT SURVEY SYSTEM—A method of describing or locating real property by reference to the governmental survey, rectangular survey system. Not used in New Jersey. **23-462**

UNITIES OF TITLE—Necessities usually required in the formation of a joint tenancy or tenancy by the entirety; time, title, interest and possession. **5-198**

UNLAWFUL DETAINER—See "Actual Eviction." **18-367**

UNLAWFUL ENTRY—See "Trespass."

UNMARKETABLE TITLE—A title containing substantial defects which might cause a prospective purchaser to suffer title litigation and possible loss.

UPSET PRICE—The minimum price at a foreclosure sale, below which the property cannot be sold.

USURY—Charging a rate of interest on a loan greater than that permitted by law. **14-315**

VALID CONTRACT—A contract that is binding, is legally sufficient and authorized by law. **9-235**

VA GUARANTEED LOAN—A loan guaranteed by the U.S. Department of Veteran Affairs under the Serviceman's Readjustment Act of 1944 and later. **14-318**

VALUATION—The estimated worth of property. **22-443**

VARIANCE—Permission obtained from zoning authorities allowing the construction of a building or structure that is forbidden by present zoning ordinances. **24-467**

VENDEE—The purchaser; buyer, so named in the contract.

VENDOR—The seller, so named in the contract.

VENUE—The geographic area in which a court has legal jurisdiction.

VERIFY—To confirm or substantiate by oath.

VETERANS ADMINISTRATION (VA)—An agency of the federal government, the activities of which include guaranteed repayment of certain loans in the event of default. **14-318**

VOID—To have no force or effect; that which is unenforceable. **9-236**

VOIDABLE CONTRACT—A contract which is capable of being adjudged void, but is not void unless action is taken to make it so. Able to be made void. **9-236**

VOLUNTARY LIEN—Any lien placed on property with consent of, or as a result of, the voluntary act of the owner, e.g., a mortgage. **15-333**

WAIVE—To relinquish, or abandon. The abandonment of some claim or right.

WARRANT FOR REMOVAL—A court order directing a court officer to remove all persons from a dwelling unit after a landlord obtains a judgment of possession from the court. **19-404**

WARRANTY DEED—A deed in which the grantor fully warrants a good clear title to the property; a deed that contains covenants of title. **12-297**

WASTE—Willful destruction of any part of the land which would injure or prejudice the landlord's or remainderman's reversionary right. **4-190**

WATER TABLE—The depth underground of the

natural waters as measured from the surface.

WRAP-AROUND MORTGAGE—A wrap-around mortgage is a sometimes-used vehicle to provide secondary or additional financing. It is a mortgage which includes within its lien an existing or prior mortgage (it "wraps around" the existing obligation). The wrap-around mortgagee 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. **14-323**

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. **15-336**

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

ZONE—An area set aside for specific use, subject to certain restrictions or restraints; also part of tax map description.

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. **24-466**