



AMENDMENTS

A change to the contract that takes place after all parties have agreed on the initial terms. For example, a request for repairs based on information revealed by the inspection would come as an amendment since it takes place after a contract is established.

APPRAISED VALUE/APPRAISAL

The value given to a home by a licensed appraiser. This is mandatory in all transactions that include third-party financing. Appraisals are based on comparable sales that have taken place within the last three months.

DEED RESTRICTIONS

Enforceable limitations on activities that can be conducted on a parcel of property.

EARNEST MONEY

The money put down by the buyer(s) to serve as damages in the event of the buyer(s) default on the contract. There is no set amount for earnest money and different markets have different "norms" as to how much a buyer should offer for earnest money. Earnest money is refunded back to the Buyer(s) at closing and is applied to their overall costs.

EASEMENT

The right of another party to have access to and/or use someone's property for a specific purpose. Easements are recorded by the county and are shown on the survey.

ESCROW FEE

The fee charged by the title company to act as an independent third party to the transaction which includes managing the process from contract execution to closing.

LIEN

A legal claim that an individual or entity has on a piece of property in exchange for the payment of a debt. A mortgage is a lien on a piece of real estate.

PRORATION

Taxes and HOA dues are prorated so that the Seller pays from January 1 of the year through the closing date.

SURVEY

An official document created by a surveyor that shows the lot size, boundaries, easements, structures, and encroachments that pertain to a lot.