

Most commonly used terms in the industry.

ACROYNOMS & JARGON

ACRONYMS:

ALTA - American Land Title Association
CLTA - California Land Title Association
CD - Closing Disclosure
POA - Power of Attorney
VA - Veterans Administration

FHLMC/FREDDIE MAC - Federal Home Loan Mortgage Corporation
FNMA/FANNIE MAE - Federal National Mortgage Association
FHA - Federal Housing Administration
CFPB - Consumer Financial Protection Bureau
RESPA - Real Estate Settlement Procedures Act

JARGON

AFFIDAVIT OF HEIRSHIP - An affidavit of heirship is an affidavit where the person providing the affidavit, the affiant, provides detailed information about a deceased person's heirs - or the people who inherit the deceased person's estate. In this affidavit, the affiant must include the name, age, and address of all the deceased's living relatives and if a relative has passed away, the affiant must provide the name and date of death of that relative.

CLEAR TITLE - Title to real property which is free from liens, defects of other encumbrances.

CLOUD ON TITLE - Any document, claim, unreleased lien or encumbrance, which, if valid, would affect or impair title to a property.

ENCUMBRANCE - A claim, right or lien upon real property, held by someone other than the owner.

FEE SIMPLE - An estate under which the owner owns a complete interest in the property as is entitled to the unrestricted use and enjoyment of the property, including the right to dispose of the property.

FREE & CLEAR TITLE - Title to property is free from any mortgage liens.

LEGAL DESCRIPTION - A description by which property can be definitely located by reference to surveys or recorded maps. Sometimes referred to simply as the legal.

MECHANIC'S LIEN - A lien on real estate which secures the payment of debts due to persons who perform labor or services or furnish materials incident to the construction of building and improvement on real estate.

SI/SOI AKA STATEMENT OF INFORMATION - A confidential information statement completed by the buyer, seller and/or borrower in every transaction where a policy or policies of title insurance are requested. Allows the title company to competently search documents affecting the property to be insured, documents which may not refer to said property. Allows title companies to differentiate between parties with similar names when searching matters such as liens and court decrees.

SUBORDINATION AGREEMENT - An agreement under which a prior or superior lien is made inferior or subject to an otherwise junior lien.

SUPPLEMENTAL TAXES - Applicable in CA only, these are taxes that are levied on property owners when the value of the property has changed due to a sale or improvements made. These tax installments are not usually contained within a lender's impound accounting and are the responsibility of the homeowner.

SB2 FEE - Applicable in California only, The California Housing and Jobs Act Fee is a recording fee imposed to fund affordable housing in California.

TRUSTEE - A person who holds title in trust for the benefit of another. In a Deed of Trust, the trustee is the person named to hold title in trust for the benefit of the lender until the loan is paid off.

VESTING - Denotes the manner in which title is held. Examples of common vestings are: Community Property, Joint Tenancy and Tenancy in Common.



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