



Domestic Mobility Glossary & Acronyms

Glossary of Terms

Abstract of Title

A recorded, condensed history of the title, consisting of a summary of the various links in the chains of title, together with a statement of all liens, charges, or encumbrances affecting a particular property. Used only in some U.S. states.

Agent (Real Estate)

An individual licensed to negotiate and transact the sale of real estate. A real estate agent is licensed to act under the authority of a broker (see Broker) and cannot contract directly with the public.

Assessed Value

A value placed on property usually for tax purposes. It may differ widely from appraised or market value.

Broker (Real Estate)

An individual licensed to represent another for a fee or commission in the sale, purchase, or exchange of real estate and may contract with the public. A broker is often the principal/owner of a real estate company.

Broker's Market Analysis (BMA)

A real estate agent or broker's opinion of value based on comparable properties that have sold, are under contract and/or are currently for sale. It is generally used for relocation pre-marketing programs to establish a recommended list price and marketing strategy and is not an appraisal. Also called a Broker's Price Opinion (BPO) or Competitive/Comparative Market Analysis (CMA).

Buyer Value Option

A corporate home sale program where no appraisals are obtained, nor is there a guaranteed offer to purchase the home. Rather, the RMC assists the employee as they market the home and once the employee has obtained an outside buyer's offer, that offer establishes the value (the "buyer value"), which is what the employer (or RMC on behalf of the employer) offers the employee for the home.

Certificate of Title

Certificate by attorney or title company stating the seller has marketable title.

Closing Costs

Expenses to complete real estate transactions incurred by seller and buyer. These may include mortgage loan fees, title search, title insurance, recording fees, etc.

Closing Statement

An accounting of funds in a real estate sale prepared by a third party (closer, lawyer or escrow agent) to the buyer and seller.

Deed

Written instrument that transfers land ownership, when properly executed and delivered. Conveys title from one party to another.

Earnest Money

Moneys tendered by buyer to seller with purchase offer as show of interest and good faith. Local custom determines amount usually submitted. May be held in interest bearing account until closing.

Equity

The interest or value that an owner has in real estate over and above the existing liens against it.

**Escrow Account**

Account to which payments are deposited with instructions to disburse funds to cover taxes and insurance. Such an account is normally held by a lending institution and is required in the mortgage documents. Also known as Mortgage Escrow Account and Mortgage Reservation Account.

Escrow Agent

Neutral third party who holds the papers and money on a real estate transaction until all conditions of a contract are met. (Applicable only to some U.S. states.)

Guaranteed Buy Out

A corporate home sale program where the employer (or RMC on behalf of the employer) provides a guaranteed offer (determined by qualified, independent appraisers) to purchase the employee's home, acquires the home from the employee, and then independently markets the home until it sells to a buyer. Once the employee sells to the employer (or RMC on behalf of the employer), they are no longer involved with the home.

General Warranty Deed

The deed with the highest guarantee of title which allows the buyer to hold the seller (grantee hold grantor) liable if the title later proves to have a "cloud" (defect) on it.

Gross up (also known as tax assistance)

A payment made to your payroll tax withholding and forwarded to the proper government agencies to offset the tax liability incurred with those relocation expenses that are considered taxable.

Hazard Insurance

Protection against damage to house caused by fire, wind or any common hazard, required by lenders.

Interest

The cost of using someone else's money. Charge paid for borrowing funds.

Judgment

Decree of court declaring that one individual is indebted to another because of a lawsuit and fixing the amount of such indebtedness. Frequently appears as a lien against property.

Lien

A hold or claim that one person has upon the property of another as security for a debt owed, such as a judgment, mortgages, taxes.

Loan Commitment

Written notice from a lender stating it will supply mortgage funds in a stated amount for a buyer to purchase a home. Some commitments may have contingencies stated; with final loan commitment all contingencies have been met.

Loan Origination Fee

A fee charged by a lender for processing a mortgage loan application. Often considered pre-paid interest.

Loss on Sale

Difference between the relocating employee's net purchase price of the home and net selling price of the home.

Mechanic's Lien

A claim created by statute that exists in favor of persons who have performed work or furnished materials in the construction or repair of a building.

Mortgagee

The lender in an agreement secured by a mortgage.

Mortgagor

The borrower in a mortgage agreement.

Mortgage Prepayment Penalty

Moneys charged to the borrower to pay off a mortgage ahead of schedule.

**Negative Equity**

When the total outstanding debts/obligations on the home exceed the net proceeds.

Personal Property

Any items not permanently attached to real estate that are moveable.

Plat

Map of a lot, subdivision, or entire community, which is prepared by a surveyor, showing all the boundary lines, improvements and easements.

Pre-qualification

A process whereby a borrower may obtain an estimate of the mortgage amounts for which he/she would qualify prior to making formal mortgage application.

Principal

The portion of a monthly mortgage payment that applies toward reducing the indebtedness or the full amount of borrowed money. Also, one of the parties to a contract.

Private Mortgage Insurance (PMI)

Protects lenders against loss of the unpaid mortgage balance in the event a borrower defaults on a loan. Usually required on loans with a down payment of less than 20% of the purchase price.

Radon Gas

A radioactive gas produced naturally in the ground by the normal decay of uranium and radium in the earth's crust. It is odorless, colorless and tasteless.

Real Property

Rights of ownership to real estate including intangible rights of possession and use.

Realtor®

A real estate broker or agent who holds an active membership in a local real estate board that is affiliated with the National Association of Realtors®, a real estate trade organization. Members agree to a 17 article Code of Ethics.

Recording Fee

Amount charged for filing a deed, lien, mortgage, etc. in a public hall of record as a means of giving notice to interested parties.

Survey

Process by which a parcel of land is measured and its areas ascertained.

Title

Evidence of legal ownership of property.

Title Insurance

Insurance written to protect a property owner and/or lender against loss if the title is imperfect.

Title Report

A report showing the condition of the title before a sale or loan transaction.

Title Search

A thorough search of the title records at the county or local courthouse to ensure the house is being purchased from the legal owner. Also shows liens, special assessments, restrictive covenants, or other claims which could make the title unmarketable and therefore, not transferable.

Underwriting

- 1) The process of reviewing an application for insurance to determine if applicant and property to be insured meet insurer's guidelines.
- 2) The process of reviewing a completed mortgage application file and determining if both the applicant and the property meet the lending guidelines of the investor.



Glossary of Acronyms

APR: Annual Percentage Rate

BMA: Broker's Market Analysis

BVO: Buyer Value Option

CD: Closing Document (previously HUD-1 statement)

CFPB: Consumer Financial Protection Bureau

C of O: Certificate of Occupancy

COS: Contract of Sale

DM: Domestic Mobility

EE: Employee

FHA: Federal Housing Administration

FT / FM: Final Trip / Final Move

GBO: Guaranteed Buy Out

GSA: General Services Administration (Federally sponsored)

GUP: Gross up (tax assistance)

HHG: Household Goods

HF/ HHT: Home Finding / House-hunting Trip

HUD: Housing and Urban Development

LE: Loan Estimate (previously known as GFE)

LOS: Loss on Sale

LP: List Price

MC: Move Coordinator

MEA: Miscellaneous Expenses Allowance

MLS: Multiple Listing Service

MLSP / MPSA: Most Likely Sales Price / Most Probably Sales Price

PBO: Packed By Owner

PMI: Private Mortgage Insurance

RC: Relocation Counselor

RESPA: Real Estate Settlement Procedures Act

RSC / RMC: Relocation Services Company / Relocation Management Company

RT: Return Trip

SIT: Storage in Transit

SLP: Suggested List Price

TIL: Truth in Lending

TILA: Truth in Lending Act

TL / TH: Temporary Living / Temporary Housing

VA: Veterans Administration