



TITLE AND REAL ESTATE TERMS DEFINED

DECODING TITLE TALK: WHAT THOSE TERMS REALLY MEAN

When you're buying or selling a home, it can feel like everyone's speaking a different language. We've broken down the most common title and real estate terms so you can stay informed and confident throughout the process.

- 1. Chain of Title**
The complete record of property ownership transfers and any legal events affecting title.
- 2. Closing Costs**
The total of all fees, taxes, and expenses due at closing—typically shared by buyer and seller.
- 3. Closing Disclosure (CD)**
A detailed summary of loan terms, closing costs, and funds required for closing.
- 4. Deed**
The legal document transferring property ownership from seller to buyer.
- 5. Easement**
The legal right for another party to use part of the property for a specific purpose, such as access or utilities.
- 6. Earnest Money**
A good-faith deposit showing a buyer's commitment to the transaction.
- 7. Escrow**
A neutral third party (typically the title company) that manages funds and documents and ensures all contract requirements are satisfied before closing.
- 8. General Warranty Deed**
A deed guaranteeing the seller holds clear title and will defend against future claims. Provides the highest level of protection to the buyer.



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9. **Legal Description**

The precise, legally recognized wording that identifies property boundaries and location.

10. **Lien**

A legal claim on a property to secure payment for a debt or obligation.

11. **Mechanic's Lien**

A lien filed by contractors or suppliers for unpaid work or materials.

12. **Notary**

A state-authorized official who verifies the identity of signers and witnesses the signing of important documents to ensure they are genuine and voluntary.

13. **eSignature**

A secure, digital method of signing documents electronically. In many cases, notarization can also be completed online through a verified platform, allowing buyers and sellers to sign and notarize documents remotely.

14. **Owner's Policy**

Title insurance that protects the buyer's ownership rights for as long as they own the property.

15. **Property Taxes**

Annual taxes on the property, divided proportionally between buyer and seller at closing.

16. **Prorations**

The fair division of costs, such as property taxes or HOA dues, between buyer and seller based on the exact date of closing.

17. **Recording Fees**

Charges from the county for officially recording deeds and other documents in public records.

18. **Settlement Statement / HUD-1**

An itemized list of costs, credits, and debits for both parties at closing.

19. **Survey**

A detailed map outlining property boundaries, improvements, and identifies easements or encroachments found to affect the property.



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REAL ESTATE PURCHASE CONTRACT

20. Title Commitment

A preliminary report showing what the title company will insure once listed requirements are met.

21. Title Insurance

A policy protecting buyers and lenders from financial loss due to title defects or disputes.

22. Title Search / Examination

A review of public records to uncover any issues that might affect ownership or transfer.

23. Escrow Officer

The licensed professional who oversees your transaction, manages funds and documents, coordinates with all parties, and guides you through closing.

24. Lender's Policy

Title insurance that protects the lender's financial interest in the property. It's typically required when you finance your purchase and lasts for the life of the loan.

25. HOA Resale Certificate

A document provided by the homeowners association showing fees, rules, budgets, and any outstanding balances for the property. Buyers receive this to understand HOA obligations before closing.

26. Clear to Close

The lender's final approval confirming that all conditions have been met. This means your file is ready to move to closing and final documents can be prepared.

27. Survey Affidavit / T-47

A sworn statement from the seller confirming the accuracy of an existing survey and disclosing any changes to the property since it was created.