

## Real Estate Glossary

**ABSTRACT** – A list all the owners of a piece of land a house, or a building before it came into possession of the present owner. The abstract also records all deeds, wills, mortgages and other documents that affect ownership of the property.

**AMERICAN LAND TITLE ASSOCIATION** - (ALTA) American Land Title Association, the national trade association for the title insurance industry. ALTA member companies include businesses that conduct your closing and issue you an Owner's Policy of Title Insurance.

**ATTORNEY'S OPINION** - The written statement of an attorney setting forth what he believes to be the condition of a real estate title.

**CLAIM** - A right to assert, or the assertion of, a demand for payment of money due; or the surrender or delivery of possession of property or the recognition or some right. A demand for something as one's rightful due.

**CLEAR MARKETABLE TITLE** - A title that a court of equity considers to be so free of material defects and liens that it will force the title's acceptance by questioning purchaser. Also known as a merchantable title.

**CURRENT OWNER ABSTRACT** – is an abstract of the records of all deeds, wills, mortgages and other documents that affect ownership of the property from the time the current owner took title to the property to the current date. Typically, current owner abstracts are only used when the attorney has a copy of the current owner's title insurance policy for the purposes of tacking onto that policy.

**EASEMENT** - A right held by a person to enjoy or make limited use of another's real property.

**EXAMINATION** - In title industry terms, to peruse and study the instruments in a chain of title and to determine their effect and condition in order to reach a conclusion as to the status of the title.

**EXCEPTIONS** - Insurance policies include a list of items excluded from coverage. Items excluded from coverage can be found in section two of Schedule B of the policy.

**JUDGMENT** - A conclusion or determination by a court of law usually awarding the payment of money or relief of some kind to one of the parties to a lawsuit.

**LIEN** - The liability of real estate as security for payment of a debt. Such liability may be created by contract, such as a mortgage, or by operation of law, such as a mechanics lien.

**LENDER'S POLICY** - A policy of title insurance issued to the mortgage lender insuring against loss by defects in, liens against, or un-marketability of title.

**OWNER'S POLICY** - This policy is purchased for a one-time fee and protects a homeowner's investment in a property for as long as they or their heirs have an interest in the property. Only an owner's policy protects the buyer should a covered title problem arise with the title that was not found during the title search. Possible hidden title problems can include errors or omissions in deeds, mistakes in examining records, forgery and undisclosed heirs.

**PRELIMINARY OPINION ON TITLE** - A report prepared prior to issuing a title insurance policy that shows the ownership of a specific parcel of land. It includes information about liens and encumbrances that will not be covered under a title insurance policy.

**PUBLIC RECORDS** - The transcriptions in a recorder's office of instruments that have been recorded, including the indexes pertaining to them.

**TACKING ONTO THE PRIOR POLICY** - Tacking shortens the title search time period to only research back to the previous title insurance policy as opposed to the full minimum 30 years.

**TITLE** - (1) A combination of all the elements that constitute the highest legal right to own, possess, use, control, enjoy, and dispose of real estate or an inheritable right or interest therein. (2) The rights of ownership recognized and protected by the law.