

ARIZONA STATE ESCROW ASSOCIATION - Vocabulary

ABANDONMENT	The voluntary relinquishment of rights of ownership or another interest.
ACCELERATION CLAUSE	A clause in a mortgage or deed of trust which allows the lender to demand payment of the outstanding loan balance for various reasons. The most common reasons are if the borrower defaults on the loan or transfers title to another individual without informing the lender.
ACCESS	The right to enter and exit a parcel of land from a public way, including the right to enter and exit over land belonging to others.
ACKNOWLEDGEMENT	A Notarial act in which a notary certifies that a signer, whose identity is proven by satisfactory evidence, appeared before the notary and acknowledged that the signer signed the document.
ADMINISTRATOR	A person appointed by a probate court as the representative of a decedent's estate where the decedent left no will.
AFFIDAVIT	A written declaration, made under oath, before a notary public or another authorized officer.
AFFIANT	One who makes an Affidavit.
AFFIDAVIT OF AFFIXTURE	A form used to surrender title to a mobile home or manufactured home with the Motor Vehicle Department in order to attach the personal property to the real property for ownership and taxation purposes.
AFFIDAVIT OF PROPERTY VALUE	A form required by statute to be completed by all buyers and sellers of real property, or their agents, unless otherwise exempt. The County Assessors and the Department of Revenue use data obtained from the affidavits to develop tables and schedules for the uniform valuation of properties based on fair market value.
AGENT	A person who acts for or as the representative of another by proper authorization
ALIENATION	The voluntary parting of an interest in the ownership of real property.
ALIENATION CLAUSE	A clause in a note or deed of trust permitting the Payee/Beneficiary to declare the entire unpaid balance due and payable upon the subsequent transfer of the property. Due on Sale.
ALL-INCLUSIVE DEED OF TRUST	A deed of trust that includes within the terms of the note the obligations owing under a prior deed of trust.
AMORTIZATION	Provisions for the payment of a debt or obligation by payment of principal and interest at stated periods, for a stated time until the debt is extinguished.

ARIZONA STATE ESCROW ASSOCIATION - Vocabulary

APPRAISAL	An opinion as to the fair market value.
APPURTENANT	Belonging to.
ARBITRATION	A method of alternative dispute resolution that allows two parties to settle a dispute without going to court. A third neutral party issues a decision that is binding for both parties.
ASSESSMENTS	Special taxes imposed to pay for public improvements beneficial to a limited area.
ASSIGNMENT	The document which transfers any right, interest or ownership in property, real or personal.
ASSIGNEE	The party to whom the assignment is given.
ASSIGNOR	The party who makes an assignment.
ASSUMPTION	The taking over by one party of an obligation that was originally incurred by another.
ATTORNEY-IN-FACT	An agent authorized to act for another under a “Power of Attorney”.
BENEFICIARY	As used in a deed of trust, the lender is designated as the beneficiary, i.e., obtains the benefit of the security.
BILL OF SALE	A written instrument evidencing the transfer of title to personal property.
BONA FIDE PURCHASER FOR VALUE	One who buys property, in good faith, for a fair value, and without notice of any adverse claims or rights of third parties.
BOOT	Dissimilar property, such as money, given as part of the consideration in the exchange of properties having different values. It compensates for the differences in the values.
BREACH	The failure to fulfill a promise or legal obligation.
CHAIN OF TITLE	A chronological list of recorded instruments affecting the title to land.
COLLATERAL	Any property pledged as security for a debt, e.g., the real estate pledged as security for a mortgage or deed of trust.
COLLATERAL ASSIGNMENT	The assignment of a security instrument, such as a deed of trust, to secure performance of an obligation by the assignor. The assignee holds title for security purposes only.
COMMUNITY PROPERTY	Property acquired by a husband or wife or both during marriage other than by gift, or as an heir, legatee, or devisee; may be held “with right of survivorship” to avoid probate.

ARIZONA STATE ESCROW ASSOCIATION - Vocabulary

COMPETENT	Legally qualified.
CONDEMNATION	The exercise of the power of eminent domain, i.e., the taking of property for a public use upon payment of just compensation.
CONDITION	A future and uncertain event upon the happening of which certain rights or obligations will be either enlarged, created, or destroyed
CONDOMINIUM	An estate in land consisting of ownership of a divided interest, i.e., an individually owned airspace unit in a multi-family or other structure; together with an undivided interest in the common areas. Horizontal Property Regime.
CONSERVATOR	A person appointed by the probate court to take care of the person or property of an adult person needing care.
CONFIRMATION OF SALE	Court approval of the sale of property by an Executor, Administrator, Guardian or Conservator.
CONSIDERATION	Something promised, given or done that has the effect of making an agreement a legally enforceable contract.
CONSTRUCTIVE NOTICE	Notice given by the public records of a claim of ownership or interest in property.
CONTIGUOUS	Being in actual or close contact; near or touching.
CONTINGENT	Dependent upon an uncertain future event.
CONTINGENCY	The dependence upon a stated event which must occur before a contract is binding.
CONTRACT	Agreement between two or more parties to do or not to do a certain thing.
CONVENTIONAL LOAN	A loan secured by a mortgage or deed of trust which is not insured or guaranteed by a governmental agency.
CONVEYANCE	The act of transferring title to land or an interest therein from one party to another.
CORPORATION	An artificial entity created by statute, which is treated much like individuals under the law, having legally enforceable rights. The rights and responsibilities are independent and distinct from the people who own or invest in the entity.
COVENANTS	Agreements contained in deeds and other instruments for the performance or non-performance of certain acts, or the use or non-use of property in a certain manner.

ARIZONA STATE ESCROW ASSOCIATION - Vocabulary

DECEDENT	A deceased person.
DECREE OF DISTRIBUTION	An order of the probate court distributing property to persons entitled thereto.
DEDICATION	A gift or grant of land by the owners for a public use.
DEED	A written instrument by which the ownership of land is transferred from one party to another.
DEED OF TRUST	A written instrument by which title to an interest in land is transferred by the trustor to a trustee as security for a loan or other obligation. Used in place of mortgages in many states.
DEFAULT	Failure to perform a duty or discharge an obligation.
DEFENDANT	A party against whom an action is brought
DEFICIENCY JUDGMENT	A personal judgment in a foreclosure action for the amount remaining due after a sale of the property when the proceeds of the foreclosure sale are insufficient to satisfy the debt.
DEPOSIT RECEIPT	Used when accepting “earnest money” to bind an offer by a prospective purchaser.
DESCENT	Transference of property by inheritance
DEVISE	To transfer property by will.
DEVISEE	On who receives property by will.
DIVEST	To take title, estate, or a right away from.
DOMICILE	One’s legal residence.
DOMINANT TENEMENT	The land benefiting from an appurtenant easement.
EARNEST MONEY	A good faith deposit given to bind a contract between buyer and seller.
EASEMENT	A permanent or temporary right or interest in the land of another, for a specific purpose, existing apart from the ownership of the land, such as a right to cross over another person’s property.
EMINENT DOMAIN	The right or power of the government to take property for a public purpose upon payment of just compensation
ENCROACHMENT	The extension of an improvement onto the property of another.

ARIZONA STATE ESCROW ASSOCIATION - Vocabulary

ENCUMBRANCE	A lien or charge on land.
ENDORSEMENT	The writing on a negotiable instrument by which property mentioned therein is assigned and transferred. Also, an amendment to a document to change, clarify or enlarge its contents.
EQUITABLE TITLE	Title held by the purchaser under an Agreement for Sale; the right to acquire legal title.
EQUITY	Property value in excess of the encumbrances.
ESCHEAT	The reverting of property to the state in cases where the owner dies intestate and without heirs, or as in the case of unclaimed property or monies left with a bank, title company, or other institution.
ESCROW	A deposit of a deed or other instrument with a third party for delivery upon performance of a condition.
ESTATE	The interest or nature of the interest which one has in property.
ESTOPPEL	A doctrine which bars one from asserting rights which are inconsistent with a previous position or representation.
ET AL	and others
EXCEPTION	Some part of a thing granted which is excluded from the conveyance and remains in the grantor. In a commitment or policy of title insurance, those matters which are not insured against loss.
EXECUTOR	A person or a legal entity that is designated in a will as the representative of a decedent's estate.
EXEMPTION	An immunity from some duty or obligation
EXTENSION AGREEMENT	An agreement granting further time for performance.
FEDERAL DEPOSIT INSURANCE CORPORATION	FDIC. An independent agency of the federal government designed to promote public confidence in banks and to provide insurance coverage for individual bank depositors up to \$100,000.
FEDERAL HOUSING ADMINISTRATION	FHA. A Federal agency, created by the National Housing Act of 1934, for the purpose of expanding and strengthening home ownership by making private mortgage financing possible on a long-term, low down payment basis. The vehicle is a mortgage insurance program, with premiums paid by the homeowner, to protect lenders against loss on these higher risk loans.
FEDERAL NATIONAL	FNMA. (Fannie Mae) A privately owned, for-profit corporation that is

ARIZONA STATE ESCROW ASSOCIATION - Vocabulary

MORTGAGE ASSOCIATION	regulated and overseen by the federal government. Its chief purpose is to buy federally guaranteed home mortgages on the secondary market, thus freeing lending institutions to make more funds available for new mortgages for low- to middle-income home buyers.
FEE SIMPLE	An estate in real property which establishes the title as absolute, without limitation or end.
FIDUCIARY	One who hold something of value in trust for another.
FINANCING STATEMENT	A personal property security instrument.
FIXTURE	A thing which was originally personal property but which has become attached to and is considered a part of the real property.
FORECLOSURE	A proceeding to enforce a lien by a sale of the property in order to satisfy the debt.
FORFEITURE	A loss of some right, title, estate or interest in consequence of a default under an obligation.
GARNISHMENT	Statutory proceeding whereby property, money, or credits of a debtor, but in possession of another, are seized and applied to payment of the debt.
GRANTEE	One to whom a grant is made.
GRANTOR	One who makes a grant.
GUARDIAN	A person appointed by the probate court to care for the person or estate of a minor or incompetent person.
HEIRS	The persons designated by law to succeed to the estate of a decedent who leaves no will.
HOMESTEAD	Property designated by a householder as his home and protected by law from attachment or forced sale to meet general debts.
IMPOUND ACCOUNT	Funds collected by a lender from a borrower to guarantee payment of such items as taxes and hazard insurance premiums when due.
IMPLIED	Presumed or inferred, rather than expressed.
INCOMPETENT	Incapable of managing one's own affairs.
INDEMNITY AGREEMENT	An agreement to compensate another party for a potential loss. A "Hold Harmless" agreement.
INHERITANCE TAX	A tax imposed upon the privilege of succeeding to the title of real and personal property of a decedent.

ARIZONA STATE ESCROW ASSOCIATION - Vocabulary

INSTALLMENT NOTE	A promissory note providing for payment of the principal in two or more certain amounts at different stated times.
INTESTATE	Having made no will. A decedent who has left no will is said to have died "intestate".
INURE	To accrue to the benefit of a person.
INVOLUNTARY LIEN	A lien created by operation of law.
IRREVOCABLE	Not to be revoked or withdrawn.
JOINT TENANCY	Title held by two or more persons in equal shares with right of survivorship.
JOINT VENTURE	A form of business organization composed of two or more natural or artificial persons to conduct a single enterprise for profit. It has characteristics of a partnership but relates to a single venture.
JUDGMENT LIEN	A lien against the property of a judgment debtor. An involuntary lien.
JUNIOR LIEN	A subordinate lien.
JURAT	A notarial act in which the notary certifies that a signer, whose identity is proven by satisfactory evidence, has made in the notary's presence a voluntary signature and has taken an oath or affirmation vouching for the truthfulness of the signed document.
LEASE	A contract for the possession of land in consideration for payment of rent.
LEGAL DESCRIPTION	A description of real property sufficient to locate it by reference to government surveys or recorded maps.
LESSEE	The tenant under a lease.
LESSOR	The landlord under a lease.
LEVY	The seizure of property by judicial process.
LIEN	A charge upon property for the payment of a debt or performance of an obligation. A form of encumbrance. Taxes, special assessments and judgments, as well as mortgages and deeds of trust.
LIFE ESTATE	An estate measured by the life of a natural person.

ARIZONA STATE ESCROW ASSOCIATION - Vocabulary

LIMITED LIABILITY COMPANY	A non-corporate business whose owners actively participate in the organization's management and are protected against personal liability for the organization's debts and obligations.
LIMITED PARTNERSHIP	A partnership composed of one or more general partners, and one or more limited partners, whose contribution and liability are limited.
LIS PENDENS	A recorded notice of the filing of an action.
LISTING AGREEMENT	A contract by which a broker is employed by the seller to find a buyer for the seller's real estate, according to the seller's terms, and for which service, the broker is paid a commission.
LIQUIDATED DAMAGES	An agreed-to sum of money to be paid under a contract in the event of a breach where it would be difficult to prove the amount of actual damages.
LOSS PAYABLE CLAUSE	An endorsement to a hazard insurance policy specifying parties (lender) entitled to participated in proceeds in the event of a loss.
MARKETABLE TITLE	A title free from reasonable doubt in law and in fact.
MARKET VALUE	The price that property would reasonably be expected to bring if it were offered for sale with a reasonable sales effort over a reasonable period of time.
MECHANIC'S LIEN	A statutory lien in favor of laborers and materialmen who have contributed to the work of an improvement
MEDIATION	An attempt to bring about a peaceful settlement or compromise between disputing parties through the objective intervention of a neutral party
METES AND BOUNDS	Measurements and boundaries. Means for describing property by a set of directions and distances, when there is not identification based on a surveyed lot number
MINOR	A person under 18 years of age.
MORTGAGE	A two party security document pledging land as security for the payment of a debt or performance of an obligation.
MORTGAGEE	The party who obtains the benefit of a mortgage (the lender).
MORTGAGOR	The party who is obligated under the mortgage (borrower).
MULTIPLE LISTING SERVICE	An organization of brokers who share their listing agreements with one another in order to find buyers for their properties more effectively than they could individually.

ARIZONA STATE ESCROW ASSOCIATION - Vocabulary

NOMINEE	One who is designated to take the place of another.
NOMINOR	One who designates another to take his place
NOTARY PUBLIC	An official appointed by the Secretary of State to administer oaths, to authenticate contracts, to acknowledge deeds, etc.
NOTE	A written acknowledgment of a debt by a borrower including a promise of payment in accordance with specified terms; an evidence of debt: the credit instrument. Also referred to as a Promissory Note.
NOTICE OF COMPLETION	A notice recorded within the time period specified by statute after completion of an improvement, signaling commencement of the time period within which claims for mechanics' liens must be filed.
NOTICE OF DEFAULT	Recorded notice that a default has occurred under the terms of a deed of trust.
OPEN END DEED OF TRUST	A deed of trust which secures additional advances made by a lender in addition to the original principal amount of the loan.
OPTION	A right to require an act to be done in the future.
OWNERSHIP	The right to the use and enjoyment of property, or an interest therein, generally to the exclusion of others.
PARTNERSHIP	A voluntary association of two or more persons as co-owners to carry on a business for profit.
PATENT	A conveyance of the title to government lands by the government.
PERSONAL PROPERTY	Moveable property; all property which is not real property.
PLAINTIFF	The party who brings a court action.
PURCHASE MONEY DEED OF TRUST	A Deed of Trust securing payment of all or a portion of the purchase price of real property.
POWER OF ATTORNEY	A written authorization to an agent to perform specified acts on behalf of the principal; may be general or specific.
PRINCIPAL	One who employs an agent to act on his behalf, the one having the main responsibilities for an obligation, a party to the a contract
PRINCIPAL BALANCE	The amount , of a loan exclusive of interest.

ARIZONA STATE ESCROW ASSOCIATION - Vocabulary

PRIORITY	That which is earliest or previous in point of time or right, such as a first deed of trust is ahead of or has priority over a second deed of trust.
PROPERTY	Anything of which there may be ownership.
PRORATE	To divide, distribute, or assess proportionately.
QUIET TITLE	A court action to establish title to real property or to remove a cloud on the title.
QUIT CLAIM DEED	A deed which conveys whatever present right, title or interest in a property the grantor may have.
RATIFICATION	The action of officially confirming something.
REAL PROPERTY	Land and buildings as opposed to personal property.
RESCISSION	An action to annul the effect of executing a contract or other document.
RECONVEYANCE	A conveyance to the land owner of the title held by a trustee under a deed of trust, extinguishing the lien of the deed of trust.
RECORDATION	Filing documents for record in the office of the county recorder.
REINSTATEMENT	The curing of all defaults by a borrower.
RELEASE CLAUSE	A clause in a deed of trust providing for release of specified portions of the property upon compliance with certain conditions.
RESERVATION	The right or an interest retained by a grantor in a conveyance.
RESTRICTIONS	Limitations on the use and enjoyment of property.
RIDER	An addition , addendum, or endorsement to a document.
RIGHT OF REDEMPTION	A legally enforceable right provided by law under certain conditions permitting the owner to reclaim foreclosed property by making full payment of the debt or the foreclosure sales price.
RIGHT OF WAY	The right to cross over a parcel of land.
SEPARATE PROPERTY	Property acquired before marriage, and property acquired during marriage by gift, devise, descent or bequest.
SERVIENT TENEMENT	An estate burdened by an easement.
SPECIFIC PERFORMANCE	A legal action to compel performance of an agreement.
SPOUSE	A husband or wife.

ARIZONA STATE ESCROW ASSOCIATION - Vocabulary

SUBORDINATION AGREEMENT	An agreement under which a lien is made inferior to an otherwise junior lien.
SUBROGATE	To substitute one in place of another with reference to an obligation.
SUCCESSION	The receiving of property by inheritance.
SURVEY	A map or plat containing a statement of courses, distances and quantity of land and showing lines of possession.
TREASURER'S DEED	A deed issued to the purchaser at a tax sale.
TENANCY IN COMMON	Ownership of property by two or more persons in equal or unequal undivided interests without right of survivorship.
TITLE	Evidence of a person's right or the extent of his interest in property.
TOWNSHIP	Subdivision of the public land of the United States; each township usually contains 36 sections; a section usually contains 640 acres.
TRUST	A fiduciary relationship in which a trustee hold title to the property for the benefit of others.
TRUSTEE	The person to whom property is conveyed by trust.
TRUSTOR	The person who conveys property in trust.
USURY	The charge of a greater rate of interest than the law allows.
VALID	Sufficient in law; effective
VENDEE	Purchaser under an Agreement for Sale.
VENDOR	Seller under an Agreement for Sale
VEST	To give immediate, fixed right in property, with either present or future enjoyment of possession; also denotes the manner in which title is held.
VESTED INTEREST	An interest that is fixed or determined.
VETERANS ADMINISTRATION	An independent agency of the Federal Government created by the Servicemen's Readjustment Act of 1944 to administer a variety of benefit programs designed to facilitate the adjustment of returning veterans to civilian life.
VOID	Having to legal effect; null.
VOIDABLE	An instrument that appears to be valid, but is in fact lacking in some essential requirement.

ARIZONA STATE ESCROW ASSOCIATION - Vocabulary

WAIVER	A relinquishment or abandonment of a right.
WARRANTY	An assurance by the seller of property that the property is as represented or will be as promised.
WARRANTY DEED	A conveyance document which contains a covenant by which the seller of the land binds himself and his heirs to defend the estate conveyed.
WILL	A disposition of property effective upon the maker's death; "last will and testament".
WRIT	A process of the court under which property may be seized and sold.
ZONING	Governmental regulations relating to the use of property.