

Term

Trustee	The trustee is the person who manages the trust, and is usually appointed by the trustor. The trustor is also often the trustee in living trusts
All Inclusive Trust Deed (AITD)	This is often referred to as the wrap around mortgage This is a new deed of trust which includes the balance due on the existing note, plus new funds advanced
Beneficiary	a person who derives advantage from something, especially a trust, will, or life insurance policy
Hypothecation	Hypothecation means offering an asset as a collateral security to the lender whereby the ownership lies with a lender and the possession is enjoyed by the borrower. In a case of default by the borrower, the lender can exercise his ownership rights to seize the asset
Lien Theory	refers to the concept that mortgage is a form of lien on the property, so the mortgagee acquires only a lien on the property and the mortgagor retains both legal and equitable title unless a valid foreclosure occurs
Mortgage	A legal agreement by which a bank or other creditor lends money at interest in exchange for taking title of the debtor's property, with the condition that the conveyance of title becomes void upon the payment of the debt.
Mortgagee	the lender in a mortgage, typically a bank
Mortgagor	the borrower in a mortgage, typically a homeowner
Promissory note	IOU- I promise to pay you The promissory note is secured by the deed of trust
Title Theory	Title theory is a doctrine of property law that a mortgage transfers legal title of the property to the mortgagee, who holds it until the mortgage has been satisfied . Only a few American states have adopted this theory, and they are known as title states or title theory jurisdictions
Trust Deed	In real estate in the United States, a deed of trust or trust deed is a deed wherein equitable title in real property is transferred to a trustee, which holds it as security for a loan between a borrower and lender. The legal title remains with the borrower
trustor	The trustor or “grantor” of a trust is the person who creates the trust. The trustor is the one who contributes property to the trust.