# Class 1 – Key Terms

**Real Property** - Any subset of land that has been legally defined and the improvements to it have been made by human efforts

**Personal Property** - Private property that is movable,[1] as opposed to real property or real estate.

Bill of Sale -

Statute of Frauds -

**Fixture** – Items that were once personal property but have become real property because they have either been attached to the land or building in a somewhat permanent manner or are intended to be used with the land and building on a permanent basis. Examples: Furnaces, garage door openers, etc.

Trade fixture –

Bundle of sticks –

**Present Possession** – Entitles its owner to immediate enjoyment of the rights to the estate.

**Fee Simple Estate** – The freehold estate that represents the most complete form of ownership of real estate.

**Life Estate** – A freehold estate that lasts only as long as the life of the owner of the estate or the life of some other person. Upon the death of that person, the property reverts back to the original grantor (transferor of property), his or her heirs, or any other designated person.

**Freehold Estate** – Lasts for an indefinite period of time; that is, there is no definitely ascertainable date on which the estate ends.

**Leasehold estate** – Expires on a definite date. Implies the right to possess and use the property owned by another for a period of time.

**Future Possession** – These estates do not convey the right to enjoy the property until some time in the future.

**Reversion** – When the holder of an estate in land (the grantor) conveys to another person (a grantee) a present estate in the property that has fewer ownership rights than the grantor’s own estate and retains for the grantor or the grantor’s heirs the right to take back, at some time in the future, the full estate that the grantor enjoyed before the conveyance.

**Remainder** – When the grantor of a present estate with fewer ownership rights than the grantor’s own estate conveys to a third person the revisionary interest the grantor or the grantor’s heirs would otherwise have in the property upon termination of the grantee’s estate.

**Deed** – Usually a title is conveyed from one person (grantor) to another (grantee) by means of a written instrument called a deed.

**Requirements For A Valid Deed** - Parties, Land Described, Signed by Grantor, Delivery, and Recording / Filing

**General Warranty Deed** – (1) In lawful possession of the property and all property rights, (2) that no other individuals or entities have an ownership interest in the property, and (3) that the title is unencumbered or free of imperfections (with any specific exceptions notes: e.g., easements, leases, or liens). The seller may be liable if the buyer incurs a loss because of title imperfections.

**Special Warranty Deed** – Makes the same warranties as a general warranty deed except that it limits their application to defects and encumbrances that occurred only while the grantor held the title to the property. Unlike general warranty deeds, those in a special warranty deed do not apply to title problems caused or created by previous owners.

**Quitclaim Deed** – Offers the grantee the least protection. Such a deed simply conveys to the grantee whatever rights, interests, and title that the grantor may have in the property. No warranties are made about the nature of these rights and interests or of the quality of the grantor’s title to the property.

Seller / grantor –

Buyer / grantee –

Actual knowledge / constructive knowledge –

Acknowledgement –

Jurat –

Legal description -

Lot / block description –

Metes & bounds description –

Reservations from conveyance –

Exceptions to title –

Consideration –

Grantor’s warranty –

Abstract & legal opinion –

**Title Insurance** – Developed to cure the inadequacies of title validation accomplished through an abstract and legal opinion. Title insurance does all that a carefully drawn abstract and a well-considered opinion by a competent lawyer are expected to do. In addition, it adds the principle of insurance to spread the risk of unseen hazards among many property owners.

Title commitment –

Escrow –

**Title Policy** – Two types of policies

1. **Owner’s Policy** – Insures the interest of a new property owner.
2. **Lender’s (or mortgagee) Policy** – Insures the interests of the mortgagee.

**Government Restrictions on Property** – (1) The right to regulate emanates from the “police powers of the state,” which are based on the protection of the health, safety, and general welfare of its citizens. (2) Zoning ordinances, allowable uses, height restrictions, parking requirements, and building codes, permits, and inspections. (3) The state usually retains control over water or riparian rights, mineral rights, eminent domain, and the like, while the federal government regulates housing and loan discrimination, interstate land sales and securities, and environmental restrictions.

**Private Restrictions on Property** – Limit the use of property by all subsequent owners of that property. Property owners may use such restrictions to achieve personal or business objectives.