# Class 6 – Key Terms

**Lien** – Claim against property for payment of a debt or amount owed for services rendered; includes the right to sell the property, if necessary, to obtain payment. The priority of liens – “first in time; first in line.”

**IRS Lien** – Right of Redemption.

**Right of Redemption** – is the right of a debtor whose real property has been foreclosed upon and sold to reclaim that property if they are able to come up with the money to repay the amount of the debt.

**Judgment Lien** – A court ruling that gives a creditor the right to take possession of a debtor's real property if the debtor fails to fulfill his or her contractual obligations. A judgment lien may be made against an individual or business and allows the creditor to access the debtor's business, personal property and real estate, among other assets, to pay the judgment.

**Abstract of Judgment** – A written summary of a judgment which states how much money the losing defendant owes to the person who won the lawsuit (judgment creditor), the rate of interest to be paid on the judgment amount, court costs, and any specific orders that the losing defendant (judgment debtor) must obey, which abstract is acknowledged and stamped so that it can be recorded and made official with the government. The purpose of an abstract of judgment is to create a public record and create a lien or claim if necessary on any real estate property owned or later acquired by the defendant located in the county in which the abstract of judgment is recorded.

**Vendor’s Lien** – A vendor's lien is the right of a seller to repossess the property sold until the buyer makes all payments for the full purchase price. The property is the collateral given as security to the seller for the purchase price. It is sometimes used in connection with a purchase money mortgage on real estate.

**Mechanic’s and Materialmen’s Liens** – A type of lien that gives a security interest in property to someone who supplies materials used during work performed on that property.

**Relation Back Doctrine** – Doctrine of Relation Back is a principle that something done today will be treated as if it were done earlier. This doctrine is applied under certain circumstances. For example, a document held in escrow and then delivered later will be treated as if delivered when it was put into escrow. Delivery of deed to the grantee relates back to the date it was originally deposited with the escrow agent.

**Homestead** – The dwelling house and its adjoining land where a family resides.

Exempt property / Non-exempt property –

Size of urban and rural homestead allowance –

Allowable Liens Against a Homestead:

Purchase money

Home improvement

Taxes

Owelty of partition

Home equity loan

Homeowner’s association dues

Principal / Agent –

Broker / Salesperson –

**Agency by actual authority** – Is authority granted to the agent by the principal, either expressly (written or orally), or by implication (the authority to do what is necessary to carry out actions that were expressly authorized)

**Agency by ostensible authority (by estoppel; by apparent authority)** – A person has apparent authority when he has no actual authority to act, but the principal negligently or deliberately allows it to appear that the actions are authorized. The principal may be liable for acts committed by an apparent agent (or ostensible agent)

**Agency by Ratification** – Approval/adoption of acts performed outside agency relationship; can be expressed or through accepting the benefit of those acts.

Texas Occupations Code –

Texas Real Estate License Act –

Texas Real Estate Commission –

Duties of real estate agent to the principal –

*(these terms will not be on the quiz*)

Duties of principal to an agent

Duties to third parties

Subagent / cooperating broker

Buyer’s agent

Intermediary

Listing agreement

Exclusive right to sell

Exclusive agency to sell

Open agency

Net listing

Termination of an agency relationship

Broker’s Recovery Fund