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Independently owned and operated

## REAL ESTATE TERMS

**Listing Agreement:** The contract between the listing brokerage and the homeowner. This allows the REALTOR to look after all aspects of the sale of the home.

**Multiple Listing Service (MLS):** is a system for sharing the listing of homes to a vast audience.

**Appraisal:** The estimate of the homes market value.

**First Refusal:** In real Estate, the right of first refusal is a provision in a lease or other agreement. It gives a potentially interested party the right to buy a property before the seller negotiates any other offers.

**Irrevocable:** Offers to purchase property normally have an irrevocable date and time. Irrevocable is defined as incapable of being recalled or revoked.

**Assessment:** The value of a property set by the local municipality. It is used to calculate your property tax.

**Firm Offer:** The offer to buy the house home with no conditions.

**Conditional Offer:** An offer that has conditions attached.

**Mortgage:** A contract between a borrower and a lender to repay the money borrowed to buy the home.

**Canada Mortgage and Housing Corporation (VCMHVC):** CMHC controls the Mortgage Insurance Fund, which protects NHA Approved Lenders.

**Principal:** The amount of money borrowed for a new mortgage.

**First Mortgage:** The first security registered on a property.

**High-Ratio Mortgage:** A mortgage for more than 75 percent of a property's value or price.

**Assumable Mortgage:** A mortgage held on a property by a seller that the buyer can take over.

**Blended Mortgage Payments:** Equal or regular mortgage payments consisting of both a principal and an interest component

**Variable Rate Mortgage:** The rate of interest may change.

**Closed Mortgage:** A mortgage that cannot be prepaid, renegotiated or refinanced with significant penalties.

**Debt Service Ratio:** The percentage of a borrower's gross income that can be used for housing costs.

**Closing Date:** The date when the deal is final, and the new owner moves in.

**Understand these terms are an essential part of learning the necessary real estate knowledge to navigate the sale of your home with confidence.**