

Term	Definition
damages	The indemnity recoverable by a person who has sustained an injury, either in his or her person, property, or relative rights, through the act or default of another. Loss sustained or harm done to a person or property.
data plant	An appraiser's file of information on real estate.
date-down search	A further search of the public records performed by a title insurer after preparing a preliminary title report and immediately prior to issuance of a policy of title insurance.
dead cat bounce	An initial brief rebound in home prices following a crash in property pricing; not indicative of the beginning of a true recovery.
dealer property	Real estate held for sale to customers in the ordinary course of an owner's trade or business, where the earnings on the sales of the properties are taxed as business inventory at ordinary income rates.
debenture	Bonds issued without security, an obligation not secured by a specific lien on property.
debit	A bookkeeping entry on the left side of an account, recording the creation of or addition to an asset or an expense, or the reduction or elimination of a liability or item of equity or revenue.
debt	Money due from one person or another; obligation, liability.
debt overhang	Excess mortgage debt on a negative equity property.
debt service	The amount of principal and interest paid on a debt periodically, also referred to as the loan payment amount.
debt-to-income ratio (DTI)	The percentage of monthly gross income that goes towards paying debt.
debtor	A person who owes money to another.
deciduous	A tree that loses its leaves each year.
declaration of default and demand for sale	A document delivered to the trustee under a power of sale provision by the mortgage holder instructing the trustee to initiate foreclosure on the secured real estate by recording a notice of default (NOD).
declaration of forfeiture provision	A lease or rental agreement provision declaring a tenant's failure to cure a breach of the agreement constitutes a forfeiture of the tenant's right of possession. [See RPI Form 575 §5]
declaration of homestead	A document signed by a homeowner and filed with the county recorder's office to shield the owner-occupant's homestead equity from seizure by creditors. [See RPI Form 465]
declaratory relief	An action seeking a judicial declaration of the rights and obligations of parties to a disputed situation.
declining balance depreciation	A method of accelerated depreciation allowed by the IRS in certain circumstances. Double Declining Balance Depreciation is its most common form and is computed by using double the rate used for straight line depreciation.
decree of foreclosure	Decree by a court ordering the sale of mortgaged property and the payment of the debt owing to the lender out of the proceeds.
dedication	The giving of land by its owner to a public use and the acceptance for such use by authorized officials on behalf of the public.
deed	Written instrument which when signed and delivered (executed) conveys title to real property from one person (grantor) to another (grantee).
deed restrictions	Limitations in the deed to a property that dictate certain uses that may or may not be made of the property.
deed-in-lieu of foreclosure	A grant deed conveying the mortgaged real estate to a mortgage holder which is accepted from the property owner in exchange for cancelling the mortgage debt to avoid foreclosure. [See RPI Form 406]
defacing	When a document is modified on its face, usually by striking copy and interlineation, after it is signed by one or both parties.
default	Failure to fulfill a duty or promise or to discharge an obligation; omission or failure to perform a promised act.
default rate provision	A note provision increasing the note rate on the remaining principal when the final/balloon payment becomes delinquent.

default remedies provision	A lease agreement provision authorizing the landlord on termination of the tenant's lease due to the tenant's default to collect rents for the remaining unexpired lease term. [See RPI Form 550 §3.1 and 552 §2.1]
defeasance clause	The clause in a mortgage that gives the mortgagor the right to redeem mortgagor's property upon the payment of mortgagor's obligations to the mortgagee.
defeasible fee	Sometimes called a base fee or qualified fee; a fee simple absolute interest in land that is capable of being defeated or terminated upon the happening of a specified event.
defendant	A person against whom legal action is initiated for the purpose of obtaining criminal sanctions (criminal defendant) or damages or other appropriate judicial relief (civil defendant).
deferred maintenance	Existing but unfulfilled requirements for maintenance, repairs and replacements. Postponed or delayed maintenance causing decline in a building's physical condition.
deferred payment options	The privilege of deferring income payments to take advantage of statutes affording tax benefits.
deficiency	Losses experienced by a mortgage holder at a foreclosure sale due to insufficient value of the mortgaged property to satisfy the mortgage debt.
deficiency judgment	A money award obtained by a mortgage holder to recover money losses experienced when the value of the mortgaged property is less than the remaining mortgage debt at the time of the judicial foreclosure sale.
deflation	A fall in the pricing of goods or property (the opposite of inflation).
delegation of powers	The conferring by an agent upon another of all or certain of the powers that have been conferred upon the agent by the principal.
delinquency	A tenant or borrower's failure to pay the agreed amounts on or before the due date or expiration of any grace period.
delinquent taxes	Property taxes not paid prior to becoming delinquent.
demand	The amount of housing inventory desired by buyer occupants.
Department of Fair Employment and Housing	The state agency designated to protect Californians from discrimination in housing, employment and public accommodation.
Department of Housing and Urban Development (HUD)	The federal agency responsible for the administration of U.S. government housing and urban development programs.
deposit receipt	A term used by the real estate industry to describe the written offer to purchase real property upon stated term and conditions, accompanied by a deposit toward the purchase price, which becomes the contract for the sale of the property upon acceptance by the owner.
depreciation	The loss of property value due to its age, physical deterioration, or functional or economic obsolescence. The term is also used to account for the annual untaxed recovery of capital invested in real estate improvements over the remaining useful life of the improvements.
depth table	A statistical table that may be used to estimate the value of the added depth of a lot.
designated officer	The individual who is the licensed officer qualifying a corporation for a corporate broker license.
desist and refrain order	An order directing a person to stop from committing an act in violation of the Real Estate Law.
desk review	A second appraiser's review of an appraisal report to verify and evaluate the findings.
Desktop Underwriter (DU)	Fannie Mae's automated underwriting (AU) system.
destruction provision	A provision in a lease agreement in which a tenant agrees to pay for any destruction to the premises caused by the tenant, covered by the tenant's insurance or required by other lease provisions. [See RPI Form 552 §16]
determinable fee	An estate which may end on the happening of an event that may or may not occur.
devise	A gift or disposal of real property by last will and testament.
devisee	One who receives a gift of real property by will.
devisor	One who disposes of real property by will.

directional growth	The location or direction toward which the residential sections of a city are destined or determined to grow.
dis-saving	The act of cashing in savings and liquidating assets to spend on goods and services.
disabled person	Anyone who has a physical or mental impairment which significantly limits major life activities, has a record of disability, or is regarded as being disabled.
discharge-of-indebtedness income	Reportable income resulting from a mortgage holder's discount on a payoff of a mortgage debt. Called a short pay.
disclosure	A fact that is made known, such as informing a buyer or tenant about a property's condition.
discount	To sell a promissory note before maturity at a price less than the outstanding principal balance of the note at the time of sale. Also an amount deducted in advance by the lender from the nominal principal of a loan as part of the cost to the borrower of obtaining the loan.
discount points	The amount of money the borrower or seller must pay the lender to get a mortgage at a stated interest rate.
discount rate	The interest rate the Federal Reserve charges banks and thrifts who borrow funds directly from the Fed to maintain reserve requirements.
discretionary powers of agency	Those powers conferred upon an agent by the principal which empower the agent in certain circumstances to make decisions based on the agent's own judgment.
discriminatory practices	Unequal treatment given to members of a protected class of individuals.
disequilibrium	An extreme imbalance in supply and demand which prevents the market from reaching equilibrium in pricing.
disintermediation	The relatively sudden withdrawal of substantial sums of money savers have deposited with savings and loan associations, commercial banks and mutual savings banks. This term can also be considered to include life insurance policy purchasers borrowing against the value of their policies. The essence of this phenomenon is financial intermediaries losing within a short period of time billions of dollars as owners of funds held by those institutional lenders exercise their prerogative of taking them out of the hands of these financial institutions.
disposable income	The after-tax income a household receives to spend on personal consumption.
dispossess	To deprive one of the use of real estate.
disregarded entity	A sole proprietorship separate from its owner for liability purposes, such as a single member limited liability company (LLC) or limited partnership (LP), where the owner reports business income on their personal tax returns, also called a pass-through entity.
distribution in kind	Distribution of a limited liability company's (LLC's) real estate on dissolution to members as a return of their capital contributions.
diversification	Varying the types and areas of investment in a portfolio to mitigate risk.
documentary transfer tax	A tax imposed on a recorded document when real estate is transferred.
documents	Legal instruments such as mortgages, contracts, deeds, options, wills, bills of sale, etc.
Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank)	A federal consumer protection law which created minimum standards and oversight for consumer mortgage origination.
dominant tenement	The property benefitting from an easement on a servient tenement.
donor	A person who makes a gift.
donee	A person who receives a gift.
double escrow	An EP investor resale arrangement used to flip a property prior to closing their purchase escrow and acquiring title, by which the investor opens a second escrow for the resale of the property to another buyer.
double-dip	A second decrease following closely after an initial decrease and a short recovery; indicative of market weakness. Usually refers to recessions.
double-end	When the seller's agent receives the entire fee in the real estate transaction, there being no buyer's agent for fee splitting.

dragnet clause	A provision in a trust deed that purports to use the mortgaged real estate as security for all debts between the parties to the security agreement.
draw	Usually applies to construction loans when disbursement of a portion of the mortgage is made in advance, as improvements to the property are made.
draw period	The time period during which the homeowner may draw on the funds in a home equity line of credit (HELOC).
dual agency	The agency relationship that results when a broker represents both the buyer and the seller in a real estate transaction. [See RPI Form 117]
dual agent	A broker who represents both parties in a real estate transaction. [See RPI Form 117]
due date	The date provided in the rental or lease agreement on which rental payments are due. [See RPI Form 550 §4.1 and 552 §4.1]
due diligence	The concerted and continuing efforts of an agent employed to meet the objectives of their client, the agent's promise given in exchange for the client's promise to pay a fee.
due process	A constitutional guarantee of fair dealings between the government and property owners.
due-on clause	A trust deed provision used by lenders to call the loan immediately due and payable, a right triggered by the owner's transfer of any interest in the real estate, with exceptions for intra-family transfers of their home.
duress	An unlawful constraint imposed by one on an individual which forces the individual to act against their will.
dwelling	AA building or personal property occupied or designed to be occupied as a residence by one or more families.
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