

<b>Term</b>	<b>Definition</b>
illiquid asset	An asset that cannot be converted into cash quickly without a loss.
impairment	The act of injuring or diminishing the value of an interest held by another in real estate.
impasse notice	A notice advising the tenant the lease will expire and no modification of the lease will be entered into.
imperative necessity	Circumstances under which an agent has expanded authority in an emergency, including the power to disobey instructions where it is clearly in the interests of the principal and where there is no time to obtain instructions from the principal.
implicit discrimination	Actions which are not openly discriminatory but yield discriminatory results.
implicit rent	The value of an owner's use of their property to house themselves or their business.
implied covenant	An implied warrant the grantor has not previously conveyed or encumbered their interest in the real estate.
implied covenant of good faith and fair dealing	A legal presumption that parties to an agreement will deal equitably with one another by abiding by the terms of the agreement and timely performing their obligations.
implied easement	An easement created by the conduct of parties without prior agreement.
implied promise	The presumption that a buyer or seller entering into an agreement will in good faith fulfill their obligation to close the transaction.
implied warranty of habitability	An unwritten provision, included by statute, in all residential lease agreements requiring the landlord to provide safe and sanitary conditions in the rental unit.
impound account	A money reserve funded monthly by the property owner and maintained by the mortgage holder to pay annual recurring ownership obligations.
impound account provision	A trust deed provision establishing a reserve of the owner's funds for the payment of annually recurring ownership expenses.
impounds	A trust type account established by lenders for the accumulation of borrowers funds to meet periodic payment of taxes, FHA mortgage insurance premiums, and/or future insurance policy premiums, required to protect their security. Impounds are usually collected with the note payment. The combined principal, interest, taxes and insurance payment is commonly termed a PITI payment.
improvement bonds	Obligations of the seller which may be assumed by the buyer in lieu of their payoff by the seller.
imputed interest rate	The applicable federal rate (AFR) set by the Internal Revenue Service (IRS) for carryback sellers to impute and report as minimum interest income a portion of principal when the note rate on a carryback debt is a lesser rate.
inaccessible areas	Areas of a structure which cannot be inspected without opening the structure or removing the objects blocking the opening, such as attics or areas without adequate crawl space.
income approach	The use of a property's rental income to set its value.
income inequality	The uneven distribution of wealth across the population.
income producing property	Residential or commercial income property held by the ownership for the long-term to earn income through leasing operations and price appreciation.
incompetent	One who is mentally incompetent, incapable; any person who, though not insane, is, by reason of old age, disease, weakness of mind, or any other cause, unable, unassisted, to properly manage and take care of self or property and by reason thereof would be likely to be deceived or imposed upon by artful or designing persons.
incorporeal rights	Nonpossessory rights in real estate arising its ownership, such as rents.

increment	An increase. Most frequently used to refer to the increase of value of land that accompanies population growth and increasing wealth in the community. The term unearned increment is used in this connection since values are supposed to have increased without effort on the part of the owner.
incurable breach	Nonmonetary defaults in leases or mortgages that cannot be cured or undone. [See RPI Form 577]
indemnity agreement	An agreement by the maker of the document to repay the addressee of the agreement up to the limit stated for any loss due to the contingency stated on the agreement.
indenture	A formal written instrument made between two or more persons in different interests, such as a lease.
independent contractor	A salesperson employed by a broker under an employment arrangement which avoids income tax withholding and unemployment benefit payments by the broker.
index	A regularly issued composite market interest rate for an investment such as Treasury Securities or inter-bank loans used to set the basis for periodic interest rate adjustments.
individual adjustment	A type of rent adjustment sought by a landlord when the general adjustment established by local rent control ordinances fails to provide a fair return on their residential property.
individual mortgage loan originator (MLO)	A natural person who meets the definition of a mortgage loan originator (MLO) .
individual taxpayer identification number (ITIN)	A nine digit, tax processing number issued by the Internal Revenue Service to individuals who don't have a social security number.
indorsement	The act of signing one's name on the back of a check or note, with or without further qualification.
infill development	The development of vacant land located within existing urban areas to add value by making improvements.
inflation	The price changes over time in consumer goods and services, quantified in the consumer price index.
inflation-adjusted rent provision	A rent provision in a nonresidential lease which calls for periodic rent increases based on changes in inflation index figures during the period. [See RPI Form 552 §4.5]
influences on value	An aspect of the principle of change, recognizing the effect of physical, economic, government and social changes on real estate value.
ingress and egress	Access to a property by its owner directly from publicly dedicated streets or by using their right to traverse a portion of another's land using an easement.
initial conference	The first meeting between a licensee and prospective attorney conducted prior to entering into a retainer agreement where the licensee discusses their real estate dispute and interviews the attorney to determine their professional background, qualifications and compatibility.
initial interest rate cap	A limit on the amount the interest rate may change on the first adjustment of an adjustable rate mortgage (ARM).
initial note rate	With regard to an adjustable rate mortgage, the note rate upon origination. This rate may differ from the fully indexed note rate.
initial rate discount	As applies to an adjustable rate mortgage, the index value at the time of loan application plus the margin less the initial note rate.
injunction	A writ or order issued under the seal of a court to restrain one or more parties to a suit or proceeding from doing an act which is deemed to be inequitable or unjust in regard to the rights of some other party or parties in the suit or proceeding.

installment note	A note calling for periodic payments of principal and interest, or interest only, until the principal is paid in full by amortization or a balloon payment. [See RPI Form 420, 421 and 422]
installment reporting	A method of reporting capital gains by installments for successive tax years to minimize the impact of the totality of the capital gains tax in the year of the sale.
installment sale	Financing provided by a seller when extending a buyer credit for deferred payment, typically payable monthly with accrued interest, of a portion of the price paid for real estate, also known as carryback financing.
installment sales contract	Commonly called contract of sale or land contract. Purchase of real estate wherein the purchase price is paid in installments over a long period of time, title is retained by seller, and upon default by buyer (vendee) the payments may be forfeited.
institutional lender	A lender which pools deposits and invests them by making mortgages, e.g. a bank, credit union or insurance company.
instrument	A document which formally express the rights of the parties, for the purpose of creating, modifying or terminating a right. A mortgage lender's basic instruments are promissory notes, deeds of trust, with some sellers using installment sales contracts; landlord instruments include lease agreements.
inter vivos (living) trust	A title holding arrangement used as a vesting by a property owner for probate avoidance on death. Also known as a living trust. [See RPI Form 463]
interest	A portion, share or right in something. Partial, not complete ownership. The charge in dollars for the use of money for a period of time. In a sense, the rent paid for the use of money.
interest extra loan	A loan in which a fixed amount of principal is repaid in installments along with interest accrued each period on the amount of the then outstanding principal only.
interest only loan	A straight, non-amortizing loan in which the lender receives only interest during the term of the loan and principal is repaid in a lump sum at maturity.
Interest Rate Reduction Refinance Loan (IRRRL)	A U.S. Department of Veterans Affairs (VA)-guaranteed refinance that lowers the interest rate of an existing VA-guaranteed mortgage.
interest rate	The percentage rate charged for the use or the delay in payment of money. Rent or charge paid for use of money, expressed as an annual percentage of the sum borrowed.
interest-only adjustable rate mortgage (ARM)	A type of adjustable rate mortgage (ARM) which features an initial period of interest-only payments.
interim loan	A short-term, temporary loan used until permanent financing is available, e.g., a construction loan.
interlineation	The process of modifying an instrument or document by inserting additional language between the lines to clarify a particular provision, usually adding something that was omitted.
intermediation	The process of pooling and supplying funds for investment by financial institutions called intermediaries. The process is dependent on individual savers placing their funds with these institutions and foregoing opportunities to directly invest in the investments selected.
interpleader	A court proceeding initiated by the holder of money or other property, often an escrow company, who claims no proprietary interest in it, for the purpose of deciding who among claimants is legally entitled to the property.
interstate commerce	The flow of goods and services between and within states.
interval ownership	A form of timeshare ownership. (See Timeshare Ownership.)

intestate	A person who dies having made no will, or whose will is defective in form, is said to have died intestate, in which case the estate descends to the heirs.
introductory interest rate	The initial rate of interest on an adjustable rate mortgage (ARM), typically lower than the fully-indexed note rate and lasting for a set introductory period, allowing for a greater loan amount to be borrowed. Also nown as a teaser rate.
inventory	Properties available on the market for sale or lease published through the multiple listing service (MLS).
inverse condemnation	A government activity which interferes with the use of a property, damaging its value, for which the property owner seeks compensation.
invested capital	The total amount of cash and mortgage principal an owner has used to acquire and improve a property.
investment circular (IC)	A disclosure prepared by a syndicator and presented to potential investors explaining the nature of the investment program, significant features of the property selected for acquisition and the risks and financial consequences of the group investment, also known as a prospectus or memorandum. [See RPI Form 371 ]
investor	A purchaser who holds a property long-term on a buy-to-let basis as an income producing investment. Contrast with a speculator who buys a property to flip it for profit on a sale, rather than earn annual income from continued ownership.
involuntary lien	A lien imposed against property without consent of an owner; example taxes, special assessments, federal income tax liens, etc.
irrational exuberance	The tendency to disregard clear warning signs of economic danger during boom times (such as the real estate pricing bubble). Coined by Alan Greenspan.
irrevocable	Incapable of being recalled or revoked, unchangeable.
irrevocable license	The right to enter and use property when the specific activity granted by the license is maintained by the licensee's on-going expenditure of money or equivalent labor, and remains feasible.
irrigation districts	Quasi-political districts created under special laws to provide for water services to property owners in the district; an operation governed to a great extent by law.
itemized deductions	Deductions taken by a taxpayer for allowable personal expenditures which, to the extent allowed, are subtracted from adjusted gross income (AGI) to set the taxable income for determining the income tax due, called Schedule A.
itemized statement of deduction	A document accounting for the tenant's security deposit, delivered by the landlord to a residential tenant after the tenant vacates. [See RPI Form 585 §4.3]
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