

Term	Definition
managing agent	A broker who manages membership, common areas and accounting for a common interest development.
mandatory improvement	An improvement required to be made by the tenant under the terms of the rental or lease agreement.
mandatory obligation	The costs associated with originating and closing a home equity conversion mortgage (HECM).
margin	The interest points added to an index by a lender as profit on the adjustment of an adjustable rate mortgage (ARM).
margin of security	The difference between the amount of the mortgage loan(s) and the appraised value of the property.
marginal land	Land which barely pays the cost of working or using.
mark-to-management	A method of valuing loans set by bank management.
mark-to-market	A method of valuing loans based on the market price of the properties securing the mortgages.
market comparison approach	An evaluation method used to arrive at a property's value by a comparison of recent sales prices or rental operations of similar properties, adjusted for differences in the properties. See comparative market analysis (CMA)
market price	The price paid regardless of pressures, motives or intelligence.
market value	The highest price in terms of money which a property will bring in a competitive and open market and under all conditions required for a fair sale, i.e., the buyer and seller acting prudently, knowledgeably and neither affected by undue pressures.
marketable title	Title which a reasonable purchaser, informed as to the facts and their legal importance and acting with reasonable care, would be willing and ought to accept.
marketing package	A property information package handed to prospective buyers containing disclosures compiled on the listed property by the seller's agent.
masked security device	Alternative documentation for a carryback sale, substituted for a note and trust deed in a deceptive attempt to avoid due-on enforcement, Regulation Z (Reg Z), reassessment for property taxes, profit reporting and the buyer's right of reinstatement or redemption on default. [See RPI Form 300-1 and 300-2]
master lease	A leasehold interest granted to a master tenant with the right to sublease the property in exchange for rent paid to the fee owner.
material breach	Failure to perform significant obligations called for in an agreement, such as a promissory note.
material defect	Information about a property which might affect the price and terms a prudent buyer is willing to pay for a property.
material fact	Information about a property offered for sale which might adversely affect a prospective buyer's decision to purchase the property or the price they will pay and is disclosed to prospective buyers as soon as possible.
material participant	A rental property owner who participates in real estate rental operations or a real estate profession on a regular, continuous and substantial basis.
maximum claim amount	The ceiling amount for how much the homeowner is responsible for repaying once a home equity conversion mortgage (HECM) becomes due.
mean price trendline	A reflection of consumer inflation, to which property prices cyclically return.
mechanic's lien	A lien entitling a contractor or subcontractor to foreclose on a job site property to recover the amount due and unpaid for labor and materials they used.
median age	The midway point between the older half of a population and the younger half.

mediation	An informal, non-binding dispute resolution voluntarily agreed to in which a third-party mediator works to bring the disputing parties to their own decision to resolve their dispute.
medicare tax	Under the 2013 health care law, this is an additional tax on earned income exceeding a threshold amount.
Mello-Roos	The Mello-Roos Community Facilities Act of 1982 authorizes the formation of community facilities districts; the issuance of bonds, and the levying of special taxes thereunder to finance designated public facilities and services.
merger	The termination of an easement when one owner acquires fee title to both the property benefitting from and the property burdened by an easement.
meridians	Imaginary north-south lines which intersect base lines to form a starting point for the measurement of land.
mesne profits	Profit from land use accruing between two periods as for example moneys owed to the owner of land by a person who has illegally occupied the land after the owner takes title, but before taking possession.
metes and bounds	A term used in describing the boundary lines of land, setting forth all the boundary lines together with their terminal points and angles. Metes (length or measurements) and Bounds (boundaries) description are used when accuracy as to the exact location of the line is required.
metropolitan statistical area (MSA)	A large region connected by common economic ties, considered as a unit for statistical purposes.
mile	5,280 feet.
Millennium Boom	The years 2000-2007 leading up to the 2008 economic recession, characterized by loose lending practices and unsustainably high real estate sales volume and prices.
minor	A person under 18 years of age.
minor breach	Failure to pay late charges, interest penalties, bad check charges or security deposits.
misdemeanor	A lesser crime punishable by a fine and/or county jail sentence.
misplaced improvements	Improvements on land which do not conform to the most profitable use of the site.
misrepresentation	A false or misleading statement or assertion given to another to induce them to do something.
mixed collateral transaction	A transaction which is evidenced by one note and secured by both real estate (using a trust deed) and personal property (using a UCC-1 Form).
mixed-use property	An urban real estate development which combines residential and commercial uses.
MLO organization	An entity performing mortgage loan origination services.
mobilehome	Property designed to be used as a dwelling, classified as either personal or real property depending on the method of attachment to a parcel of real estate. Also known as a manufactured home.
modification	A mutual agreement between a mortgage holder and a property owner to alter, add or rescind one or more of the terms of a mortgage.
modular	A system for the construction of dwellings and other improvements to real property through the on-site assembly of component parts (modules) that have been mass produced away from the building site.
moldings	Usually patterned strips used to provide ornamental variation of outline or contour, such as cornices, bases, window and door jambs.
momentum traders	Buyers relying on the emotion of frenzied market participants, rather than property price inflation, to profit from buying and reselling property.

monetarist economic view	An economic view which holds it is the role of the government to control the amount of money in circulation, not a commodity or other currency. In the U. S., this is performed by the Federal Reserve (the Fed) and the U.S. Treasury.
monetary breach	A tenant's failure to timely pay rent or other money obligation due.
monetary controls	Federal Reserve tools for regulating the availability of money and credit to influence the level of economic activity, such as adjusting discount rates, reserve requirements, etc.
monetary policy	The Federal Reserve's use of short-term interest rates and other infusions and withdrawals of dollars in circulation to control pricing and employment in the economy.
money action	Litigation which seeks to recover future rents and any previously unpaid rent earned but not included in an unlawful detainer judgment.
money illusion	The illusion that a property's past dollar value and the amount a current homebuyer will pay are the same.
money judgment	An award for money issued by a court resulting from a lawsuit for payment of a claim.
money judgment (on foreclosure)	An award for any unpaid balance remaining after a judicial foreclosure sale due to the secured property's insufficient fair market value (FMV) on the date of the sale to satisfy the debt owed, also called a deficiency.
money multiplier effect	The rapid expansion of the money supply dictated by lenders' ability to lend. It is calculated by dividing the total deposits held by lenders by the reserve requirement.
monument	A fixed object and point established by surveyors to establish land locations.
moral hazard	An investment situation in which the risk of loss is borne primarily by a group of investors, not the syndicator, structured to discourage the syndicator from working for results that exceed minimum performance standards and motivate the syndicator to take unacceptable risks.
moral risk	The existence of an overly permissive attitude towards debt which leads to a greater risk of default by other debtors.
moratorium	The temporary suspension, usually by statute, of the enforcement of liability of debt. Temporary suspension of development or utilities connections imposed by local government.
mortgage	A security device by which real estate is hypothecated to secure the payment of a debt; in the event of a default on the mortgage, a notice procedure for foreclosure is established by statute.
Mortgage Acts and Practices □ Advertising	A federal law governing consumer mortgage advertisements.
Mortgage Assistance Relief Services (MARS) rule	A federal regulation protecting homeowners by controlling the activities of mortgage assistance relief providers.
mortgage banker	A person whose principal business is the originating, financing, closing, selling and servicing of loans secured by real property for institutional lenders on a contractual basis.
mortgage call report	A quarterly report on consumer mortgage data provided to the Nationwide Mortgage Licensing System (NMLS), used to enhance regulatory oversight.
mortgage commitment	A lender's commitment to make a mortgage, enforceable only when written, unconditional and signed by the lender for consideration.
mortgage contracts with warrants	Warrants make the mortgage more attractive to the lender by providing both the greater security that goes with a mortgage, and the opportunity of a greater return through the right to buy either stock in the borrower's company or a portion of the income property itself.
mortgage guaranty insurance	Insurance against financial loss available to mortgage lenders from private mortgage insurance companies (PMICs).

mortgage insurance premium (MIP)	Default insurance premiums required on a Federal Housing Administration (FHA)-insured mortgage, paid both up-front and annually.
mortgage interest deduction (MID)	An itemized deduction for income tax reporting allowing homeowners to deduct interest and related charges they pay on a mortgage encumbering their primary or second homes.
mortgage investment company	A company or group of private investors that buys mortgages for investment purposes.
mortgage loan activity notification	A report notifying the California Bureau of Real Estate (CalBRE) when a licensee commences offering mortgage loan originator (MLO) services.
Mortgage Loan Disclosure Statement (MLDS)	A California disclosure provided to a borrower by a mortgage broker who negotiates a mortgage on the borrower's behalf. [See RPI Form 204]
mortgage loan originator (MLO)	An individual who receives fees to arrange a consumer mortgage.
mortgage loan originator (MLO) broker	A mortgage loan originator (MLO) who is other than a natural person, such as a corporate broker.
mortgage package	A collection of documents required to process a mortgage application and sent to a mortgage underwriting officer for review after receipt of the appraisal on the property offered as security.
mortgage payment ratio	A debt-to-income ratio (DTI) used to determine eligibility for an FHA-insured mortgage limiting the buyer's mortgage payment to 31% of the buyer's gross effective income.
mortgage processing	The receipt of a mortgage application and the organization, preparation and confirmation of supporting documentation by the lender's mortgage processor for submission to the lender.
mortgage shopping worksheet	A worksheet designed for use by buyers when submitting applications for a consumer mortgage to compare mortgages offered by different lenders based on a list of all the variables commonly occurring as costs at the time of origination and over the life of the mortgage. [See RPI Form 312]
mortgage steering	A mortgage loan originator (MLO) practice of directing a homebuyer to a consumer mortgage with less favorable terms in order to obtain greater compensation.
mortgage-backed bond (MBB)	An asset-backed security representing a claim on the cash flows from payments received on a mortgage.
mortgage-backed loan (MBL)	A loan secured by the assignment of an existing note and trust deed.
mortgage-in-fact	A grant deed given by an owner for the sole purpose of securing the performance of an obligation owed a creditor, such as payment of a debt.
mortgagee	An investor who originates a mortgage with a borrower (mortgagor) to secure a loan through lender funds; a lender or creditor.
mortgagee-in-possession	A lender who possesses a property, receiving any income it produces, and is obligated to operate or manage the property.
mortgagor	One who encumbers their property with a mortgage to secure a loan; a borrower.
multiple listing	A listing, usually an exclusive right to sell, taken by a member of an organization composed of real estate brokers, with the provisions that all members will have the opportunity to find an interested buyer; a cooperative listing insuring owner property will receive a wider market exposure.
multiple listing service (MLS)	An association of real estate agents pooling and publishing the availability of their listing properties.
mutual consent	A meeting of the minds between the parties to a transaction. One of the four essential elements of a contract.

mutual savings banks	Financial institutions owned by depositors each of whom has rights to net earnings of the bank in proportion to his or her deposits.
mutual water company	A water company organized by or for water users in a given district with the object of securing an ample water supply at a reasonable rate; stock is issued to users.
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