

| Term | Definition |
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| narrative report | A summary of all factual materials, techniques and appraisal methods used by the appraiser in establishing the value of a property. This is the most thorough type of appraisal report. |
| Nationwide Mortgage Licensing System (NMLS) | The national registry of consumer mortgage loan originators (MLOs). |
| Nationwide Mortgage Licensing System (NMLS) identification number (ID) | A unique number identifying a consumer mortgage loan originator (MLO) in the Nationwide Mortgage Licensing System (NMLS). |
| Natural Hazard Disclosure Statement (NHD) | A report provided by a local agency or NHD vendor and used by sellers and seller's agents to disclose natural hazards which exist on a property held out for sale. [See RPI Form 314] |
| natural hazards | Risks to life and property which exist in nature due to a property's location. |
| negative amortization | The addition of unpaid interest to the principal balance of a mortgage due to insufficient monthly interest payments. |
| negative covenant | A recorded restriction prohibiting identified uses of a property. |
| negative equity | The condition of a mortgaged property owner owing a principal balance on the mortgage in an amount greater than the current fair market value of the property. Cryptically, the property has no equity. |
| negative fraud | Deceitfully withholding or failing to disclose information to someone. |
| negligence | The failure to behave with the level of care that someone of ordinary prudence would have exercised under the same conditions. |
| negotiable | Capable of being negotiated, assignable or transferable in the ordinary course of business. |
| net income | The money remaining after expenses are deducted from income; the profit. |
| net income multiplier (NIM) | The property's price as a multiple of the net operating income (NOI). |
| net investment income | Pre-tax income received from investment assets. For real estate investors, this includes income, profits and losses from the operations and sales of rental property, interest income and profits on land held for resale. |
| net lease | A commercial lease which transfers to the tenant the obligation, unless modified, to pay all of the costs of ownership in addition to utilities and janitorial services. [See RPI Form 552-2 and 552-3] |
| net listing | A type of listing in which the agent's fee is set as all sums received exceeding a net price established by the owner. |
| net operating income (NOI) | 1) The net revenue generated by an investment property before mortgage payments. It is calculated as the sum of a property's gross operating income less the property's total operating expenses. [See RPI Form 352 §4] 2) The net revenue generated by an agent's employment, calculated by subtracting business operating costs from the expected income from fees generated from sales, leasing or financing transactions. |
| net sales proceeds | The seller's receipts on closing a sale of their property after all costs of the sale and mortgage payoffs have been deducted from the gross proceeds. |
| no-investor policy | HUD policy which restricts a defaulting seller from selling their FHA-insured single family residence (SFR) to an investor. |
| nominal demand | A measure of demand which includes the illusory demand created by speculator activity artificially driving up sales volume and prices. |
| nominal interest rate | The interest rate agreed to between the homebuyer and the lender as stated on the promissory note. |

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| nominal money losses | Monetary recovery when no injury has occurred. |
| nominal rate of return | The interest rate agreed to between the buyer and the mortgage holder as stated on the promissory note, also called the note rate. |
| non-conforming loan | A conventional loan with a loan amount greater than the loan amount limits set by Fannie Mae and Freddie Mac. Non-conforming loans are also known as jumbo loans. |
| non-exempt lender | A lender subject to usury limitations when making a loan. |
| non-exempt private lender | A lender subject to usury limitations when making a loan. |
| non-targeted transaction | A transaction type excluded from a particular legal code or regulation and not subject to its rules. |
| nondelegable duty | A duty which cannot be transferred or assumed by another person. In the case of a landlord, a nondelegable duty cannot be assumed by a property manager or contractor. |
| nondisturbance agreement | An agreement with mortgage lender providing for the tenant's lease agreement to remain in effect for its full term after the leasehold is subordinated to a new mortgage. |
| nondisturbance clause | A lease agreement provision which is coupled with the future subordination clause to allow a tenant's junior leasehold interest to remain unaffected by a lender's foreclosure under a senior trust deed. [See RPI Form 552-8] |
| nonjudicial foreclosure | When property is sold at a public auction by a trustee as authorized under the power-of-sale provision in a trust deed. |
| nonmonetary breach | A tenant's breach of any obligation other than an obligation to pay money. |
| nonrecourse debt | A debt recoverable on default solely through the value of the security interest in the secured property. |
| nonrecourse mortgage | A mortgage subject to anti-deficiency laws which do not permit the mortgage holder (lender or carryback seller) to pursue a borrower to collect any loss due to a deficiency in the value of the secured property on foreclosure or a short payoff. |
| nonrecurring deposits or charges | One-time costs for which the tenant is responsible. [See RPI Form 550 §2] |
| nontraditional credit | Accounts other than traditional mortgage, loan, credit card and bank accounts, used to analyze a consumer's ability to repay debt. |
| nonwaiver of rights provision | A nonresidential rental or lease agreement provision containing the landlord's reservation of rights. [See RPI Form 552 §20] |
| nonwaiver provision | A provision in the lease agreement that states a landlord's waiver of a tenant's breach is not a waiver of similar or future breach. [See RPI Form 550 §7.4 and 552 §20.1] |
| notary public | An appointed officer with authority to take the acknowledgment of persons executing documents, sign the certificate and affix official seal. |
| note | A document given as evidence of a debt owed by one person to another, sometimes called a promissory note. [See RPI Form 421 and 424] |
| note rate | The interest rate agreed to between the homebuyer and the lender on the promissory note. Contrast with real interest rate. |
| notice | 1) Actual Notice - Express or implied knowledge of a fact. 2) Constructive notice - A fact, imputed to a person by law, which should have been discovered because of the person's actual notice of circumstances and the inquiry that a prudent person would have been expected to make. 3) Legal Notice - Information required to be given by law. |
| notice of action taken | A notice disclosing to the applicant the specific reasons for a denial of credit, as required by the Equal Credit Opportunity Act (ECOA). |

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| Notice of Cancellation | A notice from either the buyer or seller given to the other party cancelling the transaction. [See RPI Form 181] |
| notice of change in rental terms | Written notice served on the tenant noting changes in the terms or conditions of a month-to-month rental agreement. [See RPI Form 570 and 574] |
| Notice of Default (NOD) | The notice recorded to begin the nonjudicial foreclosure process. |
| Notice of Delinquency (NODq) | The notice sent by a mortgage holder to a person who requested the notice within 15 calendar days after four consecutive months of unpaid and delinquent monthly installments on their mortgage. |
| notice of entry | A document served on a tenant giving them advance notice of a landlord's intent to enter a tenant's unit to perform maintenance, make repairs or inspect. [See RPI Form 567] |
| notice of incompleteness | A notice requesting additional information to complete a mortgage application, as required by the Equal Credit Opportunity Act (ECOA). |
| notice of intent to vacate | A tenant's notice to the landlord signifying their intent to vacate the leased property. [See RPI Form 571 and 572] |
| notice of nonresponsibility | A notice used by an owner to declare they are not responsible for any claim arising out of the improvements their tenant is constructing on their property. [See RPI Form 597] |
| notice of rescission | Notice given by a seller-in-foreclosure to an equity purchase (EP) investor to exercise the seller's two-year right to rescind the sale and be restored to title of the property sold. |
| notice of right to reclaim personal property | A landlord's notice mailed to a former tenant informing the tenant of their right to reclaim or abandon personal property remaining on the premises. [See RPI Form 583 and 584] |
| notice of right to rescind | A disclosure notifying a homeowner of their right to cancel a non-purchase money consumer mortgage secured by their principal residence, the circumstances allowing the homeowner to cancel and the effects of the rescission. |
| notice of trustee's sale (NOTS) | The notice recorded, posted and mailed to evidence an impending trustee's sale to the property owner and potential bidders. |
| Notice to Home Loan Applicant | A disclosure of the consumer's right to credit score disclosures and how consumer credit scores are used, as required by the Fair Credit Reporting Act (FCRA). |
| notice to landlord to surrender personal property | A written request submitted by a former tenant to a landlord for the return of personal property left in the vacated unit. [See RPI Form 582] |
| notice to pay rent or quit | A notice served on a tenant by the landlord which states the amount of delinquent rent and any other delinquent amounts owed the landlord under a rental or lease agreement. [See RPI Form 575 and 575-1] |
| notice to perform or quit | A notice requiring a tenant to perform an action to remedy a curable nonmonetary breach of the lease agreement. [See RPI Form 576] |
| notice to quit | A notice to vacate served on a tenant for an incurable breach of a rental or lease agreement or due to a statutory breach of the tenancy. [See RPI Form 577] |
| notice to vacate | A written document used by a tenant or a landlord to terminate a periodic tenancy. [See RPI Form 569 and 569-1] |
| novation | An agreement entered into by a mortgage holder, buyer and seller to shift responsibility for a mortgage obligation to the buyer by an assumption and release the seller of liability. |
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| nuisance | An action which is injurious to health, offensive to the senses, or obstructs the use and enjoyment of surrounding parcels. [See RPI Form 550 §6.7 and Form 552 §7.3] |
| nuisance per se | Any activity specifically declared by statute to be a nuisance, such as construction of fences of excessive height or the illegal sale of controlled substances. |
| null and void | Of no legal validity or effect. |
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