

<b>Term</b>	<b>Definition</b>
radiant heating	A method of heating, usually consisting of coils, or pipes placed in the floor, wall or ceiling.
radon gas	A naturally occurring gas which accumulates in confined areas at ground level and poses a health risk to occupants.
rafters	Wood beams on which sheathing is placed. Together, these form the shape of a roof.
range	A strip or column of land six miles wide, determined by a government survey, running in a north-south direction, lying east or west of a principal meridian.
range lines	A series of government survey lines running north and south at six-mile intervals starting with the principal meridian and forming the east and west boundaries of townships.
rate adjustment date	With respect to an adjustable rate mortgage, the date the borrower's note rate may change.
rate lock	A lender's conditional, unsigned commitment to fund a mortgage at a quoted interest rate, origination fee and points, regardless of whether interest rates rise or fall prior to funding.
ratification	The adoption or approval of an act performed on behalf of a person without previous authorization, such as the approval by a principal of previously unauthorized acts of an agent, after the acts have been performed.
ratify	The later adoption or approval of an act performed on behalf of a person when the act was not previously authorized.
ready, willing and able buyer	One who is prepared to enter into a purchase agreement, wants to buy, and meets the financing requirements for purchase.
real demand	The demand of end-user buyer-occupants in the real estate market.
real estate	Land and anything permanently affixed or appurtenant to it.
real estate agent	A person who, for compensation or in expectation of compensation, is employed by a licensed broker to do one or more of the acts of a licensed broker.
real estate board	An organization whose members consist primarily of real estate brokers and salespersons.
real estate fixture	Personal property attached to the real estate as an improvement, which becomes a component part of the real estate.
real estate investment trust (REIT)	A security traded on the stock market made up of investments in income generating property, trust deeds and government securities.
Real Estate Law	A collection of 29 codes in California civil law governing real estate practice licensed under the Business and Professions Code and in the Government Code.
real estate owned property (REO)	Property acquired by a mortgage holder through foreclosure.
Real Estate Recovery Fund	Funds available to individuals who have obtained a final-court judgment against a licensee and are unable to recover the judgment from the licensee. Also known as the Consumer Recovery Account.
Real Estate Settlement Procedures Act (RESPA)	A federal law governing the behavior of service providers on a federally related mortgage which prohibits them from giving or receiving unlawful kickbacks.
real estate syndicate	An organization of investors usually in the form of a limited liability company who have joined together for the purpose of pooling capital for the acquisition of real property interests. [See RPI Form 371 and 372]
real estate trust	A special arrangement under Federal and State law whereby investors may pool funds for investments in real estate and mortgages and yet escape corporation taxes, profits being passed to individual investors who are taxed.

real interest rate	The nominal interest rate minus the rate of inflation. The real interest rate includes a margin of profit if the nominal rate is higher than the par rate.
real property	Land and anything growing on, attached to, or erected on it, excluding anything that may be severed without injury to the land.
real property loan law	Article 7 of Chapter 3 of the Real Estate Law under which a real estate licensee negotiating loans secured by real property within a specified range is required to give the borrower a statement disclosing the costs and terms of the loan and which also limits the amount of expenses and charges that a borrower may pay with respect to the loan.
real rate of earnings	The desired fixed rate of return on the investment in excess of the future rate of inflation.
real rate of return	The nominal interest rate on a mortgage minus the rate of inflation.
reasonable belief	The actual knowledge a landlord has of the ownership of personal property without investigating.
reasonable certainty	The degree of certainty expected from a reasonable person.
reasonable person test	A judicial test used to determine reasonable behavior between two parties.
reasonably foreseeable	The possibility a crime or danger may occur due to a previous crime on the premises. A landlord has a duty to take reasonable measures to prevent harm to persons on the property or warning tenants of the prior criminal activity.
recapture	The process of recovery by an owner of money invested by employing the use of a rate of interest necessary to provide for the return of an investment; not to be confused with interest rate, which is a rate of return on an investment.
recast	A mortgage holder's demand to modify the note terms and receive payment of additional fees in exchange for waiving the due-on clause in their mortgage.
recession	An economic event triggered and controlled by the Federal Reserve to maintain the sustainability of economic growth.
recharacterization	When a sale-lease-option arrangement is the economic equivalent of a financing arrangement, rather than functioning as a sale and repurchase transaction.
reconciliation	The final step in the appraisal process. Placing weight on the alternative value conclusions, to arrive at a final value decision.
reconveyance	A document executed by a trustee named in a trust deed to release the trust deed lien from title to real estate, used when the secured debt is fully paid. [See RPI Form 472]
recording	The process of placing a document on file with the Recorder for a county as the designated public official for public notice.
recourse debt	A debt for which a debtor may be personally liable if a sale of the secured property does not fully satisfy the debt on a default.
recourse mortgage	A mortgage debt in which a lender may pursue collection from a property owner for a loss due to a deficiency in the value of the secured property to fully satisfy the debt if the lender forecloses judicially.
recurring costs	The regular and continuing costs of a buyer incurred in the closing of an escrow to acquire property. Distinguished from non-recurring costs.
recurring operating expenses	The regular and continuing costs of using and maintaining a property.
red flag	A visually observable material defect in a property that was previously unknown and not disclosed to the buyer.

redeem	The clearing of title to a parcel of real estate of a monetary lien, such as a mortgage, through payment of the debt in full as is required during a redemption period to avoid loss of the property either at a trustee's foreclosure sale or following a judicial foreclosure sale.
redemption	A property owner or junior lienholder's right to clear title to property of a mortgage lien prior to the completion of a trustee's sale or following a judicial foreclosure sale by paying all amounts due on the mortgage debt, including foreclosure charges.
redlining	Failure to provide financing in certain communities based on the demographics of that community.
referee	An advisor to the court on the feasibility of the division or sale of co-owned real estate.
referral fee	A fee paid by one service provider to another for referring a client to them. Prohibited by the Real Estate Settlement Procedures Act (RESPA) when consumer financing funds the purchase of one-to-four unit residential property.
refinancing	The paying-off of an existing obligation and assuming a new obligation in its place. To finance anew, or extend or renew existing financing.
reformation	A legal process to correct an omission or error in a grant deed by court action.
reformation action	A court action by a tenant seeking to reform the terms of a lease agreement to include prior agreements, oral or written, intended to be part of the lease agreement.
regression, Principle of	A real estate valuation theory which holds the worth of a greater valued property is negatively affected by the close proximity of numerous lesser valued comparable properties.
regular assessments	Recurring HOA assessments which fund the operating budget to pay for the cost of maintaining the common areas.
regular financier	A lender subject to Truth in Lending Act restrictions by making more than a set threshold of consumer purpose loans or mortgage in a calendar year.
Regulation X	The regulation which implements the Real Estate Settlement Procedures Act (RESPA) dictating federally related mortgage origination activities by consumer mortgage originators.
Regulation Z (Reg Z)	A federal regulation implementing the Truth in Lending Act (TILA).
rehabilitation	The restoration of a property to satisfactory condition without drastically changing the plan, form or style of architecture.
reinstatement	A property owner or junior lienholder's right to reinstate a mortgage and cure any default prior to five business days before the trustee's sale by paying delinquent amounts due on the note and trust deed, plus foreclosure charges.
reinstatement period	The period of time during which the tenant may reinstate their right of possession if they meet the terms set by the unlawful detainer judgment.
rejection	When a person chooses not to accept the terms of an offer.
Release and Cancellation of Employment Agreement	A form used by a broker when employed by a client under an existing listing agreement that is terminated by mutual agreement, to document the agreed-to termination of the employment, cancel the listing agreement and liquidate any claims that may have arisen due to the employment. [See RPI Form 121]
release clause	Upon the payment of a specific sum of money to the holder of a blanket mortgage, the mortgage lien on a specifically described parcel is reconveyed, leaving the mortgage as a lien on the remainder of the secured parcels.
release deed	An instrument executed by the mortgagee or the trustee reconveying to the mortgagor or trustor the real estate which secured the loan after the debt has been paid in full.
reliction	The gradual recession of water leaving land permanently uncovered.

remainder	An estate which takes effect after the termination of the prior estate, such as a life estate. A future possessory interest in real estate.
remainder depreciation	The possible future loss in value of an improvement to real property.
remedies provision	A provision in a nonresidential lease agreement stating the nonbreaching party's available actions upon a breach of the lease agreement. [See RPI Form 552]
remote grantee	A future owner of real estate who later takes title to a property, also known as a successor.
renegotiable rate mortgage	A loan secured by a long term mortgage which provides for renegotiation, at pre-determined intervals, of the interest rate (for a maximum variation of five percent over the life of the mortgage.)
rent	Compensation received by a landlord in exchange for the tenant's use, possession and enjoyment of the property.
rent control	Local ordinances that are reasonably related to the prevention of excessive rents and maintaining the availability of existing housing. [See RPI Form 550 §1.3]
rent provision	A provision contained in a lease agreement establishing the tenant's obligations to pay rents for occupancy and use of the premises leased.
rent skimming	When an investor receives rents from a parcel of residential rental property during their first year of ownership and does not apply the rents (or an equivalent amount) to the payments due on all mortgages secured by the property.
rental agreement	The written document which sets the terms and conditions of a periodic tenancy. [See RPI Form 551 and 552-5]
rental market	The market environment in which landlords seek tenants and tenants seek landlords for the occupancy of property. The rental market sets the amount of rent a property will command on any given day.
rental vacancy rate	The percentage of unoccupied rental housing units.
renters by necessity	Households for whom traditional ownership of their shelter is not economically possible.
rentier	The class of earners whose income is earned passively, generated from owned tangible and intangible assets rather than through their labor.
renunciation	When an individual who has been granted something or has accepted something later gives it up or rejects it, as occurs when an agent withdraws from an agency relationship.
repair-and-deduct remedy	An option available to a residential tenant when the landlord fails to repair leased property allowing the tenant makes the repairs and deducts their cost from the next month's rent payment.
replacement cost	The cost to replace a structure with one functional equivalent to the structure being evaluated, but constructed with modern materials and methods in compliance with current building codes.
rescind	The cancellation of a contract which restores the parties to the same position they held before they entered into the contract.
rescission	1) The termination of an agreement or transaction from its inception by mutual consent of the participants to the agreement or transaction, or by one participant based on fraud or misrepresentation of another participant. 2) The homeowner's termination of a non-purchase money consumer mortgage, restoring the lender and homeowner to their original positions.
reservation	A right retained by a grantor in conveying property.
reservation agreement	The written document which sets the terms of a transient occupancy. [See RPI Form 593]

reservation of rights clause	A clause in the nonwaiver of rights provision in nonresidential rental and lease agreements stating acceptance of late rent does not waive the landlord's right to enforce remedies for any remaining breach of the lease agreement by the tenant. [See RPI Form 552 §20 and 558 §7]
reserve account	An account established by a limited liability company (LLC) to cover miscellaneous transactional costs incurred to create the LLC and purchase the property, and for for unexpected operating expenses. [See RPI Form 371]
reserve requirement	A requirement to hold cash in reserve as a buffer against default in case of a life-changing event.
reserves	1) In a common interest subdivisions, an accumulation of funds collected from owners for future replacement and major maintenance of the common area and facilities. 2) With regard to mortgage loans, an accumulation of funds, collected by the lender from the borrower as part of each monthly mortgage payment, an amount allocated to pay property taxes and insurance when they are due.
residence	Any building designed to be occupied as a residence by one or more families, or vacant land offered for the construction of a residential building.
resident manager	An individual employed by the property manager or landlord to live onsite at the managed property and handle its daily operations. [See RPI Form 591]
resident manager agreement	An employment agreement which establishes the rights and duties of a resident manager and the obligations of the property manager and landlord. [See RPI Form 591]
residential mortgage	A consumer mortgage other than a carryback mortgage requiring the licensee arranging the mortgage to be mortgage loan origination (MLO)-endorsed by the California Bureau of Real Estate (CalBRE).
residential mortgage credit report (RMCR)	A detailed account of a buyer's credit, employment and residence history.
residential mortgage loan report	A report filed by California Bureau of Real Estate (CalBRE)-licensed mortgage brokers who act as direct lenders.
residual income	On a U.S. Department of Veterans Affairs (VA)-guaranteed mortgage, an analysis of a veteran's monthly debt obligations from their gross income to ensure the veteran is able to meet minimum living expenses.
restitution	1) The return of possession of the rented premises to a wrongfully removed tenant. 2) A refund to the buyer by the seller on a rescission of a transaction in exchange for the restoration of the property to the seller.
restoration	The return of funds and documents on a rescission of a purchase agreement or transaction sufficient to place all the parties in the position they held before entering into the agreement or closing the transaction.
restraint on alienation	A limit placed on a property owner's ability to sell, lease for a period exceeding three years or further encumber a property, as permitted by federal mortgage policy.
restricted real estate mortgages	All mortgages made by private party lenders which are neither made nor arranged by a real estate broker.
restriction	A limitation on the use of real property. Property restrictions fall into two general classifications - public and private. Zoning ordinances are examples of the former type. Restrictions may be created by private owners, typically by appropriate clauses in deeds, or in agreements, or in general plans of entire subdivisions. Usually they assume the form of a covenant, or promise to do or not to do a certain thing.
restriction-on-transfer provision	A provision in a lease agreement calling for either the landlord's consent to any transfer of the tenant's leasehold interest or the prohibition of any transfer of that interest.

retainer agreement	A contract entered into between an attorney and licensee specifying the respective responsibilities of each, and the hourly rate, deposit and other fees the attorney charges for legal services.
retaliatory eviction	A tenant whose tenancy is sought to be terminated for lawfully exercising any rights.
retroactive interest differential (RID)	The mortgage holder's losses, calculated based on the interest differential between the note rate and the market rate on the date of a third party's unlawful interference with the mortgage holder's right to call a mortgage.
retrospective value	The value of the property as of a previous date.
return	Profit from an investment; the yield.
return of capital	The annual return of funds originally contributed to the investors or, in the case of a real estate investment, that portion of the net operating income (NOI) annually sheltered from taxes by a depreciation deduction, as well as any net proceeds from a refinance or resale of the property, cumulative up to the amount of the original contributions, also known as return of investment. To be distinguished from a return on capital.
return on capital	An annual yield on invested capital, stated for group investment purposes as a percentage of equity capital contributed by group members to fund the costs of acquisition and improvements of a property, represented by the property's net operating income (NOI) less interest paid on mortgage debt, also called return on investment (ROI).
return on investment	A measure of earnings in relation to capital invested.
reverse eminent domain	The use of eminent domain to seize mortgages. Contrast with the traditional use of eminent domain to seize real estate.
reverse lease-option	A sale-leaseback agreement with the option to purchase as an addendum.
reverse mortgage	A mortgage which allows senior homeowners to use their home equity as a stream of income.
reversion	The conveyance of real estate fixtures from a tenant to landlord on expiration of a lease.
reversionary interest	A future interest a person retains on the grant of property which reverts to the person on the occurrence of an event.
revocable transfer on death deed (RTDD)	Any document created to transfer real estate without covenant or warranty of title to a beneficiary upon the owner's death. [See RPI Form 411]
revocation	When the person making an offer withdraws their offer prior to delivery of the signed acceptance.
right of alienation	A property owner's ability to sell, lease or further encumber their property.
right of first refusal	A pre-emptive right held by another person to buy a property if the owner decides to sell. [See RPI Form 579]
right of redemption	A property owner's or junior lienholder's right to clear a property's title of a mortgage lien prior to the completion of the trustee's sale by paying all amounts due on the mortgage, including foreclosure charges.
right of rescission	The right to cancel a completed transaction such as a sale or letting of property, including restoration, after the transaction has been closed.
right of survivorship	The right of surviving joint tenants or a spouse to succeed to the entire interest of the deceased co-owner.
right, title and interest	A term used in deeds to denote that the grantor is conveying all of that to which grantor held claim.
right-of-way	A privilege under an easement granted by the owner of property giving the owner of another property the right to pass over their property.
right-to-enter provision	A provision contained in a lease agreement which reserves to the landlord the right to enter the leased premises to make necessary repairs, alterations or inspections.

riparian land	A parcel of real estate located next to a water source with surface water and within the watershed of the surface water.
riparian right	The right of a real estate owner to take surface water from a running water source contiguous to their land.
risk analysis	A study made, usually by a lender, of the various factors that might affect the repayment of a loan.
risk layering	The increased risk of default posed by cumulative smaller risks.
risk premium rate	The lender's safety net against borrower default. The risk premium rate varies according to the homebuyer's qualifications and the security of the property.
risk rating	A process used by the lender to decide on the soundness of making a loan and to reduce all the various factors affecting the repayment of the loan to a qualified rating of some kind.
risk reduction program	Office procedures implemented and actively overseen by a broker to mitigate risk of liability by ensuring the broker's employees conduct themselves as the broker expects.
risk tolerance	The amount of investment risk an investor is willing to accept.
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