

Amortization- a system of paying off the mortgage combining interest and principal for your payments.

Assessed Value- the dollar value assigned to your home by the Assessment office for the purpose of property taxes.

Cash Reserves- monies the buyer has left over after the down payment and closing costs.

Closing Costs- fees paid buy at closing. These fees may include commissions, mortgage fees, recording fees, title insurance, taxes, and etc.

Contingency- a clause in an agreement that keeps things from being legally binding unless a requirement is met.

Earnest Money Deposit- is a payment to a seller to show them that you are serious about purchasing the property. The deposit is counted toward the offer and refundable if the offer is not accepted.

Equity- increasing over the life of a mortgage, this is the difference between the home's fair market value and the unpaid balance on the loan

Escrow- an account arranged by the lender that receives monthly payments from the borrower to pay for things like insurance and taxes