Course Glossary

Term	Definition
Accreted Value	The value at any time, including interest
Administrative Foreclosure	The act of taking possession of property for non-payment of taxes by a governmental body
Affidavit	A written statement confirmed by oath or affirmation
Appraisal	A valuation of property by the estimate of an authorized person (appraiser)
Arbitrage	The practice of taking advantage of a price difference between two or more markets
Assessed Value	The value of a property that serves as the basis for tax calculation
Assignment	An act of making a legal transfer of a right, property, or liability
Auction	A public sale in which goods or property are sold to the highest bidder
Bankruptcy	A legal proceeding involving a person or business that is unable to repay outstanding debts. The bankruptcy process begins with a petition filed by the debtor
Bid Ceiling	The highest dollar amount a bidder is willing to pay at auction
Bid Floor	The lowest interest rate a bidder is willing to pay at auction
Bid Rigging	Illegal collusive activity to restrain trade
Bulk Sale	Where an entity sells all or nearly all of its inventory to a single buyer and such a sale is not part of the ordinary course of business
Calendar Year	December 31 year-end
Caveat Emptor	The buyer alone is responsible for checking the quality and sustainability of goods before a purchase is made
Clear Title	Also known as "clean title," "just title," and "free and clear title." A clear title is a title without any kind of lien or levy from creditors or other parties
Clouded Title	Any document, claim, unreleased lien, or encumbrance that might invalidate or impair the title to real property or make the title doubtful
Cramdown	When a federal agency reduces the amount owed in order to satisfy a bankruptcy agreement
Due Diligence	Serves to confirm all material facts in regards to a sale

Encumbrance	A claim against a property by a party that is not the owner. It can impact the transferability of the property and restrict its free use until the encumbrance is lifted
Escheat	Revert to the state
Fiscal Year	Other than a December 31 year-end
Foreclosure	The action of taking possession of a property when the owner fails to keep up their payments
Geographic Concentration	The location of a specific cluster or density
Haircut	A discount applied to the market value of the security in an attempt to account for the risk of loss
Homestead Exemption	Portion of a home's assessed value that is exempt from property taxes
HLTV Ratio: Horizon Lien to Value	The sum of all liens (and future liens) / property value
Judgement	A decision or opinion (as of a court) given after careful consideration
Judicial Foreclosure	Foreclosure that takes place through court action
Leverage	The ratio of a company's loan capital (debt) to the value of its common stock (equity)
Liquidity	The availability of liquid assets such as cash
LTV Ratio: Lien to Value	The ratio of liens secured by a property to the property's value, high LTVs are generally seen as higher risk
Market Value	The price an asset would fetch in the marketplace
Notice	Notification or warning that is delivered in a written format or through a formal announcement
Out Cry Auction	Bidder verbally communicates their bid at a public sale in which goods or property are sold to the highest bidder
Overbidding	A bid in the amount over and above the amount of taxes due
Penalty	A monetary punishment imposed for breaking a law, rule, or contract
Personal Property	Moveable property
Plat Map	A plan or cadastral map, drawn to scale, showing the divisions of a piece of land
Property Appraiser	A person who provides a professional opinion of the market value of a property whose market price is not easily determined
Proxy Bidding	When a computer bids on your behalf based on amounts set by the bidder

Premium Bidding	Amount willing to be paid above the tax amount in order to win the bid
Priority Lien	A security interest that takes priority over other interests
Real Property	Fixed property, principally land and buildings (fixed and immovable)
Recording	The process by which the county makes a public record of a document
Redemption Curve	An anticipated payback of a group of liens purchased to determine your effective yield
REO	Real Estate Owned or Bank Owned
Right of Redemption	Gives property owners who pay off the back taxes or liens on their property the ability to prevent foreclosure or the auctioning off of their property
Secondary Market	Liens that are traded to 3rd party investors after the original government auction
Securitization	The financial practice of pooling various types of contractual debt which generate receivables and selling their related cash flows to third party investors as securities
Servicer	A company assigned to hold collateral for a loan and release the collateral upon receipt of payment
Sherman Antitrust Act	A landmark 1890 U.S. legislation which outlawed trusts, then understood to mean monopolies and cartels, to increase economic competition
Statute	A written law passed by a legislative body
Subsequents or Subs	Subsequent taxes
Tax Deed	A legal document that grants ownership of a property when the property owner does not pay the taxes due on the property
Tax Lien	A statutory charge on property for taxes due giving the taxing authority a security interest in the property
Third Party Sale	Refers to the person or entity who buys a property at foreclosure
Unrecorded	Not found in the public record