

The real estate industry is known for having their own lingo. Before taking the plunge into homebuying make sure you are familiar with these terms.

Pre-approval- A mortgage lenders written statement that the approved person(s) will be granted a loan for a set amount pending underwriting approval. A pre-approval letter can strengthen a buyer's offer, making it more attractive to a seller.

Buyer's Agent- A buyer's agent is an agent who represents the interests of the homebuyer.

Listing Agent- A listing agent is an agent who represents the interests of the seller.

Listing- The description of the property for sale. A listing typically includes information about a property, like square footage, number of beds and bathrooms, price and photos.

Offer- A formal proposal that a buyer wants to purchase a home.

Private Mortgage Insurance (PMI)- A monthly insurance payment that may be required if a buyer is unable to put down 20 percent of the home's purchase price. PMI protects lenders against loss if a borrower is unable to make the loan payments.

Sales Contract- A legal agreement between a buyer and seller to purchase a property, for a specified price and terms, for a limited time period. When the seller accepts, or a counter offer is presented and accepted, it becomes a legally binding sales contract.

Earnest Money- This is money that is offered in "good faith" to show that a buyer is serious about purchasing a property.

Option Period- A set amount of days that the buyer has the "option" to back out of a home purchase. An option fee is paid if the buyer wants an option period, sometimes called an inspection period.

Down Payment- The amount of money a home buyer puts down toward a home purchase. This amount is separate from the loan amount.

Home Inspection- During the option period, the buyer hires a home inspector to check out the property for any issues that the home may have.

Appraisal- An unbiased evaluation of what a property is worth. A home appraisal can impact the amount of money a lender is willing to loan for a specific property.

Seller's Concessions- Seller's may choose to offer concessions to help cover closing costs or in lieu of making repairs to the home.

Closing Costs- Fees associated with completing a real estate transaction. These fees may include fees for attorneys, document creation, credit reports, or deed recording.

Contingencies- These are conditions that must be met before the close of a sale. In some cases, a home buyer will make a purchase contract contingent on the sale of their current home.

HOA- The Home Owner's Association. This is the organization that makes and enforces rules in a neighborhood.

Mortgage- The monthly payment a homebuyer makes on their loan balance.

Home Warranty- A warranty, that the sellers often purchase for the buyer, that cover issues that may come up with the home after the sale.

Title Insurance- A type of insurance that protects the home buyer and lender against any unknown liens or debts that may be placed against the property.

Final Walk-Through- This is the time that a buyer last inspects the property before the closing date.

Seller's Disclosure- A state mandated document the seller completes that lists any issues that the owner may be aware of with the property.

Closing- The last step in the homebuying process. This is when the funds are transferred, paperwork is signed and the sale is completed.

There are a lot of terms that you will come across during a real estate transaction. Don't worry, your REALTOR® will be by your side to explain all of your questions and guide you through the process.

For more information on buying, selling, or leasing your home visit SABOR.com and use a San Antonio area REALTOR®.