

HOME BUYER'S GLOSSARY

Adjustable-rate Mortgage (ARM) - A mortgage for which the interest rate and the payments change during the life of the loan.

Agreement of Sale - The contract in which the seller agrees to sell and buyer agrees to buy, with conditions and terms spelled out and signed by both parties.

Amortization - A plan for gradually repaying, in periodic payments, money borrowed.

Balloon Mortgage - A mortgage that has a large amount of the principle due at the time of maturity.

Bridge Loan - A loan that finances a mortgage at the end of one loan and the start of a new one.

Closing Costs - Expenses and fees that are added to the price of the property, paid by the buyer and the seller at the closing. The Agreement of Sale states who pays which costs.

Commercial Bank - A financial institution authorized to provide a variety of financial services, including consumer and business loans (generally short-term), checking services, credit cards and savings accounts.

Condominium - The buyer owns title to a residential unit, shares common areas with other unit owners and pays maintenance fees to the condominium association for property upkeep.

Conventional Loan - A loan not guaranteed by the VA or insured by the FHA.

Co-op - In exchange for the right to occupy a co-op unit, the buyer owns shares in the co-op corporation (made up of co-op residents), rather than owning real property.

Debt-to-income Ratio - A percentage arrived at by dividing the borrower's fixed monthly obligations by the borrower's monthly income.

Due-on-sale Clause - A mortgage stipulation demanding payment of the entire loan balance upon sale or other transfer of the real estate securing the loan.

Equity - The ownership interest remaining in property after payment of all liens or other charges on the property.

Escrow - Funds left in trust with a third party, to be paid to a designated recipient at a designated time.

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac) - A quasi-governmental secondary market agency that purchases whole mortgage loans. Freddie Mac sells interest in pools of mortgage loans to obtain funds for mortgage loan purchases.

Federal Housing Administration (FHA) - A government agency within the Department of Housing and Urban Development that administers many programs involving housing loans made from private funds, including mortgage insurance for lenders and rent or interest assistance for low-income tenants and mortgagors.

Federal National Mortgage Association (FNMA or Fannie Mae) - A privately owned and managed corporation that purchases mortgage loans originated by other lenders. Fannie Mae issues stocks and securities to obtain funds for its purchases.

Fixed-Rate Mortgage - A loan that has one set interest rate. Installment Debts - A buyer's long-term debts; they usually extend for periods longer than nine months.

Intermediate-term Loan - A home loan of less than 30 years.

Life-of-loan Cap - A consumer protection on some adjustable loans. It limits the total upward adjustment that may occur during the life of the loan. Also known as an overall cap.

Loan-to-value Ratio - The relationship between the amount of a home loan and the total value of the property. Lenders may limit their maximum loan to 80-95 percent of value.

Lock-in Rate - A rate commitment made by lenders when making a mortgage loan to commit to or "lock in" that rate pending loan approval. Lock-in commitment periods vary.

Market Value - The highest price the buyer is willing to pay for a property and the lowest price the seller will accept.

Mortgage - A lien or claim on property given by a buyer to a lender as security for money borrowed.

Mortgage Broker - An individual or company that obtains mortgages for others by finding lending institutions, insurance companies, or private lenders to lend money.

Payment Cap - Limits the amount that a monthly payment on an ARM loan can increase at the time of adjustment.

Points - One percent of the amount of the mortgage loan.

Prepayment - Payment of a mortgage loan, or portion of the loan, before the due date.

Prime Rate - The interest rate that banks charge to their preferred customers. Changes in prime rate are used as indexes in some adjustable rate mortgages, especially home equity lines of credit.

Principal - The basic loan amount, separate from interest, insurance, and taxes.

Private Mortgage Insurance (PMI) - The insurance coverage offered by a private company that protects a lender against loss on a default mortgage loan. Its use is usually limited to loans with high loan-to-value ratios. The borrower pays the premiums.

Title - Proof of ownership.

Title Search - A check of title records to assure that the buyer is purchasing property with no liens, encumbrances, or other claims which might adversely affect the title's value or marketability.

Veterans Administration (VA) - A government agency that helps veterans of the armed forces obtain housing.



**WALLOWA COUNTY
BROKERS**

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Kirk Makin, Principal Broker ~ Russ Ruonavaara, Broker ~ Kent Sands, Broker



Big unobstructed views from this 1.94 AC creek front lot. There is a 50 gallon/minute domestic well in place and a standard septic approved. This property is buildable & is on a cul-de-sac, ready for a dream home. #17664760 \$129,000



Terrific 997 AC cattle & hunting ranch on the breaks of Grande Ronde River. 2 BR, 2 BA ranch house & outbuildings. 300 AC tillable farm ground. Attached 500+ AC BLM permit extends to the river. #17100579 \$1,250,000



Excellent 606 AC of non-irrigated crop land in a beautiful setting. There is 435 tillable AC with seasonal creeks. Also patches of timbered areas for excellent deer, elk, turkey and grouse hunting. #16330570 \$599,000



Buildable 20+ AC w/ gentle slopes & level ground for building. Great Wallowa Mountain & valley views. Power available. Very productive tillable farm ground plus gravity sprinkler irrigation. #16079142 \$235,000



Bungalow w/ 3 BR, 1 BA home on a corner lot. Not far from Wallowa Lake & Iwetemlaykin State Park w/ hiking trails. Would make a nice rental, first time buyer or vacation home. Seller is related to listing agent. #17354075 \$139,000



Buildable 5 AC view parcel. Irrigation water rights. Tillable land currently raising hay. Parcel is located not far from downtown Joseph. Nice level ground to build. Possible Owner Terms! #15523076 \$160,000



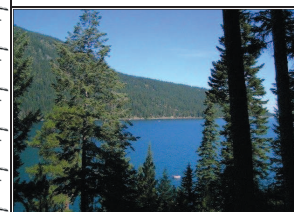
Buildable 180 AC w/ huge views of the mountains & valley. Great pasture land. Some non-irrigated crop land. The property can be accessed from Lewiston Hwy or Golf Course Road. Power is available. #16432578 \$189,000



Excellent Wallowa Mountain, Wallowa Valley & 7-Devil Mountain views. 36+ irrigated AC w/ gravity sprinklers. Custom 4 BR, 3 BA home w/ many amenities. A 2-car finished garage & large shop. #17267438 \$780,000



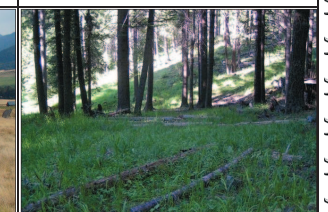
160 AC w/ approx. 1/4 mile of Wallowa River frontage. Historic barn & building site with river views. This property has many potential uses & is just outside of Lostine. The property is 1/4 mile off Hwy. 82. #15522012 \$425,000



Maybe the best view lot at the south end of Wallowa Lake. Private locked gate access from Umatilla Rd. or Hwy. 82. Power, water & sewer to property. Owner is related to listing broker. Owner terms poss. #14358782 \$99,000



Buildable 125 AC parcel w/ big panoramic views, great pasture land w/ some tillable farm ground recently in CRP. Several great spots ideal for a home site w/ paved country road access. #13127730 \$249,000



Gorgeous 7+ AC at south end of Wallowa Lake. Borders National Forest. Nice location for summer home. Underground power, sewer & water will be to the property. Great access & very private. #11646196 \$119,000

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