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**Leaseback:** When one party sells a property to a buyer and the buyer immediately leases the property back to the seller. This is sometimes done when the initial buyer needs to free up cash invested in an asset to make other investments, but the asset is still needed to operate. The lessor benefits by getting stable payments for a period of time. This is also called "sale and leaseback."

**Lease purchase:** A contract that allows potential buyers to lease a home with an option to buy. The tenant/buyer pays the landlord/seller a sum that is equivalent to the rental amount, usually on a monthly basis. A portion of that monthly payment is then applied to the purchase price of the home. During, or at the end of the lease period, the tenant/buyer has exclusive rights to buy the home under the terms to which both parties have previously agreed.

**Lien:** A legal claim against a property that must be satisfied. A lien holder has the right to sell the property to obtain the money, or to recover the money when the property is sold.

**Lender:** An institution, such as a bank or broker, which loans money to be repaid with interest. Learn more about lenders.

**Loan:** Money borrowed that is usually repaid with interest.

**Loan application:** The first step in the official loan approval process; this form is used to record important information about the potential borrower necessary to the underwriting process.

**Loan-To-Value ratio (LTV):** The loan amount divided by either the lesser of the sales price of a property, or its appraised value. The LTV ratio is used during the loan approval period to gauge risk: the higher the LTV ratio, the higher the interest rate, and vice versa.

**Lock-in:** A guarantee of an interest rate if a loan is closed within a specific time.

**Loft:** This pertains to usually older commercial buildings such as warehouses, factories, hospitals, schools or office buildings that are renovated and converted into apartments, condominiums, or even studios and offices. They usually have high ceilings (12-14 feet), oversized windows, and have an open floor plan.

**Lot square footage:** The size of a lot is usually expressed in square feet or as a percentage of an acre (e.g. 5,000 sq ft / 0.11 acres) and can include developed and undeveloped land. This figure is derived from assessor's records and is usually determined by survey when the plat was created.