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Balloon mortgage: A mortgage that typically offers low rates for the first 3 to 10 years, at which point the principal balance needs to be paid in full. Borrowers usually sell before the balance is due or refinance the loan.

Bankruptcy law: A federal law whereby a person's assets are turned over to a trustee and used to pay off outstanding debts.

Bathrooms: In real estate, bathrooms are computed based on the presence of a bath tub, shower, toilet and sink, and are totaled in quarter increments. For example, a quarter-bath is a sink or a toilet; a half-bath is a sink and toilet; a three-quarters bath is a sink, toilet and shower; and a full bath is a room with a toilet, sink and bathtub. A full bath may or may not include a shower.

Bedroom: Generally, bedrooms are defined as having a minimum of 70 square feet of usable space, with a window and closet. A bedroom may be below ground level. A room cannot be considered a bedroom if it is used to access another room, unless the other room is a bathroom.

Binder: An informal contract between a buyer and seller in purchasing real estate. It could include earnest money which would be forfeited if the buyer changes his or her mind.

Borrower: A person who has been approved to receive a loan and is then obligated to repay it and any additional fees according to the loan terms.

Breach of contract: Violation of any of the terms or conditions of a contract without legal excuse.

Bridge loan: A loan that "bridges" the gap between the purchase of a new home and the sale of the borrower's current home. Usually up to 6 months long.

Building code: Regulations that determine the design, construction, and materials used in building according to local and area municipalities.

Buyer's agent: A real estate professional representing the buyer in the purchase of real estate.

Buyer's market: When the supply of homes on the market exceeds the demand provided by buyers in the market.