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Cap: A limit, such as that placed on an adjustable rate mortgage, on how much a monthly payment or interest rate can increase or decrease.

Caveat emptor: From Latin, it means "buyer beware." In other words, it is up to the buyer to investigate the property and purchase at his or her own risk.

Certificate of title: A document provided by a qualified source (such as a title company) that shows the property legally belongs to the current owner. Before the title is transferred at closing, it must be free and clear of all liens or other claims. Title searches also sometimes clarify issues such as easements. (Also see: Title)

Closing: Also known as settlement, this is the final phase of a real estate transaction when the property is formally transferred from the seller to the buyer. It is usually handled by a title company, though some states require an attorney at closing. Closing is when the buyer takes on any loan obligations and receives title from the seller.

Closing costs: Customary costs above and beyond the sale price of the property that must be paid to cover the transfer of ownership at closing. These fees could include: Loan Fees, Cost of Abstract, Recording Deed and Mortgage, Documentary Stamps on Deed, Escrow Fees, Real Estate Commissions, Attorney's Fees, Title Insurance, Survey Charge, Appraisal Fees, and Inspection Fees.

COFI: Acronym for 11th District Cost of Funds Index, a common index to which loans are tied. The COFI is tied to interest paid on savings accounts.

Collateral: In real estate, property offered to secure [or offered as security for] repayment of a loan, though not with the intention of transferring property ownership.

Commission: An amount, usually a percentage of the property sales price, collected by a real estate professional as a fee for negotiating the transaction. It can also be a fee for other services such as showing a house, pricing a house, or advising on other real estate needs.

Comps or comparables: Comps are recently sold properties that are similar in size, location and amenities to the home for sale.

Comparative Market Analysis (CMA): Using comps, an analysis done to establish a home's market value.

Conditions: Provisions in a contract that some or all terms of the contract will be altered or cease to exist upon a certain event.

Condominium: A form of ownership in which individuals purchase and own a unit of housing in a multi-unit complex. Condo owners also share financial responsibility for common areas and usually pay a monthly or annual fee.

Cooperative (Co-op): Residents purchase stock in a cooperative corporation that owns a structure; each stockholder is then entitled to live in a specific unit of the structure and is responsible for a property lease.

Covenant: Also referred to as a restrictive covenant, it is an agreement, promise or obligation made in a deed that is inseparable from the property. The restrictions must be enforced by subsequent buyers of the property. Examples include: Maintaining a property in a reasonable state of repair; preserving a sight-line for a neighboring property; and not building on parts of the property.

Credit report: A detailed history of an individual's credit worthiness. This is used by lenders to gauge a potential borrower's ability to repay a loan.