



Buying a House - Chapter 28

Legal Terms

On the left side of your notebook, number from one to ten. Now write the letter of the word or phrase in Column I that best completes each statement in Column II.

Column I

- A. police power
- B. easement
- C. eminent domain
- D. equity
- E. joint tenancy
- F. mortgage
- G. zoning laws
- H. deed
- I. general warranty deed
- J. tenancy in common

Column II

1. Right to use the land of another in a limited way.
2. Written instrument by which the borrower pledges real property to the lender.
3. Type of co-ownership in which a person's heirs inherit that person's share of the property upon death.
4. Deed that contains express warranties that title to the property is good.
5. Difference between the fair market value and the debt in the property.
6. Written instrument that transfers ownership of real property.
7. Right of the government to take private land, with or without the consent of the owner, for public use.
8. The right of government to regulate the use of real property for the public welfare.
9. Type of co-ownership in which the surviving joint tenants own all the property when a co-owner dies.
10. Local ordinances that regulate the use of real property in specified areas.

Key Points in Your Reading

Answer each of the following questions by writing yes or no on the left side of your notebook.

1. Do lenders take other factors into consideration, in addition to income, when qualifying people for mortgage loans?
2. May the purchase and sale agreement be the most important instrument in a real estate transaction?
3. Must the buyer accept and sign a printed purchase and sale agreement without changing it?

4. Must several different fees be paid when a mortgage is obtained?
5. Are charges that are paid each month along with the mortgage payment called points?
6. Is a twenty-year loan less costly than a thirty-year loan for the same amount?
7. Does a balloon mortgage payment increase each month?
8. Is the closing date the day set for the passing of title to real estate?
9. May a public nuisance be removed by a court action?
10. Does the owner of a condominium have a legal status similar to that of a home owner?

You're the Judge

For each of the following cases, write Yes or No to indicate your decision. Then, in your own words, state the legal principle or legal reason that applies to the facts in the case.

1. The state needs the land owned by Robert Unright for a highway. May the land be obtained for such purpose if Unright refuses to sell it?
2. Louise Monette held a mortgage on Lester Duke's house and land. This mortgage had been properly recorded in the county clerk's office. Later, Allen Morrow purchased the property from Duke, not knowing about the mortgage. Did Morrow get a clear title to the property?
3. Ellen Norton orally agreed to purchase a summer cottage from Stuart Prince for \$15,000. On Norton's tendering a certified check for the amount, Prince refused to execute a deed, stating that the agreement was not enforceable because it was not in writing. Can Norton force Prince to execute the deed?
4. Tom Samfred purchased a lakefront cottage from Bill Smyth, who owned a large farm adjoining the lake. In order to get to the cottage from the main highway, it was necessary to pass over Smyth's land. Smyth gave Sanford a written easement, in the form of a deed, over Smyth's land, which was recorded at the registry of deeds. Five years later Smyth died, and the farm was sold to Irene Toohey. Toohey refused to let Samfred cross her land. Samfred brought suit against Toohey on the grounds that he has a right to cross the land. Do you think that Samfred will succeed? Why?
5. Helen Hesse and Ellen Denison bought a house together. They wanted to own it in such a way that if either were to die, her interest would pass to her own heirs. Should they take title to the house as joint tenants?