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“БРЕСТСКИЙ ГОСУДАРСТВЕННЫЙ ТЕХНИЧЕСКИЙ УНИВЕРСИТЕТ”

Кафедра иностранных языков технических специальностей

“Real Estate Property”

**Методическое пособие по английскому языку
для студентов 1-2 курсов
по специальности**

«Экспертиза и управление недвижимостью»

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Пособие составлено в соответствии с требованиями Программы по иностранным языкам для подготовки студентов к чтению оригинальной литературы по специальности на английском языке.

Тексты носят описательный характер, тематически связаны между собой и касаются процесса оценки и приобретения недвижимости.

Для контроля понимания содержания текстов авторами разработаны упражнения, развивающие умения выделять основные мысли, положения, факты.

Предтекстовые упражнения предназначены для создания опоры для понимания текста.

Послетекстовые упражнения носят текстовый характер и нацелены на контроль понимания содержания текста и являются опорой для подготовки пересказа прочитанного.

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TEXT I

I. MATCH EACH WORD WITH ITS DEFINITION:

1. parcel	a) a written document that, when properly executed and delivered, conveys or transfers title of real property or bond property.
2. subdivision	d) the extent of one's rights or interest in real property.
3. real estate agent	c) a person who contracts to build a house or building for another person.
4. lot	d) the surface of the land extending downward to the center of the earth and upward to infinity.
5. developer-builder	e) a piece of land that may be used as a building site for a house.
6. at the outset	f) at the beginning
7. property	g) a legal document by which the borrower pledges his ownership of the property as collateral to secure the mortgage; in the promissory note, note or bond.
8. to lease	h) to burden with obligations, debt.
9. general contractor	j) a person who constructs and sells houses on lots he owns.
10. construction loan	k) a legal declaration of a person's wish as to the disposition of his property or estate after his death.
11. estate	l) a lot, a piece of land
12. ownership	m) the rights and interests a person has in a thing he owns.
13. mortgage	n) the land and all the improvements on it, including the house.
14. restriction	o) an unauthorized intrusion of a building or other improvement upon the property of the owner, a sidewalk, or a street.
15. to encumber	p) 1) to set a part for a particular purpose. 2) to fix a place of smth.
16. easement	q) land that is divided or designated to be divided into two or more lots.
17. subsurface water	r) a lot of water after rain.
18. encroachment	s) a right or privilege that one party has in the property of another that entitles the holder to a specific limited use of the property.
19. will	t) legal rights of possession
20. deed	u) limitation
21. real estate	v) real property
22. to allocate	w) to burden with obligations, debt.

TEXT

A lot is a piece of land that is approved by the local building department for use as a building site for a house. In different parts of the country, a lot is called a parcel, land, property, or building site. Land is comprised of the surface of the earth and what is below it down to the center of the earth, and what is above it up to infinity, and includes all the natural resources such as trees, streams, oil, gas, and minerals. In addition to the physical quantity, land ownership includes a bundle of legal rights among which are the right to sell, lease, build, mortgage, encumber, use, enjoy, oc-

copy, give away, share, will, mine, drill, and farm. These legal rights run with the land meaning they benefit successive owners.

The law considers each piece of property to be unique. The legal implication of this is that one parcel cannot be substituted for another. If you bargain for a particular lot, the seller cannot make you accept a different lot.

Land which permanent man-made improvements such as a house or a barn is called real estate or real property. Estate means the extent of one's rights in real property.

FACTORS TO BE CONSIDERED.

Choosing a lot involves many factors: financial, technical, educational, commercial, social, transportational, recreational, and legal, to name a few. The principal financial factor is the price of the lot, which is determined mainly by its location, size, and amount of the property taxes. Technical factors include the availability of municipal sewer and water lines; the level of subsurface water and the water table; the grade slopes; the quality of the bearing soil; and whether the lot is located in a flood-prone zone. Other concerns would be the quality of the neighborhood schools and colleges, and the proximity of the shopping centers, supermarkets, social clubs, houses of worship, mass transit system, as highways, as well as theatres, beaches, parks, public swimming pools, and ski lifts. Legal factors include type of ownership, type of deed, deed restrictions, easements, and encroachments.

Building lots that are for sale can be found through the following means: (1) real estate agents, (2) "For Sale" signs posted along the roads and highways; (3) local newspapers; (4) friends, relatives and co-workers; (5) developer-builders. It is to be noted that a developer-builder does not sell an empty lot at a 'reasonable' price unless he is pressed for cash, since he can make more money selling a finished house.

PURCHASING THE PROPERTY.

There are two ways to buy a lot:

INDIRECTLY. When you contract a developer-builder (also called a developer) to build you a house on one of the lots in the subdivision he owns, he may show you several house designs, each with a different price, and ask you to choose one of them. In many instances, he can take you through either modern homes or houses under construction that are similar to the ones he is offering.

This method involves the minimum amount of work on your part and is very convenient if you have neither the experience nor the desire to get involved in construction or administrative work associated with building a house. The developer should either have the experience to supervise construction, or hire professionals to do this work for him. You need not worry about how much money to allocate for the lot and how much for the construction.

The disadvantage of this method is that your options in selecting your design are limited to the few models the developer has to offer. Another disadvantage that you are required to sign a contract for the entire house at the outset without having a real chance to study the design or the materials used in construction, and before you have time to decide whether the offered design fits your requirements and needs. You may request design changes or construction alterations, but the developer is likely to discourage any deviation from the original plans since any change requires efforts, time and money. He will undoubtedly charge you extra money for any change you want, but he may not have time to do it.

DIRECTLY. Buying a lot outright, you choose a house design and either hire a general constructor to build you the entire house, or assign parts of it to professional subcontractors if you feel that you are able and willing to take charge of building your house. Such an endeavor requires a considerable amount of efforts, time and know-how, but the personal rewards are great. Being able to choose the design of your own house is a joy in itself. Selecting the finishing items such as bathtubs, kitchen cabinets, tiles, windows, doors, etc. is a thrilling and memorable experience for the entire family. It is financially rewarding in that you will save most of the general contractor's profit and overhead expenses and because a general contractor gets materials and labour at a discount not available to an individual building only one house. You may also deduct a portion of the points and interest on the construction loan from federal, state, and local taxes.

FINANCIAL PLANNING. At the outset you should estimate how much money to allocate for buying the lot and how much for the construction. The ratio between the price of the lot and the total cost of the house depends on the market conditions and the location. Land is cheaper in rural than in urban areas. Therefore, the price of a lot as a percentage of the total cost of the house is likely to be less in rural than in urban areas.

When comparing lot prices, keep in mind that the cash price of a lot is not the only item to be considered in financial planning. For instance, if a lot is rocky, you will have to spend a lot of money on blasting; if it is heavy wooded, the land will have to be cleared; if the grade is steep, you will have to spend money on grading or importing fill; if there is no municipal sewer line to connect to, you will have to construct a sewage disposal system; and if there is no municipal water line near by, a well must be drilled.

You should also inquire about the amount of real estate taxes you are expected to pay since this will have an effect on the amount of the mortgage loan you can obtain to finance the house, and your future financial obligations as well. Remember that real estate taxes are likely to increase with time.

II. READING COMPREHENSION TEST:

1. Land with permanent man-made improvements is called ...
 - a) property
 - b) building site
 - c) real estate
2. The principal financial factor for choosing a lot is ...
 - a) price
 - b) transport
 - c) technical factors
3. There are ... disadvantages in building a house indirectly.
 - a) two
 - b) three
 - c) few
4. Contracting a developer-builder is very convenient for ... people.
 - a) experienced
 - b) inexperienced
 - c) elderly

5. You spend much more money buying a house ...
 - a) indirectly
 - b) directly
6. Land is more expensive ...
 - a) in the country
 - b) in town
 - c) at the seaside
7. Real estate taxes are becoming ... with time.
 - a) less
 - b) more

III. DECIDE WHETHER THE FOLLOWING SENTENCES ARE TRUE OR FALSE:

Land ownership does not include only physical quantity.

A person who wants to buy a building lot can do it only through real estate agents.

The developer will agree on all your requests for construction alterations.

Buying a lot outright is less expensive than contracting a developer.

There are a lot of advantages in buying a lot outright.

The amount of real estate taxes influence the amount of the mortgage loan.

IV. SUPPLY THE SENTENCES WITH THE REQUIRED WORDS AND WORD-COMBINATIONS:

The entire house; profit; cash price; at the outset; estate; overhead expenses; the subdivision; extra money; to allocate.

The extent of one's rights in real property is ...

If you decide to contract a developer, you may choose a lot only in ... he owns.

Contracting a developer means that you must sign a contract for ... at ...

The developer charges ... for any changes the buyer wants.

Buying a lot outright, the buyer saves most of the general contractor's ... and ...

The buyer must decide how much money ... for the lot and for the construction.

... of the lot is not the only item to be considered in the financial planning.

V. DECIDE WHICH TRANSLATION IS CORRECT:

1. Land with permanent man-made improvements is called real estate.

a) Недвижимое имущество— это земля с долговременными постройками

b) Земля с долговременными промышленными постройками называется «недвижимое имущество»

в) Земельный участок с долговременными постройками называется «недвижимое имущество»

2. He will undoubtedly charge you extra money for any change.

a) Он, конечно, возьмет с вас лишние деньги за все изменения

b) Он, несомненно, возьмет с вас дополнительную сумму за любое изменение

в) Он, несомненно, назначит вам дополнительную плату за изменения

3. If there is no municipal water line near by, a well must be drilled.

a) Если нет городского водопровода, то колодец должен быть вырыт

b) Если близко нет городской водопроводной системы, то должен быть вырыт колодец

в) Если близко нет городской водопроводной системы, следует вырыть колодец

4. This method involves a minimum amount of work on your part.

а) Этот метод включает в себя минимум работы с вашей стороны

б) Этот метод предполагает минимум работы с вашей стороны

в) Этот метод включает в себя минимальное количество работы

5. These legal rights run with the land meaning they benefit successive owner.

а) Эти законные права действительны на землю, что значит, что они приносят пользу последующим владельцам

б) Эти законные права действительны на землю, этим они помогают последующим владельцам

в) Эти законные права имеют отношение к земле, принося выгоду последующим владельцам

VI. ASK YOUR GROUPMATES:

1. what legal rights land ownership includes;
2. what factor choosing a lot includes;
3. which of the methods of buying a lot involves less work on the buyer's part;
4. if there are any disadvantages of this method;
5. what he/she can say about the other method;
6. which method he/she would choose;
7. what the ratio between the price of a lot and the total cost of the house depends on;
8. what items except cash price should be considered in the financial planning;
9. why the buyer is advised to inquire about the taxes.

TEXT II

I. VISUAL INSPECTION.

After you find several lots that meet your requirement and financial ability, you should inspect them visually and narrow down your choices. Visual inspection of a building site reveals a lot of information. At the outset either the owner, the real estate agent, or the developer should provide you with a map or land survey indicating the location of the lot, its size, and shape. The size of the lot can be indicated either in acres or square feet. An acre is equal to 43,560 square feet.

High on the list of the items to be checked is the availability of the utilities: municipal water and sewer lines, electricity and telephone lines. If one or more of these items is not available, you should get an estimate of how much it would cost to install an alternative system.

Also check the elevation of the building site with respect to the surrounding area. If it is relatively high, it is an indication that rain water flows away from the lot, which is good. On the other hand, if it is relatively low, it indicates that rain water of the surrounding area overflows into the lot causing a wet basement, or ponding.

Subsurface water and high water table problems may not be visible at the time of inspecting the site, but might crop up either during construction or after you've built the house and moved into it. Subsurface water problems appear after a prolonged rainfall, causing a wet basement and a malfunctioning septic tank. Since it may not be raining at the time of inspection, you may ask the neighbors whether they experience a wet basement problem after heavy rainfalls. High water table may result from a nearby stream, drain, or shallow rock formations. The underground water level may be checked by digging a hole where you intend to build the house to a depth equal to that of the basement or until you reach water. If you encounter wet soil, keep the hole open for a couple of days until the water level stabilizes. If the water level is high, you know that you have to raise the level of the house, do without a basement, or look for another lot. (Precautions should be taken to ensure that nobody trips into the open hole. After serving its purpose, the hole should be backfilled.)

Visualize the position of the house within the lot. Ideally, the house should be built on the highest ground, where underground water problems are at a minimum. However, the topography of the lot may indicate that this is not feasible. For example, the highest ground may be at a corner of the lot where you are not allowed to build the house. The solution of this problem is to grade the site, import fill, or install an adequate drainage system. If you think that underground water may be a problem, you should consult an engineer before starting construction.

Grade slopes should not be over 10%, otherwise it would be difficult to walk on, to use it as a driveway, or to maintain a lawn or any vegetation. Heavy rain can wash away the top soil taking the lawn with it. More serious, however, when the soil is slippery (technically known as frictionless). It may slide down taking the house with it.

Avoid building sites that are on a cliff, a waterfront, or a shoreline, where sliding or soil erosion is a possibility. Insurance company may refuse to insure homes in these locations because they consider them to be at high risk. If you cannot get a home insurance policy for the house you are going to build for yourself and your family, you are well advised to look somewhere else.

CHECKING THE SOIL.

Soil is a loose upper layer of the earth. It is important that the soil be permeable enough to allow rain water to seep through without ponding, but not so permeable that it won't retain the moisture needed for the growth of lawn and shrubs.

More important however, is the bearing soil, which is the layer of soil upon which the footings are poured. It must be strong enough to safely support the house throughout its life. Soil should also be uniform so that it does not exhibit differential settlement. This type of settlement, unlike even settlement, is very harmful because it causes the foundation and the walls of the house to crack.

Check whether the lot has a soil survey or topography (topo). Such a survey would be found in the office in the local soil conservation district of the county in which the lot is located. Soil surveys provide valuable information regarding the location and extent of different types of soil, as well as soil properties such as friction capability or lack of it; the existence of clay types that swell when they gain moisture and shrink when they dry; and the depth of the rocks.

If you are going to install a sewage disposal system, you must check that the soil is porous enough to absorb the effluent of the septic tank. This is determined by the soil percolation test. Information about this test and its procedure can be obtained from the local or state department of health.

FLOOD CHECKING. You should determine at the outset whether the lot you are interested in buying is in a flood-plain area. The Department of Housing and Urban Development (HUD) maintains maps identifying these areas throughout the country. The federal government provides a subsidized flood damage insurance program administered by HUD for property owners of these areas. This flood insurance is mandatory for properties financed by mortgages, loans, grants or guarantees from a federally insured or regulated lender or from a federal agency.

Some people choose to build their houses in flood-plain areas because land there is cheap. Should you decide to buy a lot in one of these areas, check with the county or state commission to see how frequent and severe the flooding is and what plans are underway or contemplated to curb flood damage effects.

II. READING COMPREHENSION TEST:

1. You should be provided with a land survey ...
 - a) during the inspection
 - b) at the beginning of the inspection
 - c) after the inspection
2. The most important problem on the list is ...
 - a) the location of the lot
 - b) the level of the subsurface water
 - c) the availability of the utilities
3. Subsurface water problems appear ...
 - a) during the inspection
 - b) after the inspection
 - c) after heavy rain
4. You should build your house ...
 - a) on a high ground
 - b) on a low ground
 - c) on a slippery ground
5. Insurance companies consider a house to be at high risk if it is situated ...
 - a) in the corner of the lot
 - b) on a cliff
 - c) not far from the highway.
6. The ideal place for building a house is ...
 - a) in the centre of the lot

- b) on the lowest ground
 - c) on the highest ground
7. It is desirable that the soil be
- a) permeable
 - b) frictionless
 - c) porous

III. DECIDE WHETHER THE SENTENCES ARE TRUE OR FALSE:

1. You should inspect several lots and narrow down your choice.
2. It is good if the building site is relatively high.
3. Rain water will not overflow into the lot if the elevation of the building site is low.
4. Prolonged rainfalls cause a wet basement.
5. The house must be built in the highest ground only.
6. You should do without a basement if the water level is high.
7. Sloping soil is more dangerous than slippery.
8. Differential settlement is very dangerous.
9. High water results from heavy rain.

IV. SUPPLY THE SENTENCES WITH THE REQUIRED WORDS AND WORD-COMBINATIONS:

Acres; square feet; visible; to take precautions; to wash away; soil; bearing soil; soil survey; to shrink.

1. The size of a lot can be indicated either in ... or
2. Heavy rains can ... the top soil taking the lawn with it.
3. ... will give you information about the soil.
4. You should ... that nobody trips into the open hole.
5. If the soil is dry, it
6. Water problems may not be ... at the time of inspecting the site.
7. The first thing to check during the inspection is
8. The loose upper layer of the earth is
9. The layer of the soil upon which the footings are poured is

V. DECIDE WHICH TRANSLATION IS CORRECT:

1. You should inspect a lot of lots visually and narrow down your choice.
 - a) Вам надо инспектировать все участки и сузить свой выбор
 - б) Вам следует осмотреть много участков и ограничить свой выбор
 - в) Вы должны осмотреть некоторые участки и сделать свой выбор
2. High water table may result from a nearby stream, drain, or shallow rock formations.
 - а) Высокий уровень воды может произойти в результате близко расположенного ручья, дренажной канавы или полых горных образований
 - б) Высокий уровень воды может быть из-за близости ручья, дренажной канавы или пустых горных образований
 - в) Высокий уровень воды образуется из-за расположенного близко ручья, дренажной канавы или полых горных образований
3. If you encounter wet soil, keep the soil open for a couple of days until the water table stabilizes.
 - а) Если вы натолкнулись на влажную землю, оставьте яму открытой на 2 дня, чтобы стабилизировался уровень воды

- б) Если вы обнаружили влажную почву, оставьте яму открытой на несколько дней, пока стабилизируется уровень воды
- в) Если вы натолкнулись на влажную почву, оставьте яму открытой на пару дней, пока не стабилизируется уровень воды
4. Visualize the position of the house within the lot.
- а) Определите расположение дома в пределах участка
- б) Представьте себе расположение дома в пределах участка
- в) Определитесь с местом нахождения дома на участке
5. Insurance companies may refuse to insure homes at these locations because they consider them to be at high risk.
- а) Страховые компании могут отказать в страховании дома в этих местах, потому что они считают, что они находятся в большой опасности
- б) Страховые компании могут отказаться страховать дома в этих местах, потому что они считают, что дома находятся в большой опасности
- в) Страховые компании отказываются строить дома в таких местах, потому что они считают, что это рискованно
6. It is important that the soil be permeable enough to allow rain water to seep through without ponding.
- а) Важно, чтобы почва была достаточно проницаема для того, чтобы дождевая вода могла просачиваться без запруживания
- б) Важно чтобы почва была такой проницаемой, чтобы вода просачивалась в землю
- в) Важно чтобы почва была проницаемая, чтобы позволить воде просачиваться

VI. ASK YOUR GROUPMATES:

1. why visual inspection of the building site is very important;
2. what the most important item to be checked is;
3. why the high elevation of the building site is better than the low one;
4. when water problems may crop up;
5. what he/she should do if the water level is high;
6. what problem he/she may run into if the soil is slippery;
7. why it is advisable to avoid building sites that are on a cliff, a waterfront, or a shoreline;
8. if it is good when the soil is very permeable;
9. what kind of information he/she can receive in a soil survey;
10. what kind of soil he/she has learnt about.

TEXT III

I. MATCH EACH WORD WITH ITS DEFINITION:

1. Eminent Domain	a) a type of ownership that is subject to certain limitations by the grantor as indicated by the phrase "as long as", "while" and "until". If the grantee violates one of the limitations, ownership returns to the grantor automatically.
2. seized property	b) ownership of the property that is limited in duration to the life of the grantor, grantee or a third party.
3. life estate	c) the right of the federal and state governments or public service organizations to acquire all or part of a privately owned property for public use regardless of the owner's wishes. The law requires that the owner be fairly compensated.
4. permanent right	d) the price paid for the purchase of a real property. It may be in the form of money or services.
5. condemnation	e) confiscated property
6. to convey a property	f) to bring a civil action against smb.
7. Fee Simple	g) an estate of inheritance in land with limitation
8. Fee simple on condition	h) the highest form of an ownership of real property, continuing forever. It entitles its holder to the entire property with unconditional power of disposition during his life and descending to his distributees.
9. grantor	i) the person to whom the title to real property is transferred (buyer)
10. to seek	j) to transfer a property
11. Fee simple determinable	k) a just legal title intended to exist for a long period without regard to unforeseeable conditions
12. distributee	l) the person who transfers title to real property by deed (the seller)
13. to sue for smth.	m) to ask for, to request
14. valuable consideration	n) confiscated property
15. grantee	o) a person who shares in a decent estate

LEGAL CHECKING.

It is required by law to physically inspect the premises (the lot) for rights that others may have to the property. Such rights may include easements and encroachments.

An easement is a right that may be exercised by one party to use the land of another for specific purposes. An example of an easement is the right of the electric utility to use the land of an owner to lay its cables or install its poles. Another example is when an owner of a lot has a right to cross the neighboring lot to get access to a road or lake. Easements run with the land, and are not cancelled when ownership to either lot changes hands.

An encroachment occurs when a part of a building, a fence, or a driveway extends illegally beyond the land of its owner into the neighboring lot. Encroachment

can be verified visually or by a land survey. If the encroachment is less than 10 years old, the encroached upon property owner may sue for removal of the encroachment or seek damages. But, if the encroachment is more than 10 years old, it may become an easement and so become a permanent right.

In addition to physical checking of the lot, you should ensure that the lot is not earmarked to be seized for public use. A federal or state government or a public service organization can acquire a privately owned lot through a court action called condemnation. The statute under which this power is given is called Eminent Domain. The law requires that the owner of the seized property must be fairly compensated.

Also check the type of deed you would be getting because all deeds are not alike.

TYPES OF OWNERSHIP. There are 4 types of property ownership: (1) Fee Simple or Fee Simple Absolute, (2) Fee Simple Determinable or Qualified, (3) Fee Simple on Condition and (4) Life Estate.

FEE SIMPLE or FEE SIMPLE ABSOLUTE. This is the highest form of the ownership. It entitles the title of holder of the property to unconditional power of disposition during the person's life and descending to the person's distributees and legal representatives upon his or her death.

FEE SIMPLE DETERMINABLE or QUALIFIED. This can easily be identified by the language of condition such as the words "as long as", "while" and "until". For example, a grantor (seller) conveys a property to a grantee (buyer) as long as he does not open a liquor store on it. If the grantee opens a liquor store on the property, ownership goes back automatically to the grantor.

FEE SIMPLE ON CONDITION. Its language is different from the fee simple determinable in that it states a condition that if not fulfilled, the grantor has the right to repossess the property. For example: "To the grantee, but if the property is not used for recreational purposes, the grantor has the right to reenter and repossess the property." In this type of ownership, the right to repossess is not automatic as in the case of the fee simple determinable.

LIFE ESTATE. Life estate ownership is limited in duration to the life of the grantor, grantee or a third party. For example, a grantor grants a property to a grantee for as long as the grantee lives; after the grantee's death, the property is granted to a particular charity. The grantee can sell the property to a buyer. The buyer will have absolute ownership (fee simple) to the property as long as the grantee lives. When the grantee dies, ownership goes to charity. The duration of life estate may not necessarily be tied to the life of a human being. For example, a grantor grants a property to a grantee as long as the grantor's beloved dog, Rex lives; after Rex's death, the property returns to the grantor's heirs. The grantee has absolute ownership (fee simple) to the property as long as Rex lives. Should the grantee die before Rex, his heirs inherit the property for the duration of Rex's life.

You should be certain that you buy a property that has a fee simple type of ownership.

After you satisfy yourself and your family that a particular lot is the best you can get whether or not it includes a finished house, you will have to enter into a Contract of Sale with either a developer or the lot's owner

READING-COMPREHENSION TEST:

An encroachment may become an easement in ... years.

- a) five
- b) ten
- c) twenty

An easement is a right that runs with

- a) the building
- b) ownership
- c) the land

The highest form of ownership is

- a) Fee Simple on Condition
- b) Fee Simple Determinable
- c) Life Estate
- d) Fee Simple Absolute

"Fee Simple Determinable" is

- a) limited in duration
- b) limited by a condition
- c) without any conditions

The right to repossess the property is automatic in

- a) Fee Simple Determinable
- b) Fee Simple on Condition
- c) Life Estate
- d) Fee Simple Absolute

... gives the right to descend the property.

- a) Life Estate
- b) Fee Simple Determinable
- c) Fee Simple Absolute

II. DECIDE WHETHER THE FOLLOWING SENTENCES ARE TRUE OR FALSE:

1. An easement gives the right to another party to use the land for any purposes.
2. An encroachment is a legal right of one party to use the land of another party.
3. Encroachment can be verified only by a land survey.
4. You should not buy a lot without ensuring that the lot is not earmarked to be seized for public use.
5. Under life estate ownership the property goes to charity after the grantee's death.
6. If the property is seized, the owner is fairly compensated.
7. The holder of a fee simple type of ownership can't descend his property.

III. SUPPLY THE SENTENCES WITH THE REQUIRED WORDS AND WORD-COMBINATIONS:

Eminent Domain; encroachment; condemnation; an unconditional power; to change hands; to reenter and repossess; to sue

1. The encroached upon property owner may ... for the removal of the encroachment.
2. ... means taking private property for public use with fair compensation to the owner.
3. ... is the right of the federal and state governments or public service organizations to acquire all or part of a privately owned property for public use regardless of the owner's wishes.
4. Under "Fee Simple on Condition" ownership the grantor has the right ... the property, if the condition is not fulfilled.
5. Easements are not cancelled when ownership to the lot
6. ... is an illegal extension beyond the land of its owner into the neighboring lot.
7. The owner of a fee simple type of ownership has ... to dispose and descend his property.

IV. DECIDE WHICH TRANSLATION IS CORRECT:

1. An example of an easement is the right of electric utility to use the land of the owner to lay its cables or to install its poles.
 - a) Например, право предприятий электросети использовать землю для прокладки кабеля или установки столбов.
 - b) Примером права прохода по чужой земле является право предприятий электросети использовать землю владельца, чтобы проложить кабель или установить столбы.
 - c) Одним из примеров права прохода по чужой земле является право, используемое предприятиями электросети при прокладке кабеля или установки столбов.
2. The law requires that the owner of the seized property be fairly compensated.
 - a) Закон требует, чтобы владельцам реквизированной собственности хорошо заплатили.
 - b) Закон гласит, что владельцам реквизированной собственности должны хорошо компенсировать затраты.
 - c) Закон требует, чтобы владельцам реквизированной собственности были справедливо возмещены убытки.
3. ... the encroached upon property owner.
 - a) ... владелец, чью земельную собственность отняли.
 - b) ... владелец, на чьи права покушались.
 - c) ... владелец, на чью земельную собственность вторглись.
4. ... all deeds are not alike...
 - a) ... не все документы одинаковы.
 - b) ... документы не всегда одинаковы.
 - c) ... все документы не одинаковы.
5. The buyer will have absolute ownership.
 - a) У покупателя будет полное право владения собственностью.
 - b) Покупатель будет иметь полное право владения собственностью.
 - c) У покупателя будет абсолютное право собственности.
6. You are likely to get a bargain.
 - a) Похоже, вы заключите сделку.
 - b) Возможно, вы заключите сделку.
 - c) Вам понравится заключать сделки.

V. ASK YOUR GROUPMATES:

1. why it is required by law to physically inspect the premises.
2. what example of an easement he/she can give.
3. what the difference between an easement and encroachment is.
4. in what case the encroached upon property owner may seek damages.
5. when an encroachment becomes a permanent right .
6. in what way a public service organization can acquire a privately owned lot.
7. how many types of property there are.
8. what the difference is between Fee Simple Determinable and Fee Simple on Condition types of ownership.
9. under what type of ownership the property is granted to charity.
10. why Fee Simple is the highest form of ownership.

TEXT IV

I. MATCH EACH WORD WITH ITS DEFINITION:

1. contract of sale	1. the judicial decision of a case in court
2. judgment	2. an offer to buy real estate accompanied by a deposit of money as evidence of the buyer's good - faith intention to complete the transaction
3. earnest money	3. a sum of money or anything given as security or in part payment
4. encumbrance(s)	4. a charge against real property made by a branch of government to cover the proportionate cost of an improvement such as a street or sewer
5. tax	5. a cash deposit paid by the prospective buyer as evidence of his good-faith intention to complete the sale
6. easement	6. any cloud against clear title of a property that diminish its value
7. offer to purchase	7. the process by which the promises and agreements between the parties to a real estate transaction are fulfilled
8. lawyer	8. an elective county official who keeps records of property titles
9. assessment	9. a right that one party has in the property of another that entitles the holder to a specific limited use of the property
10. deed restrictions	10. an act that is done in honesty and sincerity
11. county clerk	11. an agent who buys or sells for a principal on a commission basis without having title to the property
12. binder	12. a person who conducts lawsuits for clients in a court of law or advises or acts for clients in other legal matters
13. principal	13. the amount of the mortgage debt; a main party in a transaction; the homeowner who hires a real estate broker
14. title insurance company	14. persons who are considered legally capable of entering into contact with others based on minimum age and sound mind
15. lis pendens	15. a legal right or claim that one party attaches to the property of another as security for paying a debt or obligation
16. broker	16. a written agreement or a contract for a sum of money deposited with a third person by whom it is to be delivered on the fulfillment of some condition
17. lien	17. a notice filed in the public records where the property is located informing the public that a legal action against a property is pending
18. deposit	18. a sum of money demanded by a government for its support levied upon incomes, property, sales, etc.
19. mortgage	19. a right given to laborers to secure payment for either work performed or material furnished where the value or condition of the property has been improved and the workers have not been paid
20. escrow account	20. conditions and restrictions placed in the deed or a separately recorded declaration by a grantor for the purpose of limiting the use of the land by future owners

21. to commingle	21. a company protecting the owner or mortgagee of real estate from lawsuits or claims arising from a defective title
22. time of essence	22. a legal document by which the borrower pledges his ownership of the property as collateral to secure the mortgage debt included in the promissory note, note, or bond
23. time of essence	23. to mix the clients' funds or deposits with agents' personal funds
24. closing	24. a clause used if either the buyer or the seller of real property has compelling reasons for closing the title on a fixed date stated in the contract
25. competent parties	25. an agreement between two or more parties for selling
26. good faith	26. a contract having legal force
27. valid contract	27. a contract made in accordance with procedures that ensures validity
28. formal contract	28. an offer to buy real estate

CONTRACTS AND ARBITRATION.

A contract is an agreement between competent (sane adult) parties to do certain things that are legally enforceable. In the course of building your house, you will enter into a contract of sale of real estate either with a developer to buy a house including the lot, or a landowner to buy an undeveloped lot. For the latter case, you will enter into additional construction contracts with either the general constructor to build the entire house or several subcontractors, each to build a specific part of the house.

ESSENTIALS OF A CONTRACT OF SALE OF REAL ESTATE. The contract of sale of real estate must explicitly contain all the terms and conditions agreed upon between you (the buyer) and the developer or lot owner (the seller). Implied agreements or understandings are not enforceable. For example, if the seller does not explicitly promise to deliver a full covenant and warranty deed, you may be required to accept a bargain and sale deed.

The essentials of a valid contract of sale are:

1. There must be a meeting of the minds, meaning a mutual agreement between buyer and the seller on the provisions of the contract.
2. The contract must be in writing and signed by both parties.
3. The parties must be identified.
4. The parties must be competent.
5. An expression of the seller's agreement to sell and the buyer's agreement to buy.
6. The property must be sufficiently described.
7. The price (valuable consideration) and the terms of payment.
8. Agreement of the seller to convey title. The contract usually specifies the type of deed to be delivered to the buyer, although this is not essential.

ENCUMBRANCES. An encumbrance is a right to the property by a third party. It often limits land use but does not prevent transfer of title. Where there are encumbrances in the title to be conveyed, the contract must express the agreement of both parties with the respect to them. Some of the most common encumbrances are:

1. Unpaid taxes and assessments for local improvements. They automatically become liens to the property.
2. Mortgages.
3. Lease of the property or any part of it

4. Judgments against the seller, duly recorded in the county in which the property is located.

5. Mechanic's liens for work performed or material furnished for use to improve the value of the property.

6. A legal document (lis pendens) filed in the office of the county clerk, giving notice that the action or proceeding is pending in the courts that may affect the title to the property.

7. Encroachment of a structure on the land of the adjoining owner or a street.

8. Easement (the right of one party to use the land of another for specific purposes).

9. Deed restrictions.

10. Code or zoning violations (discovered by a recent land survey or certificate of occupancy).

TIME IS OF THE ESSENCE. This clause is used if either the buyer or the seller has compelling reasons for closing the title upon a fixed date stated in the contract. By that date, the seller must be able to deliver the deed to the property and the buyer must be able to pay the agreed upon price. If either party is unprepared by then to fulfill its obligation, it may suffer substantial financial losses. Thus, extreme caution should be exercised when including this clause in the contract.

OFFER TO PURCHASE. In many parts of the country, buying real property begins with an offer to purchase, which is sometimes called a binder or earnest money agreement. It is an informal agreement, usually drawn by a real estate agent, in which you (the buyer) set your terms and sign it. The agent may require from you a small cash deposit, for which he gives you a receipt, as evidence of your "good faith" to complete the transaction. Subsequently, the agent presents your offer to the seller. If the seller accepts it, a formal contract of sale is signed within a few days. Care should be taken to ensure that the terms of the final contract are exactly the same as those of the offer to purchase.

You, the buyer, may withdraw the offer to purchase at any time prior to its acceptance by the seller. In order not to tie up your offer for a long period of time, you are advised to specify a deadline for its acceptance, beyond which time your offer expires automatically. If you withdraw your offer before it has been accepted or if your offer is rejected or has expired, you are entitled to the return of all your deposits.

SHOPPING FOR SERVICES. When the seller accepts your offer to purchase, you should start shopping for services such as a mortgage, lawyer's services, and a title insurance company. Once you've secured a mortgage commitment and retained a lawyer, you should convey this information to the seller either directly or through the real estate broker, if there is one. Subsequently, the seller asks his or her lawyer to prepare a formal contract of sale. A contract is then drawn, signed by the seller and mailed to your lawyer for his review and to obtain your signature and the deposit check. At this point, your lawyer advises you as to what your losses will be if you default, based on the terms of the contract. Next, your lawyer mails both the signed contract and the deposit check to the seller's lawyer who keeps them until the closing. If you do not know of a title insurance company, your lawyer may recommend one to you.

DEPOSITS. When you and the seller sign the contract of sale, it is common but not essential that you enclose a cash deposit with the contract. You should not pay a deposit, or sign a contract, unless you are fairly certain of your ability to complete

the transaction, since the deposit may be retained by the seller if you default, depending on the terms of the contract.

The amount of the deposit is subject to negotiations between the seller and the buyer. Naturally, the seller likes to get a large deposit to compensate him for any losses he may incur if you default and to pay for his lawyer and the real estate brokers. On your part, you like to pay a small deposit to minimize your losses should you become unable to complete the transaction. In most contracts, the deposit is equal to 10% of the purchase price.

This deposit may be held by either the seller's lawyer, or the real estate broker in a special escrow account. The escrow holder may maintain one escrow account for deposits from all her clients, but she is not permitted to commingle the escrow money with her personal funds, and she must maintain complete and accurate records of all her customers' deposits.

II. READING-COMPREHENSION TEST:

1. There are ... essentials of a valid contract of sale.
 - a) six
 - b) eight
 - c) ten
2. An encumbrance is a right to the property by...
 - a) a first party
 - b) a second party
 - c) a third party
3. Buying real property begins with ...
 - a) shopping for services
 - b) an offer to purchase
 - c) the contract of sale
4. In earnest money agreement ... sets his terms and signs it.
 - a) the buyer
 - b) the seller
 - c) the agente.
5. ... prepares a formal contract of sale.
 - a) the buyer's lawyer
 - b) the real estate agent
 - c) the seller's lawyer
6. It is ... for the buyer to enclose a cash deposit with the contract.
 - a) essential
 - b) unnecessary
 - c) common
7. ... wants the deposit to be as large as possible.
 - a) the buyer
 - b) the seller
8. If a person buys a house including a lot, he will enter into a contract of sale of real estate with ...
 - a) the landowner
 - b) a developer
 - c) a contractor
9. The contract of sale of real estate must be signed by ...
 - a) both the seller and the buyer

- b) either the seller or the buyer
- c) a general contractor and the buyer

III. DECIDE WHETHER THE FOLLOWING STATEMENTS ARE TRUE OR FALSE:

1. The buyer will have to enter into additional construction contracts with either a general contractor or several subcontractors if he buys an undeveloped lot.
2. If the buyer is unprepared to fulfill his obligation upon a fixed date stated in the contract, he will have to pay much more money.
3. A real estate agent will require from the buyer a great deal of money for an offer to purchase.
4. Binder is a formal contract of sale.
5. The terms of the final contract must coincide with those of the offer to purchase.
6. The buyer and the seller prepare the contract themselves.
7. The buyer is interested in paying a large deposit.
8. The buyer and the seller agree upon the amount of the deposit.
9. The less the deposit the better it is for the seller.
10. The deposit can be held by either the seller or the buyer.

IV. SUPPLY THE SENTENCES WITH THE REQUIRED WORDS AND WORD-COMBINATIONS:

an informal agreement; the seller's lawyer; financial losses; to minimize losses; a cash deposit; a formal contract of sale; terms and conditions; an agreement

1. A contract is ... between competent parties to do certain things that are legally enforceable.
2. The contract of sale of real estate must explicitly contain all ... agreed upon between the buyer and the seller.
3. If either the buyer or the seller is unprepared to fulfill his obligation by the fixed date, he may suffer ...
4. A binder is ... in which the buyer sets his terms.
If the seller accepts the buyer's offer, ... can be drawn out.
5. While signing the contract the buyer may enclose ... with it.
6. The deposit is usually held in ...
7. ... keeps the signed contract and the deposit until the closing.
8. The buyer wants to pay a small deposit ...

V. DECIDE WHICH TRANSLATION IS CORRECT:

1. The parties must be competent.
 - a) Стороны должны быть правомочными.
 - b) Стороны должны быть компетентными.
 - c) Стороны должны быть знающими.
2. The contract must be in writing and signed by both parties.
 - a) Контракт должен быть написан и заверен обеими сторонами.
 - b) Нужно, чтобы контракт подписали и заверили обе стороны.
 - c) Контракт должен быть в письменной форме и подписан обеими сторонами.
3. The buyer must be able to pay the agreed upon price.
 - a) Покупатель должен договориться о выплате суммы.

b) Покупатель должен заплатить договорную сумму.

c) Покупатель должен быть в состоянии уплатить согласованную сумму.

4. Extreme caution should be exercised when including this clause into the contract.

a) Следует проявить особую осторожность, когда вы включаете этот пункт в контракт.

b) Следует проявлять предельную осторожность при включении этого пункта в контракт.

c) Вы должны соблюдать предельную осторожность, включая этот пункт в контракт.

5. If the seller accepts the buyer's offer, a formal contract of sale is drawn within a few days.

a) Если продавец принимает предложение покупателя, юридический документ выписывается в течение нескольких дней.

b) Если продавец принимает предложение покупателя, юридический документ оформляется в течение нескольких дней.

c) Если продавец принимает предложение покупателя, юридический документ оформляется через несколько дней.

6. The amount of the deposit is subject to negotiations between the seller and the buyer.

a) Сумма залога подлежит согласованию между продавцом и покупателем.

b) Сумма залога подлежит согласованию между покупателем и продавцом.

c) Сумма залога является предметом переговоров между продавцом и покупателем.

VI. PUT THE SENTENCES IN A SEQUENCE ORDER TO MAKE "THE PROCEDURE OF BUYING REAL PROPERTY"

1. The buyer sets his terms and signs an offer to purchase.

2. A real estate agent draws an informal agreement between the buyer and the seller.

3. The agent requires from the buyer a small cash deposit as evidence of his willingness to complete the transaction.

4. The agent presents the buyer's offer to the seller.

5. A formal contract of sale is drawn if the seller accepts the buyer's offer.

6. The buyer starts shopping for legal services after the seller accepts his offer to purchase.

7. The buyer secures the mortgage commitment.

8. The buyer retains a lawyer.

9. The buyer conveys the information about his securing a mortgage commitment and retaining a lawyer to the seller.

10. The seller asks his lawyer to prepare a formal contract of sale.

11. The formal contract is signed.

12. The formal contract is drawn.

13. The contract is mailed to the buyer's lawyer for his review.

14. The buyer's lawyer mails both the signed contracts and the deposit check to the seller's lawyer.

15. The seller's lawyer keeps the contracts until the closing.

VII. ASK YOUR GROUPMATES:

1. with whom a person will enter into a contract of sale of real estate in the course of building a house.
2. what the essentials of a valid contract are.
3. what an encumbrance limits.
4. what buying real property begins with.
5. in what way the buyer can prove his good faith to complete the transaction.
6. if it is necessary for the buyer to enclose a cash deposit with the contract.
7. when the buyer is advised to pay a deposit.
8. what the amount of the deposit can be.
9. where the deposit may be held.
10. what the duties of the escrow holder are.

TEXT V

I. MATCH EACH WORD WITH ITS DEFINITION:

1. principal	a) a sum or percentage allowed to a real estate agent
2. listing	b) failure to fulfil the terms of an agreement or a contract
3. damages	c) the amount of the mortgage debt; a main party in a transaction
4. action of specific	d) someone who buys goods or services performance
5. to rescind	e) to supply a business transaction with means of payment
6. real estate commission	f) a court action to compel a defaulting party to comply with the provisions of a contract
7. a listing broker	g) compensation awarded by court to a person who has sustained injury to his property or rights through the act or default of another
8. default	h) an agreement between the seller and a real estate broker by which the broker is authorized to represent the seller in soliciting offers to buy the property.
9. to finance the deal	j) to cancel the deal
10. Customer	k) an agent who compiles records

Real Estate Commission.

The real estate commission is a fee for services. It is usually paid by whomever hires the broker or agent. In most cases, it is the seller. (The party that hires the real estate agent is called the Client or the Principle, and the other party is called the Customer.) A buyer may pay the real estate commission provided that this fact be known to all parties, and that they agree to it. Also a buyer may hire a broker to find him a parcel. In this case, the buyer usually pays the broker's commission; the broker must make this fact known to all parties.

There is no rule for how much the commission should be. The client may either negotiate the commission with the broker or shop around for better rates. For land sale, it varies from 4% to 10%, but in most cases, the range is 5% to 7%.

The broker who obtains the listing from the seller is called the listing broker. Listing is an agreement between the seller and the real estate broker by which the broker is authorized to represent the seller in soliciting offers to buy the property in return for a negotiated fee payable when the property is sold, usually at the closing.

The listing broker may give notice to other brokers that he has such a property for sale in case one of them has an interested buyer.

If a broker other than the listing broker finds a prospective buyer, she has to present the offer to purchase to the listing broker who must submit it to the owner. If the offer is accepted and the property is sold, the broker who found the buyer is called the selling broker. In this case, the fee or commission is usually, but not always, split between the two brokers. If for example the fee is 6%, each broker gets 3%.

Further, a broker usually hires sales representatives to work on her behalf on a percentage basis that is negotiated between both.

The listing and selling brokers and their sales representatives owe their loyalty to their employer who pays them, usually the seller, and they must not disclose whether the seller will accept a price lower than the listing price or any facts that might impair the seller's bargaining position. They try to get the seller the best and highest offer. The highest offer is not always the best because it may be accompanied by terms unacceptable to the seller such as the seller being required to finance the deal, or the buyer offering a very small deposit or requesting a specific closing date that the seller cannot meet. Thus, you should not confide in a real estate broker or representative regarding the offering price or your financial posture. This is not because she is not trustworthy, but because she represents the seller. She is not supposed to counsel you. For example, if you tell her: "I will offer \$40,000 for the lot, but I can go up to \$45,000, what do you think?" you would be putting her in an awkward position, because it is her duty and her interest to get the seller the best and the highest offer. In this case, she is obliged to convince you to offer the \$45,000 immediately. Obviously, she will make a bigger commission if you buy the lot for \$45,000.

DEFAULT. A default is a breach of a contract. Specifically, it is the failure by either the seller or the buyer to fulfill a promise or to meet an obligation stated in the contract of sale agreement, such as when the seller refuses to convey title or the buyer is unable to pay the price. It is prudent for both parties to include in the contract what the penalties will be if either the seller or buyer defaults. Unless otherwise stated in the contract of sale, the following are possible legal remedies if either party defaults. If the seller defaults, the buyer may:

1. Rescind (cancel) the contract and recover his deposit and all expenses he incurred such as fee for a land survey or mortgage application.
2. File a lawsuit called Action of Specific Performance to compel the seller to convey the title. The basis for this lawsuit is that real property is unique and the property the seller agreed to sell cannot be replaced.
3. Sue the seller for damages.

If the buyer defaults, the seller may:

1. Declare the contract forfeited and retain the buyer's deposit.
2. Sue the buyer for damages.
3. Rescind the contract and return the deposit to the buyer. This happens when the seller finds another buyer who is ready, able and willing to buy the property for a price equal to or more than the price of the breached contract.

II. COMPLETE THE SENTENCES ACCORDING TO THE TEXT, TRANSLATE THEM:

1. The commission is usually split between the two brokers if... .
2. Brokers and sales representatives try to get the seller
3. While signing a contract, the parties must think over ... , if either of them defaults.
4. Neither the listing and selling brokers nor the sales representatives must disclose
5. The listing broker is the broker who
6. The broker must tell all parties that
7. If either party defaults, ... can be possible.
8. The real estate commission is paid by
9. Sales representative works on a broker's behalf on

III. DECIDE WHETHER THE FOLLOWING SENTENCES ARE
TRUE OR FALSE:

1. The buyer's intention to pay the real estate commission must be reported to all the parties and they should approve of it.
2. The listing broker is paid before the closing.
3. The selling and the listing brokers work together, they receive the equal sum of money.
4. The higher the offer the better it is for the seller.
5. The real estate broker is the only person who the buyer should confide in.
6. It is necessary that both the seller and the buyer include in the contract what the penalties will be if either of them defaults.
7. If the seller defaults, the buyer can cover his money.
8. Both the seller and the buyer may sue each other for damages.
9. The seller can choose to which buyer he would like to sell his property.

IV. READING – COMPREHENSION TEST:

1. The commission for land sale can't be more than ...
 - a) 9%
 - b) 10%
 - c) 7%
2. The listing broker obtains the listing from ... /
 - a) the buyer
 - b) the seller
 - c) the sales representative
3. A real estate broker is supposed to counsel ...
 - a) the seller
 - b) the buyer
 - c) the selling broker
4. A default is a failure to fulfill a promise by ...
 - a) the buyer
 - b) the seller
 - c) either of them
5. The party who pays the real estate commission in most cases is ...
 - a) the buyer
 - b) the seller
 - c) the broker
6. The selling broker is a person who ...
 - a) sells the house
 - b) finds the buyer
 - c) buys the house
7. The listing and selling brokers assume the obligation ...
 - a) to get the seller the highest offer
 - b) to sell the house
 - c) to find a buyer

V. FILL IN THE ENGLISH EQUIVALENTS OF THE RUSSIAN WORD COMBINATIONS:

1. If a broker other than the listing broker finds (предполагаемого покупателя), she has to present the offer to purchase to the listing broker who must submit it to the owner.
2. The highest offer may be accompanied (сопровождать).
3. A broker usually hires (торговых агентов) to work on her behalf.
4. If either party defaults, there are some ways of (судебной защиты).
5. The buyer may (вернуть задаток).
6. The buyer may (предъявить иск к) the seller for damages.
7. A default is a failure of either the seller or the buyer to fulfil the promise or (платить по обязательствам) stated in the contract.
8. The client may either negotiate the commission with the broker or (искать лучшие ставки).
9. The buyer can hire a broker (чтобы найти участок земли).
10. When the seller finds another buyer who is ready to buy the property for a higher price, he may (аннулировать контракт и вернуть задаток).

TEXT VI
PRINTED CONTRACT OF SALE.

Laws do not require that a contract of sale of real estate be written in any specific form. In practice, however, most contracts of sale are executed on standard printed forms with the parties to the contract or their lawyers deleting or adding some clauses (the added clauses are called riders) to reflect their mutual agreements. A typical printed contract of sale includes the following:

1. The date of the agreement.
2. The name and address of the seller.
3. The name and address of the buyer.
4. A description of the property.
5. All fixtures included in the sale. (For a new house, the stove is the only appliance that is required to obtain the certificate of occupancy. Other items such as refrigerators, washing machines, clothes dryers, freezers, wall to wall carpeting, flooring, drapes, blinds, and mail box are optional and the contract must state which of these items are included in the sale.) This clause is omitted if the contract is for the sale of a lot.
6. The purchase price (valuable consideration) and the methods by which is to be paid. Specifically, the contract of sale recites the following methods:
 - a) The deposit is the form of a check subject to collection upon signing the contract.
 - b) By allowance for the principal amount still unpaid on existing mortgage (if any).
 - c) By purchase money note and mortgage from the purchaser to seller (if any).
 - d) The amount of the balance at the closing.
7. Acceptable methods of paying:
 - a) Cash, but not over \$1000.00
 - b) Certified personal check (this is the most common method) or official bank check, from a savings bank, savings and loan association or trust company, payable to the order of the seller or any other party the seller or his lawyer designates, such as the mortgagee of the property.
8. A clause under the heading "Subjects to Provision". (This is a very important clause because it includes riders identifying the easements, deed restrictions and so forth.) It states that the premises are to be transferred subject to.
9. A clause explaining the meaning of the word "closing", and the type of deed to be delivered. The seller then promises that the deed is in proper statutory form for recording so as to transfer full ownership (fee simple title) to the premises free of all encumbrances except as herein stated (All encumbrances should be stated here.)
10. The place and date of closing.
11. The seller's agreement to pay the real estate broker's fee or commission, and the purchaser's promise that he did not deal with any broker other than that named in the contract.
12. The seller's agreement to sell his ownership and rights, if any, to any land lying in the bed of any streets or highways opened or proposed in front of or adjoining the premises.
13. The seller's agreement to deliver at the closing a certificate, dated not more than 30 days before closing and signed by the holder of each existing mortgage, stating the amount of the unpaid principal plus interest, date of maturity, and interest rate.

14. The seller's promise that he has not violated any governmental or municipal laws affecting the premises and that the premises shall be transferred free of such violations at the closing.

15. A clause stating that all money paid to the account of this contract (including the deposit, and the reasonable expenses of title examination, land survey, and house inspection are made liens on the premises and are collectable out of the premises. Such liens are cancelled if the buyer defaults.

16. A clause stating that if seller is unable to transfer title to purchase, seller's sole liability shall be to refund all money paid plus all expenses incurred for examining the title, additional searches, survey, and survey inspection. Upon such refund and payment the contract shall be cancelled. (This means that you cannot sue the seller if he defaults. If you want to have the right to sue him, you have to omit this clause and both you and the seller must initial it.)

17. A clause stating that the purchaser has inspecting the building on the premises and all the items included in the sale. (This item is omitted in the sale of an undeveloped lot.)

18. A clause stating that all prior understandings and agreements between seller and purchaser are merged in this contract. (This means that this contract overrides the offer to purchase, or the binder agreement.)

19. A clause stating that the contract may not be changed or cancelled except in writing.

20. Several clauses stating how taxes, assessments, water meter readings, and oil already in the tank (dollar value) are to be divided between seller and buyer.

21. A rider naming the real estate listing and selling brokers and the amount of their commission, and stating that the commission is to be divided between them as they agree.

TEXT VII

I. MATCH EACH WORD WITH ITS DEFINITION:

1. arbitration	a) a procedure to settle differences or disputes between two parties through an impartial third party
2. certificate of occupancy	b) detailed, precise engineering instructions that include the kinds of materials to be used and the method of construction
3. developer	c) an offer made in response to an offer received
4. asking price	d) an act of agreement on buying
5. counteroffer	e) a person who constructs and sells houses on lots he owns
6. specifications	f) an agreement to convey or place property under a mortgage
7. to give an estimate	g) to speed up the progress
8. to reimburse	h) to form an approximate calculation as of the value, amount of smth.
9. "an offer to purchase" agreement	j) a certificate issued by the building department stating that the house has been built in accordance with the local building code and may be occupied
10. mortgage commitment	k) mutual discussion and arrangement of the act of taking or receiving smth. offered
11. to expedite	l) to make repayment for expense or loss incurred
12. offer and acceptance negotiations	m) the price that someone wants to sell for smth.

CONTRACTING A DEVELOPER.

Your contract with a developer is basically a contract of sale of real property to which riders pertinent to new construction are added. Such riders include:

Description of the house either by referring to a particular standard model or a set of drawings and the corresponding specifications.

Any options or particular specifications other than those of the standard model.

A clause stating the expected dates of obtaining the certificate of occupancy and the closing.

A clause stating for how long the developer guarantees the construction (at least for one year after the house is occupied.)

The agreement may include other provisions to suit the conditions of a particular lot, such as "if rocks are encountered, the buyer may get a smaller or no basement, otherwise, the buyer has to pay the costs of blasting and trucking the rocks away". Obviously, the developer cannot give you an estimate for blasting costs in advance because he does not yet know the extent of the rocks he may encounter. Nevertheless, you should negotiate this point with the developer in detail since it can be a loophole for him. For instance, if you cannot afford blasting, he may reimburse you little or nothing at all for not building the basement. And if you decide to blast, he may charge you higher price than what it costs him (you would not know how much the real cost is), and may not credit you with the savings he realizes from not having to do soil excavation. Furthermore, in order to increase his profit, he may truck

the rocks away at a considerable cost instead of burying them onsite at little or no cost to you.

Once you have agreed upon all items including the price, the developer may want to determine whether you qualify financially to buy the house. Hence, he draws up an "offer to purchase" agreement since it is doubtful that you would have a mortgage commitment by that time. He may even recommend a particular lender to you to expedite your mortgage application. Before you sign a contract, add the clause stating that this agreement is subject to your lawyer's review within a specific number of days. This gives you the opportunity to review the contract with your lawyer, your family, and friends. Another precaution is to add a clause that this agreement hinges upon your ability to obtain adequate financing, otherwise the agreement is cancelled without any cost to you, and that you will get all your deposits or good faith money back.

CONTRACTING A LOT OWNER. Contracting a lot owner is different from contracting a developer in that it involves the process of offer and acceptance negotiations. It is similar to buying a previously owned house.

It starts with an owner offering a lot for sale, either directly or through a real estate broker. He sets his asking price and other terms such as the closing date and methods of payment. If you are interested in buying the lot, you call the seller or his broker to learn if the lot is still on the market. If it is, you make an offer in writing in which you either accept the seller's terms or set your own. In some parts of the country, this offer is considered a precontract agreement or a binder, meaning that it is not binding to you even if the seller accepts your offer and signs it. The formal contract will be prepared by the seller's lawyer after you and the seller agree on all the terms. In other parts of the country the offer is in the form of a contract and becomes enforceable when the seller accepts and signs it. Thus, you must be aware of the legal status of your offer.

If the seller changes any terms in your offer, he creates a counteroffer. This relieves you of your original offer because the seller has in fact rejected it. The seller's counteroffer is presented to you and you either accept it or counteroffer. This procedure continues until either you or the seller agree to the other's latest counteroffer. An offer is considered accepted when the party making the latest offer is notified that the other party has accepted his offer.

II. READING – COMPREHENSION TEST:

1. The developer guarantees the construction ... after the house is occupied.
 - a) for a year and a half
 - b) for twelve months
 - c) for two years
2. The developer draws up "an offer to purchase" agreement because ...
 - a) he wants to receive money
 - b) he wants to buy a house
 - c) he has some doubts
3. The developer usually wants to assure that ...
 - a) the buyer has enough money to buy the house
 - b) the buyer has a good salary
 - c) the buyer wants to buy the house
4. All unresolved clauses and disputes are usually resolved ...
 - a) by arbitration

b) by entering into negotiations

c) with money

5. If the buyer contracts a lot it means that ...

a) he asks his lawyer to find a house on sale

b) he enters into negotiations with the lot owner

c) he signs a contract with the lot owner

6. A person who buys a lot, builds a house there and then sells both the house and the lot, is ...

a) a contractor

b) a developer

c) the owner

7. If the seller creates a counteroffer, it means that he ...

a) rejects the buyer's offer

b) agrees on the buyer's offer

c) thinks over the buyer's offer

8. Contracting a lot owner starts when ...

a) the owner and the buyer negotiate the price

b) the buyer accepts the seller's price

c) the owner offers a lot for sale

9. The contract with the developer contains ...

a) four points

b) more than four points

c) less than four points

III. COMPLETE THE SENTENCES ACCORDING TO THE TEXT AND TRANSLATE THEM:

1. After the buyer has agreed upon all items including the price, the developer may want

2. Contracting a lot owner looks like ...

3. In his offering a lot for sale the owner sets his ... and other terms such as ...

4. Before signing a contract, the buyer should add the clause stating that this agreement is subject to ... within a specific number of days.

5. If the buyer wants to expedite his mortgage application, ... may be recommended.

6. The seller's counteroffer relieves the buyer of ...

7. The buyer must be aware of ... of his offer.

8. The contract with the developer is a contract of sale of real property to which ... are added.

9. The contract with the developer may include other ... of the particular lot.

IV. FILL IN THE ENGLISH EQUIVALENTS OF THE RUSSIAN WORD COMBINATIONS:

1. First the buyer should learn if the lot is still on the market. (Если да) he (делает предложение) to the owner.

2. If the buyer can't agree with the seller, the former gets back (весь свой залог).

3. In some parts of the country the formal contract (вступает в силу) when the seller accepts and signs it.

4. The owner sets the terms such as (дата выполнения обязательств и способ платежа).

5. The contract with the developer may include different (дополнительные пункты).

6. (Юридический документ, скреплённый печатью) is prepared after the buyer and the seller agree on all the terms.
7. (Контрпредложение) appears when the seller changes any terms in the buyer's offer.
8. The buyer should negotiate all the details with the developer not to leave any лазейки для нарушения закона).
9. The buyer should be given the opportunity (пересмотреть контракт) with his lawyer.

V. DECIDE WHETHER THE FOLLOWING SENTENCES ARE TRUE OR FALSE:

1. The contract with the developer can be supplemented with some new riders.
2. The owner may cheat the buyer unless the contract includes other provisions to suit the conditions of the particular lot.
3. The developer has the right to determine whether the buyer qualifies financially to buy the house.
4. The seller and the buyer can sign the contract without their lawyers.
5. The owner may offer his lot for sale only through a real estate broker.
6. A counteroffer arises when the seller does not agree with the price.
7. The procedure of counteroffers can last for a long period of time.

VI. ASK YOUR GROUPMATES:

1. in what way the developer can increase his profit.
2. why the developer can involve a lender in the case.
3. what clause the buyer is recommended to add before signing the contract'
4. if contracting a lot owner is similar to the contracting a developer.
5. what the stages of contracting a lot owner are.
6. if either the seller or the buyer can change any terms.
7. at what stage the contract can be signed.

TEXT VIII

I. MATCH EACH WORD WITH ITS DEFINITION:

1. compensation insurance	a) an interval of time for guaranteeing title of an estate or other granted property
2. to be liable for	b) to obey the rules
3. hearing	c) a price established by the seller or by an agreement as the price to be charged invariably
4. to delete the clause	d) to be under legal obligation for smth.
5. to comply with rules	e) to ask prices
6. to substantiate a clause	f) to remove a sentence or a paragraph in a written document
7. warranty period	g) a preliminary examination of the basic evidence in the court
8. fixed price (lump sum)	h) the right of ownership to real property
9. to solicit bids	i) to establish by proof or competent evidence a part of a document
10. enforceable contract	j) a contract which is put or kept in force

CONTRACTING A GENERAL CONTRACTOR. After you have bought a lot and selected a house design, you may decide to assign the construction of the entire house to a general contractor. Usually, you should solicit bids from at least three contractors, preferably on lump sum or fixed price rather than cost plus basis. The latter involves a lot of paper work, with potentials for disagreements. Either way, you should draw up a contract with the one you choose. The contract should include the following:

1. The date of the agreement.
2. The name and address of the owner (yourself).
3. The name and address of the general contractor.
4. Location of the construction site (lot).
5. At least one set of the detailed drawings (blueprints), and specifications.
6. Date of start of work and date of completion.
7. The name of the construction supervisor, if any.
8. The price of construction either as a fixed price or the contractor's costs plus a percentage to cover his profit and overhead expenses.
9. Method of payment (usually in installments to be paid during the course of construction).
10. A clause stating that the price includes labor, materials, tools, scaffoldings, water, electricity, heat and any other services needed to complete the work.
11. A clause stating that the contractor is responsible to obtain the permits and the approval of the town inspector for all stages of construction.
12. A clause stating that the contractor shall clean the house and the site upon completion of work.
13. A clause describing the lawn and landscaping that are included in the contract.
14. A clause stating that the contractor is legally responsible for the safety of his workers and passerby and the owner is not liable in case of their injury or death.

15. a clause stating that the contractor shall present to the owner a proof that he carries a workmen's compensation insurance policy.

16. A clause stating that the contractor is liable for a penalty of \$_____ for each day's delay. Additionally, if the contractor defaults, or stops working before his work is completed, the owner reserves the right to hire another contractor to complete the work in the original contractor's expense seven days after he is given a notice to resume work by certified mail.

17. A clause stating the extra costs resulting from unforeseen conditions (such as rocks or poor soil), any changes in the drawings, or any additional work to be performed shall be negotiated between the owner and the contractor.

18. A clause stating that all unresolved claims and disputes shall be resolved by arbitration according to the rules of the American Arbitration Association. (AAA)

19. A clause stating that the contractor guarantees his work for at least one year after the date of obtaining the certificate of occupancy, and that he promises to fix at his expense any defects that may crop up during the warranty period, whether these defects are structural (such as cracked walls or foundations) or operational (such as doors or windows that do not close properly or an inoperable heating system).

20. A clause stating that no liens on your house be filed by him or any of his subcontractors or material suppliers.

CONTRACTING A SUBCONTRACTOR. You may decide to directly subcontract different parts of the house to professional subcontractors. One method is to buy the materials and contract labor only. This can be done for rough framing, tiles, roofing, windows and doors. This method allows you to control the quality of the materials and it may save you some money, too. But it requires vigilant effort on your part. The other way is to contract both materials and labor. This method is recommended for plumbing because the fixtures are fragile and it would be difficult to determine who is responsible if a piece breaks or cracks; and for rough electrical since the material costs are very small compared with labor.

Whatever method you choose, you should solicit bids or proposals from at least three contractors. Based on the drawings and specifications, each one will submit to you a proposal including the work to be done, brief specifications, the price, and method of payment. Depending on the rapport between you and the subcontractor, and the amount of work involved, a subcontractor may submit his proposal to you verbally, on the back of his business card, or on a printed form in which he fills the blanks. Neither of you is required to sign it in order to create an enforceable contract.

Generally, a subcontractor likes to have a written contract, particularly if he has never dealt with you before. A printed form is most convenient for him. Read it in its entirety before signing since these forms are not all alike. A typical form includes the following:

1. All work is to be completed in a workmanlike manner according to standard practices.
2. All material is guaranteed to be as specified.
3. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate.

4. All agreements are contingent upon strikes, accidents, or delays beyond the contractor's control.

5. Contractor's workers are fully covered by workmen's compensation insurance.

You may agree to the terms of the proposal as is, or negotiate new terms with the subcontractor until you come up with an agreement. At the bottom of the printed form there is a section entitled "Acceptance of Proposal". It runs as follows: "The above prices, specifications, and conditions are satisfactory and are hereby accepted. The contractor is authorized to do the work as specified. Payment will be made as outlined above."

When you sign on the dotted line, the proposal becomes an enforceable contract.

For your protection, you may add the following terms on a separate sheet of paper that must be signed by both you and the contractor and is referred to in the proposal as follows: "The attached terms and conditions constitute a part of this contract."

1. The contractor shall in no way damage the work of others in the course of performing his work. Should this happen either intentionally or unintentionally, he must repair the damage at his own expense.

2. The contractor shall obtain the required permits and licenses needed to perform his work from the authorities and shall comply with all the rules and regulations of the federal, state and local governments (this is specifically intended for the plumber and electrician).

3. The contractor is responsible to pay his workers, helpers, subcontractors and material suppliers, without those persons having any claim against the owner.

4. The contractor shall guarantee his work for at least one year after the house is occupied.

5. The contractor shall complete his work by ____ . if the contractor defaults or stops working before his work is completed, the owner has the right to hire another contractor to complete the work at original contractor's expense seven days after he is given a notice by certified mail to resume work.

6. No liens on your house are to be filed by him, his subcontractors or material suppliers.

Some printed contracts include a clause that you are liable to pay for the contractor's legal expenses should a lawsuit over the contract arise. You may delete this clause. Also try to avoid printed contract forms that are written in complicated legal jargon. Some of the language can be hard to understand.

COURT ARBITRATION.

Some states provide court arbitration for disputes arising from construction work if the disputed amount is within a certain limit (about \$6000). This type of arbitration is usually sought by a contractor or a material supplier who does not have receipts to substantiate his claim. The idea is that a contractor or material supplier must be compensated for the services he rendered whether or not he can substantiate his claim with written documents. This type of arbitration is obliging to the homeowner.

In court arbitration, a board comprising three members is appointed by a judge. They must be impartial and at least one member should have knowledge of construction in addition to legal knowledge. A date is set for the hearing during which each side presents his or her case. Within a couple of weeks after the hearing, the

board renders its award based on the evidence and arguments that each party has presented in the hearing. Because the disputed amounts are small, they do not warrant an appeal.

LINEAR MEASUREMENTS.

1 foot (ft) = 12 inches (in)

1 rod = 1 pole = 16.5 feet (ft)

1 engineer's chain = 100 feet = 100 links; 1 foot = 1 link (lk)

1 Gunter's chain (ch) = 66 feet = 100 links; 0.66 foot = 1 link

1 vara = about 33 inches (in)

Vara is an old Spanish measure and is often encountered in the southern and southwestern states.

1 fathom = 6 feet

1 mile = 5280 feet

The measurement units are currently being converted to the International System, SI, in many nations including the United States. In the SI system, the basic unit of the linear measurement is the meter.

1 kilometer (km) = 1000 meters (m)

1 decimeter (dm) = 0.1 meter

1 centimeter (cm) = 0.01 meter

1 millimeter (mm) = 0.001 meter

The US units can be converted to SI units and vice-versa according to the following relations:

1 US inch = 2.54 centimeter = 0.0254 meter

1 US foot = 30.48 centimeter = 0.3048 meter

1 meter = 39.37 inches

1 meter = 3.2808 feet

AREA MEASUREMENTS

The units of area measurements in both the US and SI systems are:

1 acre = 43,560 square feet

1 acre = 160 square rods

1 acre = 10 square Gunter's chains

1 square mile = 640 acres

1 hectare = 10,000 square meters

1 hectare = 2.471 acres

1 acre = 0.4047 hectare

II. READING – COMPREHENSION TEST:

1. All unreasonable claims disputes are usually resolved by ...
 - a) the court
 - b) the local authorities
 - c) the arbitration
2. During the construction of the house ... is legally responsible for the safety of the workers and passerbys.
3. The contractor is liable for a penalty if ...
 - a) any delays occur
 - b) the quality of materials is bad
 - c) he is late for work
4. If the contractor damages the work of others, he must ...
 - a) buy new materials

- b) repair the damage at his own expense
 - c) hire new workers to repair the damage
5. A subcontractor is a person who is assigned to ...
- a) buying building materials
 - b) the construction of the entire house
 - c) a particular part of the construction
6. ... involve a lot of paper work with potentials for disagreement.
- a) Bids on cost plus basis
 - b) Bids on lump sum
 - c) Bids on fixed price
7. The contractor guarantees his work ... after the date of obtaining the certificate of occupancy.
- a) two years
 - b) half a year
 - c) a year
8. Court arbitration will examine the disputed amount providing that it does not exceed ...
- a) \$6000
 - b) \$5000
 - c) \$7000
9. The general constructor's duty is ...
- a) to buy a lot
 - b) to select a house design
 - c) to construct the house

III. SUPPLY THE SENTENCES WITH THE REQUIRED WORDS AND WORD COMBINATIONS:

to reserve the right; extra costs; specifications; to obtain the permits and the approval; legally responsible; at his expense; workmen's compensation insurance; to come up with the agreement; the required permits and licenses.

1. The contractor is ___ for the safety of his workers.
2. The contractor shall obtain ___ needed to perform his work from the authorities.
3. The contractor is responsible ___ of the town inspector for all stages of the construction.
4. The contract should include a set of blueprints and ___ .
5. If the contractor stops working before his work is completed, the owner ___ to hire another constructor.
6. Contractor's workers are fully covered by ___ .
7. The contractor promises to fix ___ any defects which occur during the warranty period.
8. The buyer may negotiate the terms with subcontractor until they ___ .
9. ___ for any additional work must be negotiated between the owner and the contractor.

IV. FILL IN THE ENGLISH EQUIVALENTS OF THE RUSSIAN WORD-COMBINATIONS:

1. The contractor shall (ни в коем случае) damage the work of others in the course of performing his work.
2. But this method requires (бдительности) on your part.
3. The contractor is to fix any defects that may (возникнуть) during the warranty period.
4. (Какой бы способ вы не выбрали), you should solicit bids from at least three contractors.
5. (Если вдруг это произойдет умышленно либо преднамеренно), the contractor must repair the damage (за свой счет).
6. The contractor guarantees his work for (по крайней мере) one year after the date of obtaining the certificate of occupancy.
7. The contractor shall (подчиняться правилам и инструкциям) of the federal, state and local governments.
8. (В любом случае) you should draw up a contract (с тем,кого) you choose.

V. ASK YOUR GROUPMATES:

1. on what basis the owner should solicit bids from a contractor.
2. what the price of the construction consists of.
3. who is responsible for cleaning the house and the site upon completion of work.
4. whether the contractor is liable for any penalty.
5. whether the owner has the right to hire another contractor.
6. if he/she can explain what structural and operational defects are.
7. how many methods of contracting a subcontractor there are and what they are.
8. whether a subcontractor has the right to any alteration or deviation.
9. why it is necessary that the owner should add to the contract some attached terms and conditions.
10. if the owner may delete any clauses in the contract.

TEXT IX

I. MATCH EACH WORD WITH ITS DEFINITION:

1. foreclosure	a) a written and signed statement of payment or discharge, as of a debt or obligation
2. condominium	b) the examination of public records to discover the names of the parties who have interest in real property and to detect any defects that may affect the quality of the title
3. lien	c) a written document that, when properly executed and delivered, conveys or transfers title of real property
4. Sheriff's deed	d) a deed conveying title to a property that has been sold by a government authority due to a failure to pay taxes
5. title search	e) joint or concurrent dominion
6. redemption period	f) the deed of conveyance of property to a creditor as security, as for the repayment of money
7. deed	g) legal proceedings whereby a property pledged as security for a debt is sold to pay the debt in the event of the borrower's default
8. docket	h) a person who has a legal right to hold property or to have it sold or applied for payment of a claim
9. Tax deed	i) deed given by court to the buyer of the property through a foreclosure sale administered by a sheriff
10. mortgage loan	j) an official memorandum or entry of proceedings in a legal cause
11. lienor	k) a loan wherein the borrower fails to make mortgage payments on time
12. recorder of deeds	l) the period of time after the date of a foreclosure sale during the property owner has the right to redeem or reclaim his property by paying the debt, interest, and sale costs
13. delinquent loan	m) a legal right to hold property or to have it sold for payment of a claim
14. certificate of satisfaction	n) an agreement between any of several parts stating that a debt or other sum payable is divided for payment at successive fixed time
15. land installment	o) a person who records documents executed under seal and delivered to effect a conveyance, especially of real estate

LIENS.

A lien is a right or claim given by law to a creditor to the property of a debtor until the debt is satisfied. The lienor (the lien holder) may be entitled to sell the property to satisfy the debt with or without the consent of the owner of the property. Liens run

with the land, meaning they are binding to subsequent owners if they were not discharged before transfer of title. These are the most common types of liens:

1. Mortgage lien.
2. Property taxes, assessment and water charges liens.
3. Mechanic's lien.
4. Attachment lien.
5. Judgment lien.
6. Vendee's lien.
7. Vendor's lien.

MORTGAGE LIEN. A mortgage is the most common type of lien. It is a voluntary lien in that it is created by the free will of the borrower. Almost every homeowner finances a big portion of the purchase price of his house by a mortgage loan secured by a mortgage lien. The possession, control, and title of the mortgaged property remain with the debtor unless he loses these rights by a court order through foreclosure proceedings should he default on the loan.

Any interest to a real property that can be sold can be mortgaged. A homeowner can mortgage his fee simple or life estate. Similarly, a condominium owner can mortgage his fee interest in the condominium unit.

TAXES, ASSESSMENT and WATER CHARGES LIENS. These are involuntary liens created by law. They become liens to the property from the time of assessment or the time they are due until they are paid. In general, these liens take priority over all other liens regardless of the date of their recording. Taxes are levied by states, counties, towns, cities, villages and school districts to raise revenues to perform public functions such as maintaining schools, police, fire, and sanitation departments, hospitals, etc.

Assessments, or special assessments, are levied upon real properties in local areas to pay in full or in part for improvements that benefit these areas, such as laying sewer and water lines, or paving and maintaining local streets.

Water charges are the liens to the property if the water service is owned and operated by a municipality.

ENFORCEMENT OF TAX LIENS. The most common method of collecting unpaid taxes is to sell the property. The first step is to give the delinquent taxpayer notice. If he does not respond or raise an objection, a judgment is rendered for the amount of taxes and interest and for sale of the property to satisfy this amount. Subsequently, a notice of the sale is published, and the property is offered for sale at a public tax sale auction. The successful bidder is usually given a certificate of sale stating that he will get a tax deed at the end of the redemption period if the property is not redeemed by its owner during this period.

If the property sells for less than taxes, interest, and sale costs, the owner is not liable for deficit. But if the property is sold for more than the taxes, interest, and sale costs, the balance must be paid to the owner.

Tax sales must be conducted in the way proscribed in the statute. Any deviation from these procedures may invalidate the sale.

MECHANIC'S LIEN. Few people have ever heard of a mechanic's lien and fewer know how it works. However, you should be aware of this lien particularly if you are planning to finance the building of your house by a construction mortgage loan. If a mechanic's lien is attached to the house during construction, it can hamper your ability to obtain subsequent loan installments.

WHO CAN ATTACH A MECHANIC'S LIEN. A mechanic's lien may be attached to your property by your laborers, material suppliers, also called materialmen, contractors or their subcontractors and material suppliers to secure payments either for work performed or material furnished where the value or condition of the property has been improved. The lien can be attached only to the property to which work was performed or materials supplied.

The right to a mechanic's lien is based on the theory that no one should be unjustly enriched. If the property has been enhanced in value due to work performed or material supplied then the workers and material suppliers must be compensated for their services. The compensation should be based on the amount of effort involved, and not on how much the value of the property has increased.

If on the other hand, the work done or material supplied did not improve the value of the property, the workers and material suppliers would not be entitled to a mechanic's lien. For example, if a delivery truck dumps a load of sand in a muddy spot, and as a result the sand could not be used, the material supplier is not entitled to a mechanic's lien.

In order for someone to attach a mechanic's lien to your property, two conditions must be met: (1) he must have a contract, either explicit or implied, with you and with your authorized representative to do the work and be paid for it, and (2) the work under contract must be virtually completed.

ATTACHMENT LIEN. An attachment lien may be imposed by a person (plaintiff) upon the property of another (defendant) whom he sues for money damages. This is to prevent the defendant from selling the property that may be the only source from which to pay the damages if the plaintiff wins the case. Many states give the plaintiff this right only if the owner's residence is unknown and legal papers could not be served on him, or if he is trying to conceal the property to evade payment of judgment.

On the other side of the coin, the property owner may be unjustly hurt financially by being prevented from selling his property. Thus, statutes usually require that the plaintiff posts a surety bond to compensate the owner for any losses resulting from the attachment lien if the plaintiff does not win the case.

JUDGMENT LIEN. Money judgment is a court award for damages. A judgment lien is a lien on a debtor's property to secure the payment of the judgment. It is considered a general lien, meaning a lien to all the debtor's assets.

In many states, two conditions have to be met before a judgment becomes an enforceable lien: (1) it must be final, and (2) it must be docketed (recorded). A docket is a record of all judgments, and is kept in the office of the county clerk. The technicalities of how, when and where a judgment becomes a lien vary from state to state.

A judgment lien is enforced by selling the property through a sheriff's sale. As in other foreclosure proceedings, the sale is made public as prescribed by the statute. This is followed by a public sale auction. The purchaser of the property must be aware that he is buying it with all the liens attached to it, with the exception of the judgment lien.

The buyer of the foreclosed property gets a sheriff's deed if the owner does not redeem the property.

VENDEE'S LIEN. A vendee's lien may be attached by the buyer of a property (vendee) if the seller defaults. This often happens when a property is bought under land or installment contract and the seller fails to deliver the deed after he receives

the agreed-upon price. The buyer is entitled to a lien in the amount he paid to the seller plus any money he spent on improving the premises.

VENDOR'S LIEN. A vendor's lien may be attached by the seller (vendor) to the property he conveyed to the buyer if he does not receive the price in full. The amount of the lien is equal to the unpaid balance.

Liens and foreclosure proceedings involve many technical details that vary from state to state. A lawyer's services must be sought in this regard. If a contractor threatens to attach a mechanic's lien to your property (if he did not provide you with an affidavit not to file a lien), you should consult a lawyer before paying him any money.

II. MATCH THE NAMES OF LIENS WITH THEIR TRANSLATION:

1. Vendee's lien	a) право наложения ареста
2. Mechanic's lien	b) залог покупателя
3. Vendor's lien	c) ипотека, залог
4. Property taxes lien	d) залог на судебные издержки
5. Assessment lien	e) залоговое право на имущество в обеспечение уплаты налога
6. Mortgage lien	f) общественный налог
7. Attachment lien	g) залог на заработную плату рабочих
8. Judgement lien	h) право удержания всего имущества в случае неплаты долга
9. General lien	i) залог продавца

III. FILL IN THE ENGLISH EQUIVALENTS OF THE RUSSIAN WORD-COMBINATIONS:

1. A lien is a right given by law to a creditor (на собственность должника) until the debt is satisfied.
2. Taxes are levied by states (чтобы получить доход) to perform public functions.
3. The first step in collecting unpaid taxes is (предупредить должника).
4. A homeowner can mortgage (унаследованное имущество или право на владение собственностью).
5. (Как и при других судебных разбирательствах по лишению права выкупа заложенного имущества), the sale is made public as prescribed by the statute.
6. (Таким же образом) a condominium owner can mortgage his fee interest in the condominium unit.
7. (С другой стороны), if the work done or material supplied did not improve the value of the property, the workers and material suppliers would not be entitled to a mechanic's lien.
8. An attachment lien may be imposed (истцом) upon the property of (ответчика, которому он предъявляет иск) for money damages.
9. Tax sales must be conducted (так, как предписано законом).
10. A judgement lien is considered a general lien meaning (право на все имущество должника).

IV. READING-COMPREHENSION TEST:

1. An attachment lien is imposed upon the property ____ .
a) to prevent it from being sold

- b) to sue for money damages
 - c) to guarantee the payment
 - d) to compensate the owner for losses
2. The mechanic's lien can be attached to ____ .
- a) any property
 - b) the property to which work was performed
 - c) the material supplied
 - d) the improved property
3. A Vendee's lien is attached by ____ .
- a) the seller
 - b) the buyer
 - c) the sheriff
 - d) the local authorities
4. Assessments are levied upon real property in local areas ____ .
- a) to raise budget revenues
 - b) to pay for improvements in these areas
 - c) to maintain local streets
 - d) to raise money for education
5. If the property owner is prevented from selling his property, he ____ .
- a) is unjustly hurt financially
 - b) must be compensated in full
 - c) must meet his obligations
 - d) should try to secure his property
6. Technical details involved in liens and foreclosure proceedings are ____ .
- a) the same in each state
 - b) negotiated between the buyer and the seller
 - c) mutual obligations
 - d) different in each state
7. The most common type of lien is ____ .
- a) attachment
 - b) judgment
 - c) mortgage
 - d) mechanic's lien
8. If the owner does not pay taxes, he can be enforced to do it by ____ .
- a) bringing him into court
 - b) covering the amount of the debt in a month's period
 - c) selling his property
9. A vendor's lien is attached if ____ .
- a) the seller does not pay the agreed-upon price
 - b) the amount of the lien is small
 - c) the seller does not receive the price in full
10. ____ liens take priority over all other liens.
- a) Vendee's
 - b) Vendor's
 - c) Mechanic's
 - d) Taxes, assessment and water charges

V. SUPPLY THE SENTENCES WITH THE REQUIRED WORDS AND WORD-COMBINATIONS:

Voluntary lien; foreclosure proceedings; water charges; the redemption period; judgment lien; a general lien; to receive the price in full; lawyer's services; to sell the property; to be enhanced in value

1. The builder gets a tax deed if the property is not redeemed by its owner during ____.
2. As liens and foreclosure proceedings are very complicated, you should seek ____.
3. The debtor may lose his right to the property through ____ should he default on the loan.
4. If the seller does not ____, he may attach a vendor's lien to the property he conveyed to the buyer.
5. ____ are liens to the property if the water service belongs to a municipality.
6. A mortgage is created by the free will of the borrower, so it is a ____.
7. The workers and material suppliers are compensated if the property ____ due to their work and service.
8. A lien to all the debtor's assets is ____.
9. The buyer of the foreclosed property should know that he buys this property with all the liens attached to it except ____.
10. The only source from which the defendant can pay the damages if the plaintiff wins the case is ____.

VI. ASK YOUR GROUPMATES:

1. what liens run with.
2. what the difference is between a mortgage lien and property taxes.
3. why the property may be offered for sale at a public tax sale auction.
4. why it is advisable to know about the mechanic's lien as much as possible.
5. what theory the right to a mechanic's lien is based on.
6. if there are many circumstances under which the workers would not be entitled to a mechanic's lien.
7. who may impose an attachment lien.
8. on what condition a judgment lien becomes enforceable.
9. when a vendee's lien is attached.
10. who a mechanic's lien may be attached by.

TEXT X

I. MATCH EACH WORD WITH ITS DEFINITION

1. mortgagor	a) a history of all recorded documents that affect the title of a property
2. statute of frauds	b) a certificate issued by a lawyer on the status of a title to real property based on his examination of the public records
3. gap in title	c) a written document that, when properly executed and delivered, conveys or transfers title of real property
4. evidence of title	d) any clouds against clear title of property that diminish its value
5. grantee	e) the person who transfers to real property by deed (the seller)
6. conveyance	f) proof of ownership of a real property
7. abstract of title	g) a missing link in the chain of title such as unrecorded deed for a past period of time
8. marketable title	h) the act of filing documents affecting real property such as deed, mortgages, and liens in the public records in the county where the property is located
9. deed	i) a law setting the maximum period of time during which a lawsuit may be filed after the occurrence of the cause of the suit
10. encumbrance	j) a title that does not involve the buyer in litigation. Also, a title that a court could compel the buyer to accept
11. Torrens certificate of title	k) a person engaged in the branch of law practice registration consisting of examining titles, giving opinions as to their validity
12. mortgagee	l) the borrower; the one who gives a mortgage as security for the payment of the debt
13. statute of limitations	m) a valid proof of ownership in several states revealing the name of the owner, type of ownership, and all the liens and encumbrances attached to the title. Transfer of ownership does not require title search
14. certificate of title	n) a state law requiring that certain real estate documents, such as contract of sale, mortgages, and easements, must be in writing in order to be enforceable
15. notary public	o) the order in which the liens are to be paid if the property is foreclosed upon. The priority is generally in the order in which the liens are recorded
16. recording	p) a law setting the maximum period of time during which a lawsuit may be filed after the occurrence of the cause of the suit
17. grantor	q) the person to whom the title to real property is transferred (the buyer)

18. lawyer's opinion of title	r) a public officer who certifies signatures, attests to or certifies written documents, administers oaths, and takes acknowledgements of deeds and other mortgage documents
19. property of liens	s) the lender; the person who receives and holds a mortgage as security for the payment of the debt
20. conveyancer	t) a written report on the condition of title prepared by a lawyer after he examines an abstract of title

TITLES.

Title to real property is the right of ownership. It entitles the owner to the right of possession and control including the right to transfer ownership to others.

ORIGIN OF TITLES. The origin of title depends on the geographical location. In the original 13 colonies, all title to land was from the King (or Queen) of England. To colonize this vast and scarcely inhabited land, the Crown offered huge grants to companies and individuals. Some of these individuals were: Lord Baltimore, William Penn, and the Duke of York.

In the years following the American Revolution, the U.S. government acquired about 2 billion acres (The Public Land) through negotiations, concessions, and purchases. The title of a portion of this public land was transferred to individuals and families (homesteaders) in order to encourage settlement and agriculture; to officers and soldiers who fought for the revolution; and to men who deserted from the British army. The U.S. government also sold land to pay for the cost of the revolutionary war.

PUBLIC RECORDING. Because of the significance of land ownership, the statute of frauds in all the states require that documents affecting the title to a property be recorded in a certain public office in the county where the property is located. Almost all states require that the document be acknowledged before a duly authorized officer such as a notary public before recording. Recording has several purposes: Recording gives constructive notice to the world of the outstanding interests in the property. Constructive notice is a fact that the buyer can discover by searching the public records. The law charges the buyer with knowing what is in the public records. Thus, he cannot claim that he did not know of a mortgage or other interest in a property if such mortgage or interest has been recorded.

The other type of notice is the actual notice. It is what a buyer actually knows from inspecting the property itself or any other sources. Actual notice is as good as constructive notice. If the buyer knew that the property he is buying is mortgaged but the mortgage is not recorded, his liability is the same as if the mortgage had been recorded.

Public recording protects the innocent buyer or mortgagee against previous unrecorded conveyances. An innocent buyer or mortgagee is one who paid the purchase price or loaned money without knowledge of prior unrecorded deed, or mortgage to the property.

Priority of liens is generally in the order of their recording with the exception of the taxes and assessments, which take precedent over all other liens regardless of their recording date. The priority of liens becomes important when the property is sold through court foreclosure proceedings for less than the amount of total lien. The tax and assessment liens are paid first, the other liens are paid in the order of their recording, leaving the lienor that recorded last with partial or no payment.

INDEXING. Recording offices maintain two separate files for recorded documents. In one file, the documents are indexed in alphabetical order of the names of the grantors, mortgagors, and assignors, followed by the names of the grantees, mortgages, and assignees. In the other, the documents are indexed in alphabetical order of the names of the grantees, mortgages, or assignees followed by the names of the grantors, mortgagors, or assignors. Thus, it is possible to locate the documents pertinent to a property if the name of a person who has an interest in it is known.

TITLE SEARCH. Title search means searching the public records to discover the names of the parties who have interest in a property and to detect any defects that may affect the quality of the title. Title search reveals the entire history of a title dating back to its origin. This includes the chain of deeds, wills, mortgages, leases, and any other documents.

The average person does not have the expertise to conduct title search. Therefore, he must rely on a professional to search the title for him. Such a professional may be an abstractor, conveyancer, title insurance company, or a lawyer. The title searcher must be familiar with the records, the indexes, and the statutes applicable to situations that may arise during the search.

The search starts with the current owner in the grantee index. This leads the searcher to the name of the grantor and the book and page number in which the deed is located. Subsequently, he examines the deed, verifies the property description, and the proper execution of the deed. This constitutes the first link in the chain of title. The current grantor is the grantee in the preceding transfer of title. Next, the title searcher searches his name in the grantee index. This leads to the name of the preceding grantor and the book and page number where he can find the preceding deed. The searcher examines the documents, and this constitutes the second link in the chain of title. This procedure is repeated going back to the original grantor, and this constitutes the chain of title to the property. If a link in the chain is missing, it is said that there is a gap in title.

The title searcher concludes his work by preparing an abstract of title, which is a condensed history of all documents affecting the title as they appear in the public records.

EVIDENCE OF TITLE. Evidence of title is a proof that the seller is the owner of the property and that he has a marketable title. Ownership can be proven by one of the following methods: (1) an abstract of title and lawyer's opinion, (2) a certificate of title, (3) Torrens certificate if title registration, and (4) a title insurance policy. The first two methods do not guarantee against undiscovered defects in the chain of title such as forged documents, incorrect marital status or incompetent grantor. Furthermore, the statutes of limitation limit the liability of the title searchers or lawyers to a certain number of years depending on the state (about three years).

ABSTRACT OF TITLE and LAWYER'S OPINION. Usually, the seller or his lawyer orders an up-to-date abstract of title and submits it to the buyer's lawyer who examines it thoroughly and prepares a written report on the condition of the title for his client. This report should include all the liens, mortgages, and other encumbrances up to the examination date.

CERTIFICATE OF TITLE. A certificate of title is issued by a lawyer after he examines the public record. The lawyer writes his opinion in the title condition and lists all the existing liens and encumbrances. No abstract is prepared in conjunction with the certificate.

The accuracy of the certificate depends only on the competence of the issuing lawyer. There are no checks or balances in this method. In most cases, the issuing lawyer does not promise to defend the title against lawsuits.

TORRENS CERTIFICATE OF TITLE REGISTRATION. The Torrens certificate of title registration is a valid proof of ownership in several states. It is named after Sir Robert Torrens who introduced this system in Australia in 1858.

To register a property, its owner files an application accompanied by a substantial registration fee at the appropriate court stating his ownership to the property. After examining the application and identifying all the parties who have interest in the property, the court notifies all these parties. In addition, it publishes a notice in a local newspaper for a period of time. After careful and lengthy investigation, the court orders the title to be registered in the name of the owner. Hence, a certificate of title is issued in duplicate, one to the registrar who records it in the registration book, and the other to the owner. The Torrens certificate of title in the registrar's office reveals the name of the owner, type of ownership, and all the liens and encumbrances attached to the title if any. However, it does not reveal certain items such as current federal and state tax liens.

To transfer title, the buyer presents the conveying document and the seller's certificate of title to the office of the registrar. After verification, the registrar cancels the seller's certificate and issues a new one to the buyer as evidence of his ownership.

The Torrens system is advantageous in that it transfers ownership at a slight expense, since there is no title search involved. However, it is not widely used because the initial registration requires lengthy legal proceedings and a hefty registration fee.

II. READING-COMPREHENSION TEST:

- Title to land was given to people by ____ .
 - the President
 - the Crown
 - the King
 - the Queen
- The tax and assessment liens ____ the other liens.
 - as important as
 - more important than
 - the most important of
 - less important than
- A condensed history of all documents affecting the title as they appear in the public records is a (an) ____ .
 - chain of title
 - title search
 - indexing
 - abstract of title
- ____ do not guarantee against undiscovered defects in the chain of title.
 - an abstract of title --- lawyer's opinion and title insurance policy
 - an abstract of title --- lawyer's opinion and a certificate of title
 - a certificate of title and a title insurance policy
 - Torrens Certificate of Title Registration and a certificate of title
- A written report on the condition of the title is prepared by ____ .
 - the seller

- b) the buyer
- c) the buyer's lawyer
- d) the seller's lawyer

6. The lawyer will issue a certificate of title after he examines ____ .
- a) the public record
 - b) the lawyer's opinion
 - c) the title registration
 - d) the accuracy of the certificate
7. Torrens Certificate of Title Registration was introduced in ____ .
- a) Australia
 - b) Austria
 - c) the USA
 - d) the UK
8. The statutes of limitation limit the liability of the title searches to ____ .
- a) two years
 - b) three months
 - c) three years
 - d) a year
9. Public recording protects the mortgagee against ____ .
- a) selling the property
 - b) taxes
 - c) a gap in the title
 - d) previous unrecorded conveyances

III. DECIDE WHETHER THE FOLLOWING STATEMENTS ARE TRUE OR FALSE:

1. Title to real property appeared not long ago.
2. The title of public land was transferred to individuals and families because the government needed money.
3. The constructive notice is as necessary as an actual notice.
4. Taxes and assessments are the most important liens of all.
5. Any person can easily conduct title research.
6. The title searcher must be a professional.
7. The first step of title search begins with the person who owns the property at this very time.
8. Either the seller or the buyer can order an abstract of title.
9. The Torrens Certificate of Title Registration is a valid proof of title registration all over the country.
10. The Torrens Certificate of Title in the registrar's office reveals all the necessary data.

IV. FILL IN THE ENGLISH EQUIVALENTS OF THE RUSSIAN WORD COMBINATIONS:

1. The law (обязывает покупателя знать) what is in the public records.
2. Priority of liens is generally in the order of their recording (за исключением) of the taxes and assessments.
3. An average person (не имеет опыта) to conduct title search.
4. The title searcher must be familiar (с законами, применимыми к ситуациям) that may arise during the search.

5. (Потом) he examines the deed, verifies the property description and (правильность оформления документа).
6. The current grantor is the grantee (в предыдущей передаче права на имущество).
7. Some methods do not guarantee against undiscovered defects in the chain of title such as (поддельные документы, неправильное семейное положение или неправопособный даритель).
8. The Torrens Certificate of Title Registration is (имеющий силу титул собственности) in several states.
9. The Torrens system is not widely used because the initial registration requires (очень долгие судебные процессы и порядочную сумму заявочной пошлины).
10. Actual notice is (почти такая же как) constructive notice.

V. COMPLETE THE SENTENCES ACCORDING TO THE TEXT AND TRANSLATE THEM:

1. Title of real property entitles the holder to ___ including ___ to others.
2. The law charges the buyer with knowing ___.
3. A person who paid the purchase price or loaned money without knowledge of prior unrecorded deed, or mortgage to the property is ___.
4. The process of discovering of the names of the parties who have interest in a property and of detecting any defects is called ___.
5. The person who is familiar with the records, indexes and who examines the documents is ___.
6. ___ is a condensed history of all documents affecting the title as they appear in the public records.
7. The place where all the documents are kept is ___.
8. ___ is a person who has the right to acknowledge a document before recording.
9. Only after ___ the court can order the title to be registered in the name of the owner.
10. People who search the public records to make sure that there are no apparent defects work at ___.

VI. ASK YOUR GROUPMATES:

1. what title of real property entitles the holder to.
2. what he/she has learnt about the origin of the title.
3. why it is required that documents affecting the title to a property be recorded in a public office.
4. why recording is very important.
5. what the order of indexing is.
6. what title search is done for.
7. if any person can conduct title search.
8. if title search is a long process.
9. in what way ownership can be proved.
10. which of the four methods are more significant.
11. who prepares a written report on the condition of the title.
12. what items this report includes.
13. who you would trust to issue the certificate of title
14. what pros and cons there are in the Torrens system.

TEXT XI

I. MATCH EACH WORD OR WORD COMBINATION WITH ITS DEFINITION:

1. apparent defect	a) a written or printed statement concerning sums of money demanded by a government for its support or specific services levied upon incomes, property, sales
2. assessed value	b) without any reason or explanation
3. purchase price	c) the cost of smth. that has become high without an acceptable reason
4. transfer of ownership	d) a defect that is open to view, a visible defect
5. tax schedule	e) a value placed on a property by a public officer or a board as a basis for taxation
6. insured premises	f) a sum of money offered to acquire land or other property other than by inheritance
7. without justification	g) a defect that is not easy to notice
8. high cost without justification	h) a conveyance by sale, gift or otherwise, of the legal right of possession
9. hidden defect	i) a building together with its grounds covered by an insurance policy
10. deed restrictions	j) conditions placed in the deed by a grantor for the purpose of limiting the use of the land by future owners

TITLE INSURANCE POLICY

A title insurance policy is issued by a title insurance company after it searches the public records and becomes satisfied that there are no apparent defects in the title. For a substantial fee to be paid at the closing, the insurance company agrees, subject to the terms of its policy, to compensate or reimburse the insured for up to the face value of the policy against any losses resulting from undiscovered defects in the title. In addition, the title insurance company agrees to defend at its own expense any lawsuit resulting from such defects. The insurance policy does not, however, cover encumbrances and defects that are discovered by searching the public records. These defects are listed in the policy as exceptions.

There are two types of title insurance policies: the fee policy and the mortgage policy. The former insures the buyer that the property has a good and marketable title and may be conveyed by its owner. The mortgage policy ensures the mortgagee that the property has a good and marketable title and may be mortgaged by the owner (at the closing, the buyer becomes the owner).

Usually, the title insurance company issues a document entitled "Certificate and Report of Title" at the closing and the policy at a later date. The document presented at the closing certifies that the insurance company has examined title to the premises described in an attached document called "Schedule A", and agrees to issue its standard insurance policy after the closing. The document then specifies the type of policy (either fee or mortgage), and the amount of insurance. For a fee policy, the amount of insurance is usually equal to the purchase price of the property. However, you may want to insure the title for a larger amount since the value of the property is likely to increase with time. Naturally, more insurance costs more money. For a mortgage policy, the amount of insurance is equal to the mortgage loan.

The insurance company states that the certificate presented at the closing shall be null and void for any of the following reasons:

1. If the company's fees are not paid.
2. If the prospective insured, his attorney or agent, or the applicant or the person to whom the certificate is addressed, makes any untrue statement with respect to any material fact or suppresses or fails to disclose any material fact or if any untrue answers are given to material inquiries by or on behalf of the company.
3. In any event, upon the delivery of the policy (because the policy will supersede the certificate).

The date of the policy must be the same as the day of the closing, since the policy insures only against defects that occur before or on the date of the policy. If the certificate is dated before the closing date, the company's representative at the closing should update it to the closing date.

Usually, the title insurance company lists the following as standard exceptions from the coverage under its policy:

1. Any state of facts that an accurate survey might show, unless survey coverage is ordered. When such coverage is ordered, the certificate will set forth the specific survey exceptions that will be included in the policy. (Visual inspection of the property should reveal most if not all defects that a land survey may indicate).
2. Title to any personal property, whether it is attached to or used in connection with the insured premises.
3. Defects and encumbrances arising, or becoming a lien after the date of the policy, except as provided in the policy.
4. Consequences of the exercise and enforcement or attempted enforcement of any governmental, war or police powers over the premises.
5. Any laws, regulations or ordinances including but not limited to zoning, building, and environmental protection as to the use, occupancy, subdivision or improvement of the premises adopted or imposed by any governmental body.
6. Judgments against the insured or estates, interests, defects, objections, liens, or encumbrances created, suffered, assumed or agreed to, by or with the privity of the insured.

The insurance company includes the following attachments as a part of the insurance certificate presented at the closing:

1. SCHEDULE A. It includes the full description of the property by one or more methods so that it can be positively identified.
2. SCHEDULE B. It lists all the existing liens, mortgages, covenants, conditions, easements, leases, agreements of records, etc, to the property and states that they are excepted from the policy.
3. TAX SCHEDULE. It shows the assessed value of the property and the city, town, village, and school taxes and the date they are due. (This is used to divided taxes between buyer and the seller at the closing).
4. A copy of all covenants, conditions, easements, agreements of records, deed restrictions, etc., if any.

One disadvantage of the title insurance policy is its high cost, sometimes without justification. This is clearly evident when an owner refinances his house and hires the title insurance company that holds the current policy to issue a new one for the new lender. The insurance company charges him the same rate as if it were search

ing the title going back to the origin of ownership. In reality, it searches only the period after the issue date of the current policy. During this period there are no hidden defects because there is no transfer of ownership.

II. READING- COMPREHENSION TEST:

- Title insurance is necessary and very good but it has ___ disadvantage(s).
 - one
 - two
 - three
 - four
- The buyer becomes the owner of the property ____ .
 - at the closing
 - when he pays all the money
 - after the title insurance policy is issued
 - if there are no defects
- The buyer will find all the information about the assessed value of the property in ____ .
 - Schedule A
 - Schedule B
 - a copy of all covenants
 - Tax Schedule
- The insurance certificate presented at the closing is superseded by ____ .
 - a mortgage policy
 - an insurance policy
 - a fee policy
- A title insurance company issues a title insurance policy ____ .
 - after checking all the documents
 - after they see there are no apparent defects in the title
 - after they receive a paid-in check
- There are ___ reasons for stating that the certificate presented at the closing shall be null and void.
 - two
 - three
 - four
 - five
- The defects discovered by searching the public records are listed in the insurance policy as ____ .
 - faults
 - defects
 - exceptions
- The document "Schedule A" specifies ____ .
 - the date of closing
 - insurance costs
 - insurance policy
 - the type of policy and the amount of insurance

III. FILL IN THE ENGLISH EQUIVALENTS OF RUSSIAN

WORD COMBINATIONS:

If (будущий страхователь) makes any untrue statement, the certificate presented at the closing shall be null and void.

Visual inspection of the property should reveal (большинство, если не все) the defects.

The mortgage policy ensures the mortgagee that the property has (правовой титул, который может быть передан).

The insurance company has examined title to the premises described (в прилагаемом документе).

During this period there are no (скрытых дефектов).

The value of the property (вероятно увеличится) with time.

The title insurance costs a lot of money, sometimes (неоправданно).

The company agrees to defend (за свой счет) any lawsuit resulting from undiscovered defects in the title.

The certificate presented at the closing may (потерять законную силу) for some reasons.

IV. CHOOSE THE RIGHT ANSWER TO THE QUESTION:

1. Why do people want to insure the title for a larger sum of money?
 - a) The quality of the property is becoming better.
 - b) The price of the property is increasing.
 - c) They want to resell the property.
2. What will happen if the client doesn't pay the company's fee?
 - a) The certificate presented at the closing will become invalid.
 - b) The property will not have a marketable title.
 - c) The company will not examine title to the premises.
3. What is the cost of a mortgage insurance policy?
 - a) It is equal to a fee insurance policy.
 - b) It is equal to the building loan.
 - c) It is equal to the mortgage loan.
4. Which policy ensures the buyer that the property has a good and marketable title?
 - a) the fee policy
 - b) the mortgage policy
5. When does the title insurance company issue the policy?
 - a) at the closing
 - b) before the closing
 - c) after the closing
6. How much is the amount of insurance for a fee policy?
 - a) It is equal to a mortgage policy.
 - b) It is more than a mortgage policy.
 - c) it is equal to the purchase price of the property.
7. When is it obvious that the cost of the title insurance policy is enlarged without justification?
 - a) When the owner refinances his house.
 - b) When the company begins searching for any defects.
 - c) At the closing

8. When does a title insurance company issue its standard insurance policy?
- After searching the public records
 - At the closing
 - After all the encumbrances and defects are discovered
9. What else can a title insurance company do for a client besides issuing a title insurance policy?
- It can help a client to choose a house.
 - It can defend any lawsuit resulting from undiscovered defects in the title.
 - It can help the client to move house.

V. ASK YOUR GROUPMATES:

- how many types of title insurance policy there are.
- what "Certificate and Report of Title" certifies.
- why the client may want to insure the title for a larger amount.
- why the date of the policy must be the same as the day of the closing.
- if there are any disadvantages of the title insurance policy.
- when a title insurance policy can be issued.
- what the difference is between the fee policy and the mortgage policy.
- what attachments can be included as a part of the insurance certificate.
- why the certificate presented at the closing can be null and void.
- if the insurance policy covers defects that are discovered by searching the public records.

TEXT XII

I. MATCH EACH WORD WITH ITS DEFINITION:

1. Fee simple (absolute)	a) anything of value such as money or personal services that induces the person to enter into a contract. An example is what the grantor receives in exchange for his deed
2. a cloud on the title	b) a clause in the deed beginning with the words "to have and to hold", stating the extent of the ownership the grantor is transferring
3. Warranty with full covenants	c) a person who is given written authority by another person to sign documents on his/her behalf
4. zoning ordinances	d) conditions and restrictions placed in the deed or a separately recorded declaration by a grantor for the purpose of limiting the use of the land by future owners
5. consideration	e) a lawsuit
6. heir	f) an outstanding claim or encumbrance, which is valid, would affect or impair the title of a property
7. duly executed	g) a mere matter of form being trifling in comparison with the actual value
8. deed restrictions	h) any cloud against clear title of a property that diminish its value
9. encumbrances	i) local regulations affecting property uses and type of construction. They set forth the minimum lot size, number of family units in each dwelling, the maximum height of buildings, the minimum setbacks and side yards
10. lien	j) the deed warranting that the grantor has a good title free and clear of all liens and encumbrances; defending the grantee against all claims
11. subdivision	l) a right or privilege that one party has in the property of another that entitles the holder to a specific limited use of the property
12. attorney-in-fact	m) signed and acknowledged by a duly authorized officer, usually a notary public
13. easement	n) a person who legally assumes a deceased person's rights and obligations
14. nominal consideration	o) the highest form of ownership of real property, continuing forever
15. Habendum clause	p) a legal right or claim that one party attaches to the property of another as security for paying a debt or obligation
16. words of conveyance	q) warrant or promise to transfer the property from one person to another
17. to invalidate	r) to deprive of legal force

DEEDS AND DEED RESTRICTIONS.

A deed is a document by which ownership to a property is transferred. In legal terms, a deed is a written instrument (document) duly executed and delivered, that conveys (transfer) the grantor's (seller's) right, title or interest to a property to a grantee (buyer). Duly executed means that the document is signed by the grantor and acknowledged (witnessed) by a duly authorized officer, usually a notary public, to insure that the signature is that of the person named in the deed, and that he has signed the document with his free will.

It must be emphasized that a deed is not a proof of a marketable title, meaning a title that is free from defects that will get you, the buyer, involved in litigation (lawsuits). Rather, it is a document by which the seller transfers whatever he or she owns in the real property to the buyer.

The deed must be accurate in all its elements, otherwise it may be invalidated or challenged in court by a third party.

ESSENTIALS of a VALID DEED. A valid deed must have the following essentials:

1. The deed must be in writing.
2. A grantor (seller) that can be named with sufficient certainty to allow his identification. He must be a sane adult with the legal capacity to sign the deed. A spelling mistake in the grantor's name is not sufficient to invalidate the deed as long as the grantor can be identified. The grantor is referred to in the deed as "party of the first part".
3. A grantee (buyer) that can be named with sufficient certainty to allow his identification. As with the grantor, a spelling mistake in the grantee's name is not sufficient to invalidate the deed, as long as he can be identified. The grantee is referred to in the deed as "party of the second part". It is to be noted that the grantee in the current deed will be the grantor when he sells the property.

Where there is more than one grantor or grantee, such as a husband and wife, each should be individually named in the deed. An example;" Joe Doe and Helen Doe, his wife". In case the grantor or grantee is single, he or she is named in the deed as "Joe Doe, single", or "Helen Doe, single," so that it is documented that there is no spouse interest in the property.

4. A consideration (price). A deed may, depending on the state, contain a clause acknowledging the grantor's receipt of consideration. It is not necessary to state the full price of the property in the deed. It is customary to recite only a nominal consideration such as 'ten dollars and other valuable consideration paid by the party of the second part". When a property is conveyed as a gift to a relative, "Love and Affection" may be sufficient consideration.

5. A granting clause (words of conveyance). This clause is extremely important since it states the grantor's intention to convey the property. The granting clause varies according to the type of deed. Typical words of conveyance are "convey and warrant", "grant, bargain and sell", "grant and released", or "grant".

6. Description of the property. A deed must contain a description of the property being conveyed. The description should be adequate enough to locate the conveyed property.

7. A habendum clause. This is used to define the ownership to be enjoyed by the buyer. The habendum clause is "TO HAVE AND TO HOLD the premises herein granted unto the party of the second part, the heirs or successors or assigns of the party of the second part forever."

8. The grantor's signature. A deed must be signed voluntarily by the grantor(s) in order to be valid. Some states allow the deed to be signed by an attorney-in-fact, meaning acting under a power of attorney, on the grantor's behalf. In this case, the power of attorney document must be recorded in the county in which the property is located. The signature must be acknowledged in evidence that it is the grantor's and that he has signed the document with his free will.

9. The deed's delivery and acceptance. For a title to pass, the deed has to be delivered by the grantor and accepted by the grantee.

10. Recording. The purpose of recording the deed is to give constructive notice to the world that the grantee (the buyer) is the new owner of the property. Recording also protects the buyer if he loses the deed. Should this happen, he can obtain a certified copy of the original deed from the office of the clerk where the deed is recorded.

TYPES of DEED. Deeds are not all alike. They differ according to the legal rights guarantees contained in them. The most common types of deeds are:

1. Warranty Deed with Full Covenants.
2. Bargain and Sale Deed without Covenant against Grantor's Acts.
3. Bargain and Sale Deed with Covenant against Grantor's acts.
4. Quitclaim deed.
5. Tax Deed, Referee's Deed, Sheriff's Deed and Trustee's deed.

The Warranty Deed with Full Covenants (Warranty Deed). In this type of deed the grantor (seller) will defend the grantee (buyer) against all claims, thus providing the buyer with the highest degree of protection. It warrants that the grantor (seller) has seized the premises in fee simple, and has the legal right to convey the same; that the grantee shall "quietly enjoy" the premises (the right to use the property without interference of possession from a third party); that the property is "free from encumbrances" (liens, easements, mortgages, etc.) except those specifically stated in the deed; that the grantor will execute any further necessary assurance to the title; and that the grantor will "forever warrant" the title to the premises.

Bargain and Sale Deed without Covenant against Grantor's acts. This deed is used to convey all rights, title and interest of the seller to the buyer. The seller is not obliged to deliver a deed containing specific covenants (warrants).

Bargain and sale deed with Covenant against Grantor's Acts. This is the type most often used to transfer ownership of real property. It is identical to bargain and sale deed without covenant against grantor's acts in every respect except that the grantor promises that he has done nothing to encumber the property while it was in his possession.

Quitclaim Deed. The usual purpose of this form of deed is to remove a cloud (outstanding claim or encumbrance that, if valid, would affect or impair the title to a property) from the title to a property whereby a person (or persons) who may have some claim to the property is asked to release his interest ("quitclaim"). Its form is identical to that of the bargain and sale deed without covenant against the grantor's acts except that it uses the words "remise, release and quitclaim" instead of the conveying words "grant and release".

Tax Deed, Referee's Deed, Sheriff's Deed, and Trustee's Deed. These deeds are used to convey title to properties that are sold pursuant to court orders in foreclosure proceedings to satisfy unpaid taxes, mortgages and judgments.

Deeds are executed on printed forms.

DEED RESTRICTIONS. It should be clear that the deed is pertinent to the land (lot or parcel) and its use. This includes the buildings that are on it or to be constructed on it. Any land owner can impose deed restrictions by including them in the deed when the property is conveyed (sold). Deed restrictions are beyond and above zoning ordinances set forth by the local governments. An example of deed restrictions is when a land sub divider sets restrictions regarding land use such as the type of building, type of exterior siding, minimum square footage, height of buildings, setbacks, etc. for deed restrictions to be valid, they have to be reasonable and to the benefit of all lot owners in the subdivision. Each lot owner has the right to obtain a court injunction to prevent the owner of a neighboring lot from violating the deed restrictions. Generally, deed restrictions have a time limit beyond which the majority of the owners in the subdivision may change or modify the terms of the restrictions.

Deed restrictions may be included through a covenant in the deed if they are few, or in a separately executed and recorded declaration if they are many. A grantor should bear in mind that the more restrictions he imposes, the less desirable the property becomes.

Deed restrictions can be elaborate and involve minute details. For example, deed restrictions can be contained in a separate declaration comprising long sheets.

II. READING-COMPREHENSION TEST:

1. The deed must be accurate in all its elements, otherwise ____ .
 - a) it may be challenged in court by a third party
 - b) it will not be a proof of a marketable title
 - c) it may be delivered to a wrong person
 - d) the grantee will be in trouble
2. The deed is to be acknowledged by a notary public to ensure that ____ .
 - a) the buyer has paid in full
 - b) the seller transfers the real property to the buyer
 - c) the person has signed the document with his free will
 - d) the grantor is a sane adult
3. The deed is pertinent to ____ .
 - a) the land
 - b) both the lot and the buildings that are on it
 - c) the buildings that are on the lot
4. The warranty deed ____ .
 - a) provides the grantee with the grantor's promise that he has done nothing to encumber the property.
 - b) provides the grantee with the highest degree of protection.
 - c) allows to convey all rights, titles, and interest of the grantor to the grantee.
 - d) states the price of the property.
5. The terms of deed restrictions may be changed or modified by ____ .
 - a) all the owners in the subdivision
 - b) the head of the local administration
 - c) the majority of the owners in the subdivision
 - d) the mayor of the town
6. If more than one grantor or grantee are stated in the deed, ____ .
 - a) it is not necessary to name all of them
 - b) children must be named as well

- c) the grantor or the grantee may decide whether to name all of them
 d) each should be individually named
7. Deed restrictions must involve ____ .
 a) as few details as possible b) as many details as possible
 c) some information about the owner d) the owner's will
8. A granting clause is very important since ____ .
 a) it states the grantor's intention to convey the property
 b) it states the grantee's intention to buy the property
 c) it allows to transfer the property
 d) it contains the grantor's receipt of consideration
9. Deed restrictions are (are not) submitted ____ .
 a) to zoning ordinances set forth by the local governments
 b) by state government
 c) by local governments
10. The more restrictions the grantor imposes, ____ .
 a) the fewer people want to buy the property
 b) the more people want to buy the property
 c) the sooner the property will be sold
 d) the cheaper the property will be

III. SUPPLY THE SENTENCES WITH THE REQUIRED WORDS, CHANGE THEIR GRAMMAR FORMS IF NECESSARY:

to be transferred; to be duly executed, to be conveyed; to be named; to be noted;
 to be signed; to be obliged; to be executed; to be included; to be referred

- Deed restrictions may ____ through a covenant in the deed.
- The grantor ____ to in the deed "a party of the first part.
- If the document is signed by the grantor and witnessed by a notary public, it ____.
- A deed must contain a description of the property ____ .
- The seller ____ to deliver a deed containing specific covenants.
- It is ____ that the grantee in the current deed will be the grantor when he sells the property.
- Some states allow the deed ____ by an attorney-in-fact.
- The grantor should ____ in the deed with sufficient certainty to allow his identification.
- Deeds ____ on printed form.
- A deed is a document by which ownership to the property ____ .

IV. FILL IN THE ENGLISH EQUIVALENTS OF THE RUSSIAN WORD-COMBINATIONS:

- (Доверенность) must be recorded in the county in which the property is located.
- (Если это произойдет), he can obtain a certified copy of the original deed from the office of the clerk where the deed is recorded.
- (Чтобы ограничения документа были обоснованы), they have to be reasonable and (с выгодой для) all lot owners in the subdivision.
- The deed must be accurate in all its elements, (в противном случае) it may be challenged in court (третьей стороной).
- A grantor must be (совершеннолетний дееспособный человек) to sign the deed.

6. Sheriff's Deed is used to convey titles to properties that are sold (no судебному предписанию) in foreclosure proceedings.
7. Each lot owner (имеет право получить судебное предписание) to prevent the owner of a neighboring lot from violating the deed restrictions.
8. If the grantor or grantee is single, the word "single" must be added after his/her name, so that it is documented that there is (никакой супружеской выгоды) in the property.
9. If the deed is signed (адвокатом), it acts under (доверенность).
10. Deeds are not alike and differ (в соответствии с законными правами и гарантиями) contained in them

V. ASK YOUR GROUPMATES:

- what the most common types of deeds are.
- why it is necessary that the deed should be acknowledged by a notary public .
- which house he/she would prefer to buy --- with a lot of or few deed restrictions.
- what the difference is between Bargain and Sale Deed without Covenant and the one with Covenant.
- whether the form of a Quitclaim Deed is identical to that of the Bargain and Sale Deed without Covenant.
- what kind of the document the deed is.
- why it is essential to describe property being conveyed in the deed.
- whether the deed will be invalidated if there is a spelling mistake in the grantor's or grantee's name.
- what the purpose of the recording the deed is.
- what he/she has learnt about the Warranty deed.

TEXT XIII

I. MATCH EACH WORD WITH ITS DEFINITION:

1. secondary mortgage market	a) a mortgage loan that is paid in periodic installments that include interest and part of the principal so that the principal will be paid in full at the end of the term of the loan
2. foreclosure	b) the evidence of a personal debt secured by a mortgage or other lien to a real property
3. overdue payment	c) something of value pledged as security for a debt
4. principal	d) legal proceedings where a property pledged as security for a debt is sold to pay the debt in the event of the borrower's default
5. interest rate	e) a penalty that a lender imposes on a borrower if he fails to pay a loan installment on time
6. bond	f) the amount that lenders charge borrowers for using their money
7. amortized loan	g) large institutions that provide cash to the housing market by buying mortgage loans from lenders (primary market), and packaging and selling them to large investors
8. collateral	h) a document signed by the borrower that includes the amount of the loan, the interest rate, the method of repayment, and the borrower's promise to repay the loan plus interest to the lender. The note must include a clause stating that it is secured by a mortgage
9. promissory note	i) the amount of the mortgage debt; a main party in a transaction; the homeowner who hires estate broker
10. a long-term loan	j) a clause giving the lender the right to declare that the recording balance of the loan is due immediately; usually exercised when the borrower defaults
11. late charge	k) the amount of money not paid by the assigned date
12. grace period	l) a loan maturing over a relatively long period of time
13. acceleration clause	m) additional time allowed to make a payment without being considered in default

MORTGAGE LAW.

Mortgages are long-term loans used to finance real property purchases, whereby the borrower pledges his ownership in the property as collateral to secure the debt. The rights of the lender to the mortgaged property depend on the mortgage theory of the state in which property is located. There are three theories, each adopted by a number of states:

1. **LIEN THEORY STATES.** These states consider the mortgage to be a lien to the property. Accordingly, if the borrower defaults, the lender has to obtain a court order to sell the property through foreclosure proceedings to collect his debt. There are 32 lien theory states.

2. TITLE THEORY STATES. These states consider that a mortgage transfers some title rights from the borrower to the lender. According to this theory, the lender has the right to possess and rent the property. However, he does not have the right to ownership. To acquire this right, the lender must go through court foreclosure proceedings. The title theory is followed by 14 states and the District of Columbia.

3. INTERMEDIATE THEORY STATES. These states take a middle course between the lien and title theory states. In the intermediate theory, the lender has the right to possess and rent the property only if the borrower defaults. There are 4 states in this category.

A mortgage loan is comprised of two documents: the promissory note and the mortgage. The promissory note includes the debt and the mortgage creates the lien that secures the debt. Both documents are necessary to create an enforceable mortgage loan. In some states, a bond is used instead of a note to accomplish the same objectives.

THE PROMISSORY NOTE. The promissory note is the evidence of debt. It usually includes the amount of the debt (loan), the interest rate, method of payment and the borrower's promise to repay the loan plus interest to the lender.

ESSENTIALS of a PROMISSORY NOTE. A valid note must be in writing and must include:

1. A borrower and a lender, both with contractual capacity.
2. A promise by the borrower to pay a specific sum of money.
3. The terms of payment.
4. A clause stating that the note is secured by a mortgage (without this clause, the loan would be a personal loan).
5. The borrower's signature.

The note must be voluntarily delivered by the borrower and accepted by the lender.

The interest is not one of the essentials; however, if interest is charged, it must be included in the note.

The Printed Promissory Note Form includes:

1. The location and date the note was signed.
2. The borrower's promise to pay, in return for the loan received, a specific sum of money called the principal, plus interest to the lender. The principal is usually equal to the face value of the loan. The lender is then identified. Next, the clause that the borrower understands that the lender may transfer the loan (sell it in the secondary mortgage market). The lender or anyone to whom the note is transferred is called the note holder.
3. The borrower's agreement to pay the interest rate specified in the note. Interest is to be paid on the outstanding part of the principle only.
4. The borrower's agreement to make monthly payment of the principal and interest, in the amount specified in the note, until the loan is amortized. The monthly payment is due on the first day of each month beginning with the second month after the closing. (Some states give the borrower a grace period of a certain number of days after the first day of the month during which he can pay without penalty).

5. The borrower's agreement to pay the stated late charge for overdue payments. (Usually 4% or 5% of the overdue amount of principle and interest).
6. The borrower's agreement that if he does not pay the full amount of each monthly payment on time, the lender may send him a written notice telling him that unless he pays the overdue amount by a certain date, not less than 30 days from the date of mailing the notice, he will be in default.
7. The borrower's agreement that if he does not pay the overdue amount by the date stated in item No.6, he will be in default. The note holder may require the borrower to pay immediately the full amount of outstanding principal and all the interest (this is called the acceleration clause).
8. The borrower's agreement that if he defaults, the lender will have the right to be paid back for all reasonable costs and expenses including reasonable attorney's fees.
9. A clause stating that the borrower has the right to make prepayment of the principal in full or in part. (Some lenders impose penalties for prepayments if they were made within a specific period after the closing date, subject to the limitations of the federal and state governments).
10. A clause stating the mailing address of the borrower to which any notice will be delivered.
11. A clause stating that this note is covered by a mortgage that protects the lender from possible losses that might result if the borrower does not keep the promises he made in this note.

The note must be signed by the borrower. The lender does not sign the note.

II. READING-COMPREHENSION TEST:

1. It is stated in ____ that the lender has the right to possess and rent the property only if the borrower defaults.
 - a) the lien theory
 - b) the title theory
 - c) the intermediate theory
2. The promissory note indicates ____ .
 - a) the amount of the lender's debt
 - b) the price of the real estate property
 - c) the right to the real estate property
 - d) the amount of the borrower's debt
3. A valid promissory note doesn't include ____ .
 - a) the borrower's signature
 - b) the borrower's and lender's names
 - c) the lender's signature
 - d) the terms of payment
4. The borrower has to pay ____ if he doesn't make monthly payment in due time.
 - a) twice as much money
 - b) penalty
 - c) a double sum of money
 - d) late charge

5. It is common practice that ___ delivers the promissory note and ___ accepts it.
 - a) the borrower; the lender
 - b) the lender; the borrower;
 - c) the borrower; the grantee
 - d) the grantor; the lender
6. If the borrower does not pay the overdue payment by a certain date, ____ .
 - a) the real property will be sold
 - b) he will be fined
 - c) he will be in default
 - d) the lender will transfer the note
7. The borrower must pay to the lender not only the principal but ___ as well.
 - a) interest
 - b) extra money
 - c) premium
 - d) advance money
8. The promissory note must be secured by ____ .
 - a) a loan
 - b) a mortgage
 - c) a personal loan
 - d) a specific sum of money
9. The lender is protected by ___ from possible losses that might result if the borrower doesn't keep his promises.
 - a) the acceleration clause
 - b) a mortgage
 - c) the Warranty Deed
 - d) the borrower's promise to pay

III. SUPPLY THE SENTENCES WITH THE REQUIRED WORD-COMBINATIONS:

an enforceable mortgage loan; the face value; note holder; a long-term loan; to become the owner; a bond; contractual capacity; monthly payments; late charge; to make prepayment

1. A mortgage is ___ used to finance real property purchases.
2. The borrower must make ___ of the principal and interest until the loan is amortized
3. The principal is equal to ___ of the loan.
4. While making a promissory note, both the borrower and the lender must have _____
5. According to the title theory, the lender can possess and rent the property, but can't _____.
6. The promissory note and the mortgage are necessary _____.
7. The person to whom the note is transferred is _____.
8. The borrower has the right _____ of the principal in full or in part.
9. If the payments are overdue, the borrower has to pay the stated _____.
10. In some states people can use _____ instead of a promissory note.

IV. DECIDE WHETHER THE FOLLOWING SENTENCES ARE TRUE OR FALSE:

1. The interest is not included in the note, as it is not essential.
2. A mortgage theory must be adopted by states.
3. The borrower may choose the method of prepayment of the principal.
4. Interest is to be paid on the full amount of the principal.
5. There is the borrower's promise to pay off the debt in the promissory note.
6. The borrower grants consent to pay the lender back for all the costs and expenses in case he defaults.
7. The rights of the lender to the mortgaged property are stated in the country's mortgage theory.
8. The promissory note must be signed by both the borrower and the lender.
9. Lien theory was adopted by the greatest number of the states.
10. To create an enforceable mortgage loan you need either a promissory note or a mortgage.

V. ASK YOUR GROUPMATES:

1. how many mortgage theories there are.
2. what difference is between these theories in some states.
3. why a mortgage loan is comprised of two documents.
4. what data are included in the promissory note.
5. what the lender will do if the borrower doesn't pay his monthly payment on time.
6. what the acceleration clause means.
7. why lenders are against the borrowers' prepayments of the principal.
8. what mortgages are used for.
9. to whom the lender may transfer the note.
10. how much money the borrower is to pay.
11. for how long the borrower is to make monthly payments of the principal and interest.

TEXT XIV

I. MATCH EACH WORD WITH ITS DEFINITION:

1. mortgagee	a) a charge against real property made by a branch of government to cover the proportionate cost of an improvement such as a street or sewer
2. condemnation	b) the buyer of the property assumes liability for payment of an existing mortgage loan against the property
3. assumption of mortgage	c) the process by which the promises and agreements between the parties to a real estate transaction are fulfilled
4. assessment	d) taking private property for public use, with fair compensation to the owner, by exercising the power of eminent domain
5. rider	e) an insurance policy for occupied houses that insures against losses, resulting from hazards such as fire, windstorms, and flooding
6. the Funds	f) the one who receives and holds a mortgage as security for the payment of the debt.
7. closing	g) the right given by lenders in some states to sell the foreclosed upon property without obtaining a court order
8. Hazard insurance	h) a written agreement between two or more parties by which they deposit money or legal documents, such as earnest money or deeds, with a third party with instructions on how to disperse the documents or money
9. mortgagor	i) an addition or amendment to a document
10. power of sale	j) invariable, constant
11. closing	k) the one who gives a mortgage as security for the payment of the debt
12. uniform	l) the date of signing a document

THE MORTGAGE DOCUMENT.

The mortgage is a document whereby the borrower pledges a property as collateral that the lender can sell to secure the payment of the amount in the note as agreed upon. In mortgage agreements, the borrower is called mortgagor because he, or it, is the one who mortgages his property; and the lender is called mortgagee because he, or it, is the one who receives the mortgage. The mortgage form is more elaborate than that of the note. It includes three main parts: (1) mortgage, (2) uniform promises, and (3) non-uniform promises.

MORTGAGE. This part is divided into four sections: 1. Words often used in this document; 2. Borrower's transfer of rights in the property to the lender; 3. Description of the property; 4. Borrower's right to mortgage the property and borrower's obligation to defend ownership of the property.

1. Words Used Often in this Document.

- a. The date of signing the document (the closing date).
- b. The name of the borrower(s). If the borrowers are a husband and wife, it should be so stated (such as Joe Jones and Helen Jones, his wife). The address of the borrower is also indicated.
- c. The name and address of the lender.
- d. A reference to the note signed by the borrower, the amount of debt shown in the note, and the borrower's promise to pay that amount in full plus interest by the end of the term of the loan.
- e. A clause stating that the property described in the section entitled "Description of the Property" will be called "the property".

2. Borrower's Transfer of Rights in the Property to Lender. This section is the core of the mortgage because it includes the borrower's pledge of his property to the lender.

3. Description of the Property. The location or address of the property is given in this section. The county or city where the property is located is identified.

4. Borrower's Right to Mortgage the Property and Borrower's Obligation to defend Ownership of the Property.

a. The borrower promises that aside from the "exceptions" listed in the title insurance mortgage policy (1) he lawfully owns the property, (2) he has the right to mortgage grant, and convey the property to lender, and (3) there are no outstanding claims or charges against the property.

b. The borrower gives a general warranty of title to lender. This means that the borrower will be fully responsible for any losses that the lender suffers because someone else has some of the rights to the property that the borrower claims he has. The borrower promises that he will defend his ownership of the property against any claims of such rights.

UNIFORM PROMISES. The uniform promises are used in mortgages all over the country. These are the highlights:

1. THE BORROWER'S PROMISE TO PAY. The borrower shall promptly pay when due: principal, interest, and late charges as stated in the note.

2. ESCROW ACCOUNT (THE FUNDS). The borrower agrees to pay to lender all amount necessary to pay taxes, assessments, and hazard insurance on the property, unless the lender tells him in writing that he does not have to do so, or unless the law requires otherwise. This money will be called the "funds". The lender is obliged to keep the funds in an escrow account.

The lender is not required to pay the borrower any interest or earnings on the funds unless both agree at the time of signing the mortgage that the lender will pay interest on the funds; or if the law requires lenders to pay interest on the funds.

3. APPLICATION OF PAYMENT. Unless the law requires otherwise, lender will apply each of the payments in the following order: (1) escrow account for taxes and insurance, (2) interest, (3) principal, (4) interest and principal on any future advances.

4. The borrower will pay all taxes, assessments and any other charges and fines and will satisfy all liens against the property that may be superior to the mortgage.

5. The borrower is obliged to obtain and keep a hazard insurance policy on the property.

6. The borrower is obliged to keep the property in good repair, not to destroy, damage or substantially change the property and will not allow the property to deteriorate.

7. The lender has the right to protect the property against legal actions by others. The borrower must pay the lender all the money it spends plus interest.

8. The lender has the right to inspect the property. Before an inspection is made, the lender must give the borrower notice stating a reasonable purpose for the inspection.

9. The lender has the right to the proceeds from all awards if the property is taken by any governmental authority through condemnation.

10-16. clauses addressing continuation of the obligations of the lender, borrower, persons taking over borrower's rights or obligations; and that the borrower shall be given a copy of the note and of the mortgage either when the note and mortgage are signed or after the mortgage has been recorded in the proper official records.

NON-UNIFORM PROMISES. The non-uniform promises vary to a limited extent in different parts of the country. The highlights of these promises are:

19a. ASSUMPTION of MORTGAGE. If the borrower transfers all or part of the property or any rights in the property, the person to whom the property is sold may take over the borrower's right and obligations under the mortgage (this is known as assumption of the mortgage), if these conditions are met (1) the borrower gives the lender notice of the sale or transfer, (2) the lender agrees that the person's credit is satisfactory, (3) the person agrees to pay interest on the amount owed at whatever rate lender requires, and (4) the person signs an assumption agreement that is acceptable to lender.

19b. LENDER'S RIGHTS IF BORROWER TRANSFERS THE PROPERTY WITHOUT MEETING CONDITIONS OF PARAGRAPH 19a. If the borrower sells or transfers the property and conditions (1), (2), (3) and (4) of paragraph 19a are not satisfied, the lender may mail the borrower a notice requiring the immediate payment in full of the entire amount under the note. The note will give the borrower at least 30 days to make the required payment. If the borrower does not make the required payment during that period, lender may bring a lawsuit for foreclosure and sale without giving the borrower any further notice or demand for payment.

20. LENDER'S RIGHT IF BORROWER FAILS TO KEEP PROMISE AND AGREEMENT. If the borrower fails to keep any promise or agreement made in the mortgage, and if the lender sends the borrower a notice that states the failures and the actions needed to correct them and if the borrower does not correct the failures stated in the lender's notice, the lender may require the immediate payment of the principal and interest in full and may bring a lawsuit to take away all the borrower's remaining rights to the property, and to have the property sold through foreclosure and sale proceedings. The lender also has the right to collect all costs of the lawsuit as allowed by law.

21. BORROWER'S RIGHT TO HAVE LENDER'S LAWSUIT FOR FORECLOSURE AND SALE DISCONTINUED. Even if the lender has required immediate payment of the loan in full, the borrower has the right to have any

foreclosure and sale lawsuit or other enforcement of the mortgage discontinued any time before a judgment has been entered enforcing the mortgage if he meets the following conditions:

- a. Pays the lender the full amount that would have been due under the mortgage, the note and any notes for future advances.
- b. Corrects his failure to keep any of his other promises or agreement made in the mortgage.
- c. Pays all of the lender's reasonable expenses in enforcing the mortgage.
- d. Does whatever the lender reasonably requires to ensure that the lender's rights in the property and his obligations under the note and the mortgage will continue unchanged.

If the borrower fulfills all four items mentioned above, then the note and the mortgage will remain in full effect .

22. The lender has the right to rental payments from the property and to take possession of the property.

23. AGREEMENTS ABOUT FUTURE ADVANCES. The borrower may ask the lender to make one or more loans to him in addition to the loan included in the note. The lender may, before the mortgage is discharged (cancelled) make those additional loans to the borrower. The mortgage will protect the lender from possible losses that might result from the borrower's failure to pay the amounts of any of those additional loans plus interest, only if the notes that contain the borrower's promises to pay those additional loans state that the mortgage will give lender such protection. Additional loans made by the lender that are protected by the mortgage will be called "future advances".

24 SATISFACTION of MORTGAGE. The lender is obliged to discharge (cancel) the mortgage when he is paid all amounts due under the note, the mortgage and any notes of future advances. The lender will discharge the mortgage by delivering a satisfaction of mortgage certificate stating that the mortgage has been satisfied. The borrower is not required to pay the lender for discharge, but he shall pay all costs of recording the discharge in the proper official record.

The mortgage document must be signed by the borrower(s) and acknowledged before the notary public since it will be recorded.

II. READING-COMPREHENSION TEST:

1. The borrower is given a copy of the note and of the mortgage after ____ .
 - a) the note is recorded
 - b) both the note and the mortgage are signed
 - c) the mortgage is signed
 - d) they are recorded in the proper official records
2. The mortgage form includes ____ main parties.
 - a) two
 - b) three
 - c) four
 - d) five
3. The lender has the right to inspect the property ____ .
 - a) on his own

- b) without explaining the purpose of his visit
 - c) any time he would like
 - d) after stating the reasonable purpose for the inspection
4. The lender has the right ____, if the borrower fails to keep promises and agreement made in the mortgage.
- a) to discharge the mortgage
 - b) to state the borrower's failure
 - c) to require the immediate payment of the principal and interest in full
 - d) to sell the property
5. The mortgage document is signed by ____ .
- a) the borrower
 - b) the lender
 - c) both the borrower and the lender
6. The borrower ____ when he/she gives a general warranty of title to the lender.
- a) is free of responsibility for any losses
 - b) can claim some property rights
 - c) becomes the owner of the property
 - d) must defend the ownership of the property against any property rights
7. All taxes, assessments and other charges and fines are paid by ____ .
- a) the borrower
 - b) the lender
8. If the property is taken for public use, the lender ____ .
- a) will have to sell the property
 - b) won't pay any taxes
 - c) will have to pay some money to the borrower
 - d) will be fairly compensated
9. The lender will pay the borrower some interest on the funds, if ____ .
- a) he wants to
 - b) the law requires
 - c) they both agree to it while signing the mortgage

III. FILL IN THE ENGLISH EQUIVALENTS OF THE RUSSIAN WORD COMBINATIONS:

1. The lender may require (немедленный полный расчет) of the entire amount under the note.
2. If the borrower fulfills all the items, the note and the mortgage (останутся в действии).
3. The borrower is obliged to obtain and keep (страховку от несчастных случаев) on the property.
4. The borrower will not allow (чтобы имущество портилось).
5. The lender is obliged (аннулировать закладную) when he is paid all the amount due under the note.
6. The borrower is obliged to keep the property (в исправном состоянии).
7. The mortgage form is (тщательнее разработана) than that of the note.
8. The lender has the right (взыскать все издержки судебного процесса.).

9. The lender has the right to protect the property (от судебных исков других людей).
10. The lender may (возбудить иск о лишении права выкупа заложенного имущества продажи), if the borrower does not make the required payment.

IV. DECIDE WHETHER THE SENTENCES ARE TRUE OR FALSE:

1. The borrower must pay the debt in full plus interest.
2. The borrower has the right to mortgage, grant and convey the property to any person..
3. The borrower pays the lender all amounts necessary to pay taxes, assessments, and hazard insurance all the time.
4. It is the lender who is to obtain a hazard insurance policy on the property.
5. The borrower has no right to change the property.
6. If the borrower fails to keep the promises and agreements stated in the mortgage, the lender may sell the property himself.
7. If the lender requires immediate payment of the loan in full, the borrower has to fulfill the requirements.
8. Both uniform and non-uniform promises are used in mortgages all over the country.
9. Uniform promises vary to a great extent.

V. ASK YOUR GROUPMATES:

1. what kind of document the mortgage is.
2. how many parts the mortgage consists of.
3. what section is the core of the mortgage.
4. when the borrower will be paid the interest or earnings on the funds.
5. on what condition a person may take over the borrower's right and obligations under the mortgage.
6. why the lender may bring a lawsuit to take away all the borrower's remaining rights to the property.
7. whether the lender has the right to make more than one loan to the borrower.
8. what documents the borrower must prepare to receive additional loans made by the lender.
9. when the mortgage can be discharged.
10. whether the borrower is to pay any money for discharge.

TEXT XV

I. MATCH EACH WORD WITH ITS DEFINITION:

1. power of sale	a) to be failed to pay
2. Deficiency judgment	b) a notice filed in the public records where the property is located informing the public that a legal action against a property is pending
3. certificate of satisfaction	c) a right given by most states to a borrower to redeem his property after a foreclosure sale
4. recording	d) a personal judgment levied against a mortgagor if the sale price of the foreclosed upon property is less than the amount of debt
5. defendant	e) a clause giving the lender the right to declare that the remaining balance of the loan is due immediately; usually exercised when the borrower defaults
6. Lis pendens	f) the right given by lenders in some states to sell the foreclosed upon property without obtaining a court order
7. equitable right	g) the buyer who makes the highest price at an auction
8. the highest bidder	h) the act of filing documents affecting real property in the public records of the county where the property is located
9. to be delinquent	i) a person against whom a claim or charge is brought in a court
10. acceleration clause	j) the right of the owner to reclaim his property before the foreclosure sale by paying the debt, interest, and costs of the sale
11. legal foreclosure	k) the buyer's price at an auction
12. statutory redemption	l) a statement written and signed, which is by law made evidence of the truth of payment or discharge as of a debt or obligation
13. bidding price	m) the legal act to deprive a mortgagor of the right to redeem his property

DEFAULT AND FORECLOSURE.

Most defaults occur when a borrower fails to make payments on his mortgage loan as stated in the promissory note and the mortgage document. When this happens, the loan is said to be delinquent. Defaults can also result from failure to pay property taxes, assessments, or through the breach of any of the conditions contained in the mortgage document. Should the loan become delinquent, the lender has several legal options available to it to protect its money. However, most lenders prefer to meet with the borrower to arrange for a new overstretched payment plan before starting lengthy and costly legal actions. If the borrower realizes that he cannot meet the proposed plan, he may be pursued to sell the property rather than have it foreclosed upon. It is when the borrower cannot find a buyer who is able and willing to pay a price equal to the debt, that the lender invokes the acceleration clause. Subsequently, the lender may proceed with one of the legal remedies that

the laws of the state allow. The most common remedies are: (1) legal foreclosure, (2) power of sale, (3) deed in lieu of foreclosure and (4) strict foreclosure.

LEGAL FORECLOSURE and SALE. The legal foreclosure and sale proceedings begin with the title search to identify all the persons who have interest (the lienors, mortgages, etc.) in the property. Next, the lender files a lawsuit naming the borrower and all those who recorded their interest in the property subsequent to the foreclosed upon mortgage as defendants. Lienors or mortgagees who recorded their interest before the mortgage that is being foreclosed upon have senior claims and are not affected by the lawsuit.

The lender's complaint describes the note or bond, the mortgage that secures it, the amount of debt (principal and interest), and that the loan is in default. Next, the lender asks the court for a judgment directing the cut-off of the interest of all the defendants, the sale of the property, and the application of the proceeds of the sale to pay the debt and expenses.

LIS PENDENS. In the meantime, a notice of the lawsuit is filed in the office of the county clerk where the property is located. The notice, called *lis pendens*, is to warn the public that a legal action is pending against the property. The borrower can still the property after a *lis pendens* has been filed. However, prospective buyers, who would undoubtedly search the public records, would learn about the pending lawsuit and price the property accordingly.

Next, a copy of the summons and complaint is served on the borrower and other defendants, if any. They are given a certain period of time during which they may reply by presenting their side of the argument to the court judge. If neither the borrower nor any of the other defendants replies, or if their reply is found to be in favor of the lender, the judge will order the property to be sold, through a public auction.

EQUITABLE RIGHT of REDEMPTION. All states give the borrower or any other defendant the right to redeem his property until the sale starts if he pays the principal, interest, and cost of sale. This right of the owner (or any junior lienor) to redeem the property is called equitable right of redemption or equity of redemption. This right is cut off when the sale takes place.

THE SALE. If no one redeems the property, the sale begins. Any person can bid provided that he can pay the price in cash. The highest bidder (the buyer) is required to pay a cash deposit equal to 10% of the price at the auction, and the balance of the closing (in about 30 days) the sale must be approved by the court, which has the power to order a new sale if it feels that the bidding price is too low.

DEFICIENCY JUDGMENT. If the sale price is less than the debt and expenses, the lender may obtain, depending on the laws of the state, a deficiency judgment against the borrower. This judgment gives the lender the right to collect the debt against the borrower's real and personal assets.

STATUTORY REDEMPTION. Many states have statutory redemption laws that allow the borrower a statutory redemption period after the date of sale, during which he can redeem the property. This period varies between two months to two years, depending on the state. Furthermore, some states give the borrower the right to possess the property during the statutory redemption period. The highest bidder in the sale receives a certificate of sale that entitles him to a referee's deed or sheriff's deed if the borrower does not redeem the property.

POWER of SALE. The power of sale also known as foreclosure by advertisement, or sale by advertisement, is not a court proceeding. Rather, the statute in several states gives the lender the right to sell the mortgage property after giving a

notice to the borrower. Hence, the property is advertised for sale and then sold. Generally, the lender who resorts the power of sale loses the right to a deficiency judgment, should the property sell for less than the debt.

DEED in LIEU of FORECLOSURE. If the borrower is convinced that his property will sell for less than the debt, and if the lender is convinced that the borrower has no other assets, personal, or otherwise, that warrant a deficiency judgment, they both may agree that the borrower delivers and the lender accepts the deed to the property.

The lender must be prepared to prove that it gave the borrower a fair deal and did not take advantage of his financial difficulty. By accepting the deed, the lender assumes the responsibility to pay the outstanding taxes and all other lienors. If the property is valued higher than the debt, the lender must pay the borrower the difference in cash.

STRICT FORECLOSURE. Strict foreclosure is applied in a few of the title theory states. There is no public sale involved. The lender asks for a strict foreclosure, and if the borrower does not object, he loses the property to the lender. If he does object, the court orders a sale.

II. READING-COMPREHENSION TEST:

1. ___ has the right to ask for a strict foreclosure.
 - a) the borrower
 - b) the lender
 - c) the court
 - d) the prospective buyer
2. If there is nobody to redeem the property, _____.
 - a) it means that the borrower is in default
 - b) the legal foreclosure begins
 - c) the borrower has to pay property taxes
 - d) the sale begins
3. If the borrower can't meet the plan proposed by the lender, he will prefer _____.
 - a) to sell the property
 - b) to have the property foreclosed upon
 - c) to make payments on his mortgage loan
4. The court can order a new sale if _____.
 - a) the bidding price is low
 - b) expenses are low
 - c) the bidding price is high
 - d) no one redeems the property
5. The acceleration clause is invoked when _____.
 - a) there is no one who wants to buy the property
 - b) the borrower is in default
 - c) there is no one willing to pay the price equal to the debt
6. In some states the lender is given the right to sell the mortgaged property _____.
 - a) without giving a notice to the borrower
 - b) after giving the notice to the borrower
 - c) after paying the outstanding taxes
7. If the borrower fails to make payments on his mortgage loan, the lender prefers _____.
 - a) starting legal actions
 - b) searching a potential buyer

- c) trying to arrange the matters with the borrower
8. If the borrower does not object to a strict foreclosure, ____ .
- the court orders the sale
 - he must pay the lender the difference in cash
 - he loses the property to the lender
9. Lienors and mortgagees who recorded their interest before the mortgage being foreclosed upon, ____ .
- are affected by the lawsuit
 - have senior claims
 - will receive their interest
10. If the property is valued higher than the debt, ____ .
- the borrower must pay the lender the difference in cash
 - the lender must pay the borrower the difference in cash
 - the lender must pay some taxes

III. FILL IN THE ENGLISH EQUIVALENTS OF THE RUSSIAN WORDS AND WORD-COMBINATIONS:

- One of the reasons for a default may be (нарушение каких-либо условий) contained in the mortgage document.
- (Если ни заемщик, ни кто-либо из ответчиков не возражают), the judge will order the property to be sold through a public auction.
- The lender must prove that (он заключил с заемщиком честную сделку).
- Any person (может принимать участие в торгах).
- (Тем временем) a notice of the lawsuit is filed in the office of the county clerk where the property is located.
- This period varies (от двух месяцев до двух лет) depending on the state.
- Lis pendens is the notice to warn the public that (судебный иск по имуществу находится на рассмотрении).
- Equity of redemption (прерывается) when the sale takes place.
- (Если заем невыплачен), the lender has legal options available to it to protect his money.
- (Вернее), the statute in several states gives the lender the right to sell the mortgaged property after giving the notice to the borrower.

IV. COMPLETE THE SENTENCES ACCORDING TO THE TEXT AND TRANSLATE THEM:

- If the sale price does not meet the lender's claim, he may obtain ____ .
- Most lenders prefer meeting with the borrower to arrange for a new over-stretched payment plan before starting ____ .
- Prospective buyers will learn about the pending lawsuits after they ____ .
- By accepting the deed, the lender assumes the responsibility ____ .
- When the borrower fails to make payments on his mortgage loan as stated in the promissory note and the mortgage document, the loan is said ____ .
- If the borrower pays the principal, interest and costs of sale, he will be given the right ____ .
- A statutory redemption period after the date of sale is the period during which the borrower can ____ .
- If there are neither the borrower's nor other defendants replies, the judge will order the property ____ .

V. DECIDE WHETHER THE FOLLOWING SENTENCES ARE TRUE OR FALSE:

1. Equity of redemption is the right to sell the property.
2. The time of the statutory redemption period is the same all over the country.
3. It is necessary to identify all the persons who have interest in the property.
4. The borrower can't sell the property after a lis pendens has been filed.
5. The borrower has no right to the property during the statutory redemption period.
6. The lender has several legal options to protect his money.
7. There are no court proceedings involved in a strict foreclosure.
8. The borrower is given a period of time to redeem the property.
9. When the lender accepts the deed to the property, he must not take advantage of the borrower's financial difficulty.
10. The lender is given the right to collect the debt against the borrower's real and personal assets.

VI. ASK YOUR GROUPMATES:

1. why defaults mostly occur.
2. what the most common remedies are.
3. what the sequence order of the legal foreclosure and sale proceedings is.
4. where a notice of the lawsuit is filed.
5. on what condition the borrower is given the right to redeem his property until the sale starts.
6. whether there are any restrictions for bidding.
7. what the terms of payment for the highest bidder are.
8. what the borrower is allowed to do according to statutory redemption laws.
9. what a certificate of sale entitles the highest bidder to.
10. on what conditions the borrower delivers and the lender accepts the deed of the property.

TEXT XVI

I. MATCH EACH WORD WITH ITS DEFINITION:

1) an interim loan	a) the amount of a charge or payment with reference to some basis of calculation
2) to charge a rate	b) the increase of the balance of the principal of the mortgage, which occurs each time a payment is made. This happens when the monthly payment is less than interest
3) interest rate	c) to ask a price
4) negative amortization	d) a capital sum as distinguished from interest or profit
5) conversion	e) a temporary loan
6) adjustment period	f) a period of changes or concessions as in price or other terms
7) treasury bond	g) unauthorized assumption and exercise of rights of ownership over personal property belonging to another
8) treasury bill	h) an interest-bearing note issued by the U.S. treasury Department, usually maturing over a long period of time.
9) principal	i) an obligation of the U.S. government represented by promissory notes

TYPES OF MORTGAGES.

There are several types of mortgages, each best suited for a specific purpose or situation. The type of mortgage or mortgages you select to finance your new house depends on several factors. Some of these factors are personal; for instance, if you are a veteran you may qualify for a VA-guaranteed mortgage loan. Another factor is how the house is going to be built. If you contract a developer to build the house including a lot, you can finance the deal by one long-term mortgage loan. But if you buy a lot and hire either a general contractor or several subcontractors to build the house you need two mortgage loans: (1) building or construction loan, which is a short-term or interim loan to finance construction until the house is built and approved for occupancy, and (2) a long-term loan to refinance the building loan. You may have both loans approved in one closing. These are the most widely used types of mortgage loans:

1. Conventional fixed-rate mortgage.
2. Conventional adjustable-rate mortgage.
3. Building or construction loan mortgage.
4. Deed of trust mortgage.
5. Blanket mortgage.
6. Reserved mortgage.
7. Open-end mortgage.
8. Purchase money mortgage.
9. Package mortgage.
10. Graduated payment mortgage.

CONVENTIONAL FIXED-RATE MORTGAGE. The term conventional mortgage may be defined as a mortgage loan that is made according to the lender's own regulations. It may be also defined as a loan that is not FHA-insured or VA-guaranteed.

In fixed-rate mortgages, the interest rate is established when the loan is made and does not change throughout the life of the loan. It used to be the only way of charging interest, until 1980 when interest rates went up sharply and lenders suffered heavy losses because they had to pay up the 16% interest rates to raise funds while their old fixed-rate mortgages were paying only about 8%. To reduce the lender's risks, the government authorized them to make loans with variable or adjustable-interest rates. Nevertheless, lenders continue to offer fixed-rate mortgages because many borrowers do not feel comfortable with adjustable-rate mortgages. Understandably, they charge higher rates or more points on fixed-rate than on adjustable-rate mortgages to protect themselves against a possible rise in interest rate. Naturally, if interest rates go down, fixed-rate lenders make more profits.

CONVENTIONAL ADJUSTABLE-RATE MORTGAGE. The adjustable-rate mortgage, known as ARM, is a loan whereby the interest rate changes periodically based on a certain monetary index. In most ARM loans the monthly payments change following the rise and fall of interest rates. Adjustable-rate mortgages have several variables that other interest rates. You need to know what these variables are in order to be able to compare one ARM with another or compare adjustable with fixed-rate mortgages. The most important variables are the adjustment period, index, margin, interest cap, payment cap, negative amortization and conversion.

THE ADJUSTMENT PERIOD. The adjustment period varies widely, depending on the lender and on the volatility or stability of interest rates at the time of making the loan. Some loans call for an adjustment every month, others every few years. It is very hard to tell which is in the borrower's best interest because no one can predict the course of interest rates during the following 15 or 30 years. As a general rule, if you think that the rate at the time of making the loan is low, you may choose a loan with long adjustment period to lock in the low rate for several years. Conversely, if you feel that interest rates may come down, you may choose a loan with short adjustment period.

THE INDEX. Each lender ties its ARM interest rate to the rate of the particular index. Such an index may be the prime interest rate; the national or regional average cost of funds to savings and loan associations; the interest rate on the latest bid on two- or five-year treasure bonds or notes; the latest bids on three- or six-month treasury bills; or the lender's own cost of funds.

THE MARGIN. After establishing the index, each lender adds a few percentage points to the rate of the index to cover its profit and overhead expenses. The added percentage is called the margin and it varies from one lender to another. Thus, the ARM interest rate is equal to the rate of the index plus the margin.

INTEREST CAP. The interest cap in ARM means a limit on the increase in the interest rate per adjustment period. There are two types of caps: periodic and overall. Periodic cap limits the increase in interest rate for each adjustment period. Overall cap limits the interest rate increase throughout the life of the loan. As an illustration, let us assume that an ARM has an initial interest rate of 10%, adjustment period of one year, periodic cap of 2% and overall cap of 5%. The maximum interest rate that could be charged on such a loan after one year is 12%; after two years is 14%; after three years and beyond is 15%. If the index moves down, the interest rate on the loan moves down accordingly.

Having an ARM with a cap protects the borrower against drastic increases in monthly payments should interest rates increase sharply. Mortgage loans are long-term with life spans varying between 15 and 30 years. During such a period, the movement of interest rate cannot be predicted.

PAYMENT CAP. Some lenders offer adjustable-rate mortgage loans with payment caps that limit the increase in the monthly payment for adjustment period regardless of the increase in the interest rate charged on the loan. This method does not relieve the effect of the significant increase in interest rates. It just postpones and compounds the problems because it causes negative amortization of the loan.

NEGATIVE AMORTIZATION. Negative amortization means that the balance of the interest increases rather than decreases each time a payment is made. This happens to ARM loans with payment caps when the allowable increase in the payment does not catch up with the increase in the interest rate to the extent that the payment does not satisfy all the interest. The deficit is then added to the principal causing it to increase. As a result, the interest on the subsequent payment will be higher causing more deficit and higher principal, and so on.

CONVERSION. Some ARM loans have a clause by which the variable-rate can be converted to a fixed-rate loan at a designated time. The lender should state at the outset how the fixed-rate will be determined, and whether there is an additional charge for exercising this option.

II. READING COMPREHENSION TEST:

1. Conventional fixed-rate mortgage can be defined as:
 - a) a mortgage loan that is made according to the lender's own regulations
 - b) the adjustable-rate mortgage, known as ARM
 - c) a long-term loan to refinance the building loan
2. The adjustment period varied widely, depending on:
 - a) the type of the mortgage
 - b) on the lender
 - c) the time of making the loan
3. The interest cap in ARM means:
 - a) a limit on the increase in the interest rate regardless of the period
 - b) a limit on the increase in the interest rate per adjustment period
 - c) a limit on the interest rate per adjustment period
4. Payment cap limits:
 - a) the increase in the monthly payment
 - b) the increase in the margin
 - c) the increase in the interest cap
5. Negative amortization means that:
 - a) the balance of the interest increases rather than decreases each time a payment is made
 - b) the balance of the interest remains stable each time a payment is made
 - c) the balance of the interest falls each time a payment is made
6. The variable-rate can be converted to a fixed-rate loan at a designated time if:
 - a) there is a special clause in ARM loan
 - b) the lender wishes so
 - c) the fixed-rate is determined

7. ARM interest rate is tied to:
- the rate of the particular index
 - the amount of the borrower monthly income
 - rate of the exchange rate of the local currency

III. DECIDE WHETHER THE FOLLOWING SENTENCES ARE TRUE OR FALSE:

- There is one type of mortgages, which is best suited for a specific purpose or situation.
- Conventional mortgage is a mortgage loan, which is either FHA-insured or VA-guaranteed.
- The government authorized lenders to make loans with variable or adjustable-interest rates to reduce the borrower's risks.
- It is very hard to tell which is in the borrower's best interest because only specialists can predict the course of interest rates during the following 15 or 30 years.
- An index each lender ties its ARM interest rate to varies greatly.
- The government fixes the sum of the margin.
- Having an ARM with a cap protects the borrower against drastic increases in monthly payments.
- There is always an additional charge for exercising the option of converting the variable-rate to a fixed-rate loan at a designated time.

IV. SUPPLY THE SENTENCES WITH THE REQUIRED WORDS AND WORD-COMBINATIONS:

Accordingly, periodically, others, to add, to change, to depend, subsequent

- The type of mortgage or mortgages you select to finance your new house ... on several factors.
- In fixed-rate mortgages, the interest rate is established when the loan is made and ... throughout the life of the loan.
- The adjustable-rate mortgage is a loan whereby the interest rate changes ... based on a certain monetary index.
- Some loans call for an adjustment every month, ... every few years.
- After establishing the index, each lender ... a few percentage points to the rate of the index to cover its profit and overhead expenses.
If the index moves down, the interest rate on the loan moves down....
- As a result, the interest on the ... payment will be higher causing more deficit and higher principal, and so on.

V. DECIDE WHICH TRANSLATION IS CORRECT:

- There are several types of mortgages, each best suited for a specific purpose or situation.
 - Существует несколько видов ипотек, каждая из которых рассчитана на специфическую цель и ситуацию
 - Несколько существующих видов ипотек рассчитаны на разные цели и ситуации
 - Существует несколько видов ипотек, каждая из которых наилучшим образом соответствует определенной цели или ситуации
- Naturally, if interest rates go down, fixed-rate lenders make more profits.

а) Естественно, что если ссудный процент снижается, то кредиторы, выдающие заем с фиксированной процентной ставкой, получают больше прибыли

б) Естественно, что если интерес падает, то кредиторы, выдающие заем с фиксированной процентной ставкой, получают больше прибыли

с) Естественно, что если ссудный процент снижается, то кредиторы, выдающие заем с фиксированной процентной ставкой, получают максимальные прибыли

3. It is very hard to tell which is in the borrower's best interest.

а) Тяжело сказать, какой из них лежит в оптимальном интересе заемщика

б) Очень тяжело определить, который из них наилучшим образом отвечает интересам заемщика

с) Очень тяжело сказать, какой из них наилучшим образом отвечает интересам заемщика

4. This method does not relieve the effect of the significant increase in interest rates.

а) Данный метод не ослабляет эффекта значительного повышения процентной ставки

б) Данный метод не увеличивает влияния значительного повышения процентной ставки

с) Данный метод не уменьшает влияния от значительного повышения ссудного процента

VI. ASK YOUR GROUPMATES:

1. about the most widely used types of mortgage loans;
2. what the type of mortgage or mortgages you select to finance your new house depends on;
3. how the term conventional mortgage may be defined;
4. how in the adjustable-rate mortgage, known as ARM, the interest rate changes;
5. why the adjustment period varies widely;
6. what the interest cap in ARM means;
7. what negative amortization means.

TEXT XVII

I. MATCH EACH WORD WITH ITS DEFINITION:

1. specification	a) a statement of the approximate charge for work
2. estimate	b) determination of the value
3. appraiser	c) a person who estimates the monetary value
4. evaluation	d) to find out definitely
5. to ascertain	e) a detailed description of requirements, dimensions, materials, etc., as of a proposed building
6. actual notice	f) notice given to the world by filing a document in the public records
7. constructive notice	g) a document stating that one person holds the title to property for the benefit of another
8. building loan	i) a person who creates a trust
9. installment	j) any of several parts into which a debt or other sum payable is divided for payment at successive fixed times
10. Fire underwriters	k) a short-term loan used to finance house construction, is paid in installments during the progress of work
11. the deed of trust	l) a certificate issued by the town's electrical inspector indicating that the electrical wiring of the house was done in accordance with the codes and regulations
12. trustee	m) a document stating that the property is conveyed back
13. trustor	n) a person who holds the title to property for the benefit of another
14. a deed of reconveyance	o) the right given by lenders in some states to sell the foreclosed upon property without obtaining a court order
15. power of sale	p) a clause included in a blanket mortgage by which a lot can be released by repaying a specific portion of the debt
16. partial release clause	q) knowledge of facts based on what a person has seen, heard or read

CONSTRUCTION LOAN MORTGAGE.

Should you decide to buy a lot and take charge of constructing your house, you would need a construction loan mortgage to finance construction.

To obtain a construction loan mortgage, you are required to submit to the lender a set of the design drawings (blueprints), specifications, and an estimate of construction costs signed by an engineer, architect, or general constructor. The lender gives these documents to its appraiser for evaluation. In addition, the lender usually re-

quests for its legal department a recent land survey, a copy of the deed, and the statement that the property is not mortgaged. This is to ascertain that it will have a first lien to the property. Undoubtedly, the lender will search the title to ensure that there are no recorded liens to the property, but this will provide it with only a constructive notice. In addition, your statement provides the lender with an actual notice.

When your loan is approved, you will be required to provide the lender with an effective builder's risk insurance policy in the amount determined by the lender based on the value of construction.

CONSTRUCTION SCHEDULE.

Before the closing date, the lender will mail you a construction schedule that includes major areas of work such as excavation, framing, rough plumbing, etc., with each part assigned a percentage of the value of the loan. For example, if the loan is \$60,000, and rough framing is assigned 6%, it means that when the rough framing is completed you get \$3,600. If an item is partially completed, you get a proportion of percentage allocated in this item.

The schedule indicates which items must be completed before you obtain the first installment (usually the foundations, rough framing, sheathing, roofing, and backfilling). When these items are completed you call the lender, which sends its appraiser or inspector to inspect the construction. The inspector determines which items have been totally or partially completed, and takes a front-view photograph of the house for the lender's records. If everything is satisfactory to the appraiser, he informs the legal department of the amount of the first installment. Then the legal department sets the closing date, usually within a few days.

BUILDING LOAN AGREEMENT.

This is an additional document that you must sign to obtain a construction loan. It includes the description of the property, the amount of the loan, the interest rate and the method of advancing installments. The interest is to be paid on the amount of the advanced installments only.

The loan is usually paid in four installments. The first is paid at the closing. It includes all the items that are completed in full or in part up to the appraiser's inspection. The last installment is paid after construction is completed and the certificate of the electrical inspection (called Fire Underwriters), and the certificate of occupancy are obtained. Additionally, the grading, lawn seeding or sodding, driveways and walkways must be completed before the lender forwards the last installment to you. The other two installments are paid during the progress of construction. In each case you call the lender, which sends its inspector to determine the progress of construction and the amount of the installments.

DEED of TRUST MORTGAGE.

The deed of trust mortgage is used in several states in lieu of the mortgage document. There are three parties involved in a deed of trust: the lender, also called the beneficiary; the borrower, also called the trustor; and the trustee. The lender provides the borrower with the mortgage loan. In return, the borrower gives the lender a promissory note or a bond, and conveys the title to the trustee who holds it until the note is paid in full. The deed of trust is recorded in the public records.

When the note is paid in full, the lender completes a form entitled "Request For Full Reconveyance" and sends it with the promissory note to the trustee who conveys the title back to the borrower by means of a deed of reconveyance. The borrower must record this deed to give notice to the world that the note has been paid.

If the borrower defaults, the trustee can foreclose upon the property under the power of sale clause that is included in the deed of trust agreement without going through court foreclosure proceedings. After the borrower's default is established, the trustee files a notice in the public office where deeds are recorded. A waiting period is about 120 days has to elapse before the advertisement to sell the property begins. Then, the sale is advertised in the local newspapers. Finally, a public auction is held and the property is sold. The successful bidder (the buyer) gets a trustee's deed.

In a deed of trust, the borrower's right of redemption usually ends when the sale takes place.

BLANKET MORTGAGE.

A blanket mortgage is a mortgage secured by more than one lot. It is often used by developers to finance an entire subdivision since it is less costly than mortgaging each lot separately. When you contract a developer to build you a house, or buy only a lot from him, he must obtain a release of your lot from the blanket mortgage in order to give you a clear title. This is usually done by including a partial release clause in the blanket mortgage agreement by which he can obtain the release of a lot by repaying a specific portion of the debt.

REVERSE MORTGAGE.

Reverse mortgage, sometimes called reverse annuity mortgage, is a mortgage by which the lender makes monthly payments to the borrower. The loan is repaid in full when the borrower sells the property or from his estate upon his death. This type of mortgage is convenient for senior citizens who need to supplement their income by utilizing the equity in their homes without having to sell them.

OPEN-END MORTGAGE.

An open-end mortgage is a mortgage that includes a clause by which the borrower can obtain additional advances from existing amortized loan for up to the amount that has been amortized. The new loans must be used to improve the mortgaged property.

PURCHASE MONEY MORTGAGE.

A purchase money mortgage is a mortgage that the buyer gives the seller for a part of the price of the property. In this type of mortgage, the buyer of the property pays a portion of the price in cash and gives the seller a note secured by the property for the balance of the price. In this case, the seller becomes the mortgagee and receives the periodic payments of principal and interest. In many states, private lenders are exempt from usury laws meaning that they can charge higher interest rates than institutional lenders. On the other hand, if the interest rate on the note is too low, the Internal Revenue Service intervenes and sets a fair interest rate and taxes the seller accordingly.

PACKAGE MORTGAGE.

A package mortgage includes all appliances (refrigerator, washer, dryer, etc.) that are classified as personal property in real estate mortgages. This is done to raise the value of the property, and correspondingly the amount of the mortgage loan. No item included in a package mortgage may be sold without the lender's approval.

GRADUATED PAYMENT MORTGAGE.

A graduated payment mortgage is a loan in which the monthly payment at the beginning of the life of the loan is less than the interest, causing the principal to increase with each payment (negative amortization). The monthly payments increase by a certain percentage each year for a specific number of years and then remain at

that level until the maturity date of the loan. Graduated payment mortgages are suited for first-time homebuyers and young professionals who expect their income to increase in the years ahead.

II. READING – COMPREHENSION TEST:

- The lender gives the documents to its appraiser for ...
 - evaluation
 - calculation
 - signature
- The inspector determines which items have been ...
 - evaluated
 - destroyed
 - totally or partially completed
- In case of building loan agreement the interest is to be paid ...
 - on the amount of the interest rate
 - on the amount of the advanced installments
 - on the number of foreseen installments
- ... involved in a deed of trust.
 - There are three parties
 - There are three subcontractors
 - There are three documents
- A blanket mortgage ...
 - is a mortgage secured by more than one lot
 - is often used by the developers to finance one lot
 - is a mortgage secured by one lot
- Reverse mortgage is repaid in full when ...
 - monthly payments are paid
 - the borrower sells the property
 - upon the borrower's death
- A purchase money mortgage is a mortgage that ...
 - the buyer pays monthly
 - the buyer pays in cash
 - the lender pays in cash
- Graduated payment mortgages are suited for ...
 - for people who expect their income to decrease
 - for first-time homebuyers
 - for elderly people

III. SUPPLY THE SENTENCES WITH THE REQUIRED WORD-COMBINATIONS:

To quire, specific, building loan agreement, to takes place, to increase, inspector, to record, purchase money mortgage,

- To obtain a construction loan mortgage, you ___ to submit to the lender a set of the documents.
- The ___ determines which items have been totally or partially completed.
- ___ is an additional document that you must sign to obtain a construction loan.
- The deed of trust ___ in the public records.
- ___
- In a deed of trust, the borrower's right of redemption usually ends when the sale ___.
- In case of ___ the buyer of the property pays a portion of the price in cash.

8. The monthly payments increase by a certain percentage each year for a ___ number of years.
9. Graduated payment mortgages are suited for first-time homebuyers and young professionals who expect their income ___ in the years ahead.

IV. DECIDE WHETHER THE FOLLOWING SENTENCES ARE TRUE OR FALSE:

1. When your loan is paid, you will be required to provide the lender with an effective builder's risk insurance policy.
2. The schedule indicates which items must be completed before you obtain the first installment.
3. Building loan agreement does not include the interest rate and the method of advancing installments.
4. There are three parties involved in a deed of trust: the beneficiary, the borrower, and the trustee.
5. In case of purchase money mortgage, the seller loses the mortgagee and receives the periodic payments of principal and interest.
6. A package mortgage includes all appliances that are classified as personal property in real estate mortgages.
7. A graduated payment mortgage is a document in which the monthly payment at the beginning of the life of the loan is less than the interest.

V. FILL IN THE ENGLISH EQUIVALENTS OF THE RUSSIAN WORD COMBINATIONS:

1. This is to ascertain that it (обладает первым правом удержания имущества) to the property.
2. Before the closing date, the lender will mail you a (график производства строительных работ) that includes major areas of work.
3. The inspector determines which items (были полностью либо частично) completed
4. In each case you call the lender, which sends its inspector (для определения продвижения) of construction and the amount of the installments.
5. Finally, a (публичные торги) is held and the property is sold.
6. In many states, (частные кредиторы) are exempt from usury laws.
7. Graduated payment mortgages are suited for (тех, кто покупает дом в первый раз).

TEXT XVIII

I. MATCH EACH WORD WITH ITS DEFINITION:

1. secondary mortgage market	a) includes all the institutions that lend directly to mortgage borrowers
2. loan-to-value ratio	b) includes large institutions that provide cash to the housing market by buying mortgage loans from lenders (primary market) , and packaging and selling them to large investors
3. retailer	c) a mortgage that has no recorded predecessor or lien
4. a first mortgage	d) p. 311
5. Federal Home Loan Bank System	e) p.315
6. a middle man	f) p.316
7. primary mortgage market	g) a policy whereby the insurance company pays the balance of the mortgage if either the borrower or co-borrower dies
8. mortgage life insurance	h) one who sells directly to the customer
9. toll-free	i) one who plays an intermediate economic role between producer and consumer
10. to shop for	j) without any payment
11. Mutual Savings Banks	k) to seek a bargain, investment, service

FINANCING.

Most mortgage financing is provided by two major sources: the primary mortgage market and the secondary mortgage market. The primary market consists of all the institutions that lend directly to homeowners. These lenders finance the loans they make partially from their own deposits and assets and partially by selling the loans to big institutions known as the secondary mortgage market.

In addition to the above, real estate may be purchased by unconventional financing. This may be defined as loans provided by financial sources other than regulated lending institutions. This includes individual lenders, city, state, and federal agencies. These sources become significant in times of tight money supply or when borrowers do not qualify for loans from regulated loans.

PRIMARY MORTGAGE MARKET. The primary mortgage market is comprised of all the institutions that lend directly to homeowners. The most important lenders are:

- Savings and loan associations.
- Commercial banks.
- Mutual saving banks.
- Insurance companies.
- Mortgage banking companies.
- Credit unions.
- Pension funds.

SAVINGS and LOAN ASSOCIATIONS. Savings and loan associations (SLA) are the biggest mortgage lenders, and the best available source of the construction loan mortgages for individuals. A savings and loan association must be either federally- or state-chartered. All federally- and most state-chartered associations are members of the Federal Home Bank System (FHLB), which sets the guidelines for the lending procedures of its members. Some of the FHLB requirements for loans made by member associations are; (1) the loan must be secured by a first mortgage lien (this is one of the reasons why construction loan lenders insist that the building lot must be free from mortgages and liens), (2) loan-to-value ratio should not exceed 80%, (3) the loan mortgage must be amortized on a monthly basis, (4) the mortgaged property must be located within certain boundaries with respect to the SLA's home office or state, (5) the maximum term of the loan is 30 years, and (6) construction loans or second-mortgaged loans can be made, but with short-term maturity.

COMMERCIAL BANKS. Although they have larger assets than savings and loan associations, commercial banks have not been as active as SLAs in mortgage lending to individuals. Commercial banks have always specialized in short-term loans to businesses, and have limited their dealings with individuals mostly to credit cards, and automobile and personal loans. The larger ones, however, have begun to offer conventional, FHA-insured, and VA-guaranteed mortgage loans. Conventional loans may be made with loan-to-value ratios of up to 80% for uninsured loans and 95% for privately insured mortgage loans.

MUTUAL SAVINGS BANKS. Mutual savings banks are so named because they are mutually owned by their depositors. They are all state-chartered, meaning that each bank follows the regulations of the state in which it is chartered. To protect the depositors, the law requires that mutual savings banks invest their deposits in safe investments. Accordingly, they allocate about two-thirds of their investment dollars to mortgage loans.

INSURANCE COMPANIES. Auto, homeowner, and mortgage life insurance companies are becoming active in offering mortgage loans, mainly to their customers (mortgage life insurance is a policy whereby the insurance company pays the balance of the mortgage if either the borrower or co-borrower dies). Their activity is more in second mortgages because most of their customers already have first mortgages.

The insurance companies' role in direct lending is limited, however. They are more active in the secondary market where they can buy big block of loans secured by mortgages in a single transaction.

MORTGAGE BANKING COMPANIES. Mortgage banking companies or mortgage companies act as retailers or middle-men for large investors such as life insurance companies, pension funds, out-of-state savings and loan associations, and other big investors.

Several mortgage companies operate on a regional scale. They advertise heavily on the radio and television giving a toll-free number so that prospective borrowers do not have to pay for the call, and promise to take applications by telephone and approve the loans within 24 hours.

Some of these companies merely process loans while large investors provide the money. Others have sufficient funds to finance the loans for brief periods until they sell them in the secondary market.

CREDIT UNIONS. Credit unions are organized by certain groups of people or employees of particular companies as cooperatives. They specialize in consumer

and home-improvement loans. As their cash deposits increase, they channel some of this money into real estate by offering first and second mortgage loans. They are not as big as SLAs or commercial banks, but their rates are competitive, and therefore could be considered when shopping for a mortgage loan.

PENSION FUNDS. Pension funds assets are growing at very big rates. They allocate large portions of their portfolios to real estate lending. They buy big blocks of loans secured by mortgages either through mortgage companies or in the secondary mortgage market.

II. READING-COMPREHENSION TEST:

1. The primary market consists of all the institutions that lend directly to ____
 - a) bank agencies
 - b) building companies
 - c) homeowners.
2. Savings and loan associations (SLA) are the best available source of the construction loan mortgages for ____.
 - a) associations
 - b) Individuals
 - c) big institutions
3. Commercial banks have always specialized in short-term loans to
 - a) states
 - b) businesses
 - c) Individuals
4. Mutual savings banks are so named because they are ____ by their depositors.
 - a) mutually funded
 - b) mutually owned
 - c) mutually financed
5. The insurance companies' role in direct lending is ____.
 - a) varied
 - b) limited.
 - c) great
6. Mortgage banking companies act as ____ for large investors.
 - a) representatives
 - b) retailers
 - c) contractors
7. Credit unions specialize in ____ loans.
 - a) mortgage
 - b) long-term
 - c) home-improvement

III. SUPPLY THE SENTENCES WITH THE REQUIRED WORD-COMBINATIONS:

Active, mortgage lending, to follow, allocate, either...or, scale, assets
Lenders finance the loans they make from their own deposits and ____
A savings and loan association must be ____ federally- ____ state-chartered.
Commercial banks have not been as active as SLAs in ____ to individuals.
Mutual savings banks ____ the regulations of the state in which it is chartered.
The insurance companies are ____ in the secondary market.
Several mortgage companies operate on a regional ____.

Pension funds___ large portions of their portfolios to real estate lending.

IV. DECIDE WHETHER THE FOLLOWING SENTENCES ARE TRUE OR FALSE:

Real estate may be purchased by unconventional financing.

All federally- and some state-chartered associations are members of the Federal Home Bank System (FHLB).

Commercial banks have limited their dealings with individuals mostly to credit cards, and automobile and personal loans.

Mutual savings banks allocate about one-third of their investment dollars to mortgage loans.

Insurance companies can buy big block of loans secured by mortgages in a single transaction in the primary mortgage market.

Mortgage companies seldom advertise on the radio and television.

Pension funds assets are growing at very low rates.

V. PUT THE SENTENCES IN A SEQUENCE ORDER IN ACCORDANCE WITH THE TEXT:

Mutual savings banks are so named because their depositors mutually own them.

Pension funds allocate large portions of their portfolios to real estate lending.

Savings and loan associations (SLA) are the biggest mortgage lenders.

Certain groups of people or employees of particular companies as cooperatives organize credit unions.

Auto, homeowner, and mortgage life insurance companies are becoming active in offering mortgage loans.

The primary market consists of all the institutions that lend directly to homeowners.

Mortgage banking companies act as retailers or middle-men for large investors.

VI. DECIDE WHICH TRANSLATION IS CORRECT:

- The primary market consists of all the institutions that lend directly to homeowners.
 - Первичный рынок состоит из всех учреждений, которые дают заем непосредственно домовладельцам
 - Первый рынок состоит из институтов, которые дают заем непосредственно домовладельцам
 - Первичный рынок состоит из учреждений, дающих непосредственный заем домовладельцам.
- These sources become significant in times of tight money supply.
 - Подобные источники становятся показательными во времена дефицита денежного запаса.
 - Эти источники становятся значительными во времена дефицита денежного запаса.
 - Эти источники начинают играть значительную роль во времена дефицита денежного запаса.
- Commercial banks have not been active in mortgage lending to individuals.
 - Коммерческие банки не занимали активную позицию в области ипотечного кредитования
 - Коммерческие банки не активно участвовали в индивидуальном ипотечном кредитовании

- с) Коммерческие банки не были активны в области ипотечного кредитования индивидуумам
4. Each bank follows the regulations of the state in which it is chartered.
- а) Каждый банк следует законам штата, в котором он создавался.
 - б) Каждый банк соблюдает законы штата, в котором он создавался
 - с) Каждый банк обязан соблюдать законы штата в котором он создавался.
5. The insurance companies' role in direct lending is limited.
- а) Страховые компании играют маленькую роль в непосредственном кредитовании.
 - б) Роль страховых компаний в непосредственном кредитовании ограничена.
 - с) Роль страховых компаний в непосредственном кредитовании ограничена.
6. Pension funds assets are growing at very big rates.
- а) Активы пенсионных фондов сильно растут.
 - б) Активы пенсионных фондов растут с большой скоростью.
 - с) Активы пенсионных фондов очень быстро растут.

TEXT XIX

I. MATCH EACH WRD WITH ITS DEFINITION:

1. outstanding balance	a) an investment company that issues its shares continuously and without limit and is obliged to redeem or repurchase them from owner on demand
2. to fall behind	b) unpaid difference between the debit total and the credit total of an account
3. to initiate	c) the ratio between the amount of the principal of a mortgage loan and the appraised market value of the property of the purchase price, whichever is lower
4. interest rate	d) a business enterprise that owns controlling interests in one or more subsidiary companies
5. to become incapacitated	e) the amount of payment with reference to a sum paid or charged for the use of money or for borrowing money
6. to retain the title	f) to hold the title
7. mutual fund	g) to commence, to introduce
8. loan to value ratio	h) to fail to pay (a debit obligation, etc.) at the appointed time
9. parent company	i) a mortgage that the buyer gives the seller for a part of the price of the property
10. purchase money mortgage	j) a title that does not involve the buyer in litigation. Also a title that a court could compel the buyer to accept
11. tax-exempt	k) providing income that is not taxable
12. marketable title	l) to be deprived of power to perform acts with legal consequences

SECONDARY MORTGAGE MARKET

The secondary mortgage market consists of three major governmental or quasi-governmental agencies and one private corporation. They are:

1. The Federal National Mortgage Association (FNMA).
2. The Governmental National Mortgage Association (GNMA)
3. The Federal Home Loan Mortgage Corporation (FHLMC).
4. Maggie Mae (private).

The secondary market contributes significantly to stimulating construction of new housing by buying large numbers of mortgages from primary market lenders for cash. Then they package these mortgages in big blocks or pools and sell them to big investors such as pension funds, life insurance companies, mutual funds and individual investors in the form of bonds or notes secured by the mortgages. Not every individual can buy these bonds or notes directly because they are sold in large minimum denominations, but one can buy them indirectly through mutual funds.

Generally, the primary lenders continue to service the loans after they sell them. This means that they collect the payments, maintain the escrow accounts, pay the taxes, and issue the certificates of satisfaction when the loans are paid in full. In exchange for their services, lenders get a fee based on the amount of outstanding balance of the loan. In addition, they get a portion of the discount points when the loan is initiated. The monthly payment of the principal, interest, and any prepayments are passed from lenders to secondary market purchasers. Most borrowers do not even notice that their mortgages have been sold in the secondary market, sometimes within 24 hours after the closing. The housing industry and primary market lenders benefit enormously from the secondary market, particularly during tight money periods. By making a lot of cash available for real estate borrowing, more people can afford to buy houses and as a result more houses are built to fill the demand. Lenders benefit in two ways: (1) they make more loans on which they make more money, and (2) they can sell some loans from their portfolio at short notice should their cash reserves fall below the levels required by the federal government.

By the sheer size of their huge purchases, the secondary market institutions are able to exert great influence over prevailing practices of mortgage lending. They are also instrumental in implementing the federal government's lending policies. Through the secondary market institutions, the federal government may set the loan-to-value and qualifying ratios; implement using standard forms for mortgages, notes, and loan applications; and enforce the procedures by which the loan applications are processed.

THE FEDERAL NATIONAL MORTGAGE ASSOCIATION FNMA, popularly known in the financial community as FANNIE MAE, was established by the federal government in 1938 to stimulate housing construction by providing cash to government insured mortgage loans. Now, it is a quasigovernmental agency organized as a partly private, partly public corporation. Its common stocks are traded on the New York, Boston, Cincinnati, Pacific, and Philadelphia stock exchanges.

FNMA is the largest secondary market trader of mortgage loans. It buys and sells conventional, FHA-insured and VA-guaranteed mortgages through competitive periodic auctions. It finances its purchases by selling FNMA bonds and notes that are guaranteed by the federal government and secured by pools of mortgages; by selling corporate stocks; and by selling blocks of mortgage loans to pension funds, insurance companies, and other institutions in open competition.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION GNMA, also known as GINNIE MAE, was split from FNMA in 1968. It is a division of the Department of Housing and Urban Development (HUD), and operates as a government agency. It provides assistance in housing in areas that cannot afford the prevailing interest rates through a program called TANDEM PLAN. In this program GNMA buys conventional and federally insured or guaranteed mortgage loans made to low-income families at below-market interest rates, and then sells them to FNMA or other investors at the prevailing rates with the US government, through GNMA, absorbing the difference.

GNMA also has a program whereby it guarantees securities issued by primary lenders and backed by blocks of FHA-insured and VA-guaranteed mortgage loans. The investors who buy these securities are guaranteed to be paid the principal and interest in time even if the borrowers fall behind.

THE FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC), popularly known as FREDDIE MAC, was created in 1970 by Congress to provide a secondary market for mortgage loans.

Similar to FNMA and GNMA, Freddie Mac buys conventional, FHA-insured, and VA-guaranteed mortgage loans from lenders, then sells certificates secured by these mortgages to big investors. However, FHLMC does not guarantee the timely payments of principal and interest on these certificates.

Lenders who wish to sell their mortgages to FHLMC must use its forms for the mortgage loan application, mortgage, and promissory note.

MAGGIE MAE is a popular name for the first nonfederal secondary mortgage market corporation. It was established in 1972 by the MORTGAGE GUARANTY INVESTMENT CORPORATION, the parent company of the Mortgage Guaranty Insurance Corporation (MGIC), the biggest private loan mortgage insurer. Maggie Mae buys MGIC-insured mortgages from primary lenders, then packages and sells them to big investors.

UNCONVENTIONAL FINANCING.

Unconventional financing may be defined as financing that is not provided by institutional lenders and therefore is not subject to most government lending regulations. It can be a preferred source of real estate financing in particular situations and during times of tight money. The advantage of unconventional financing sources is the elimination of a big portion of closing costs. The disadvantages are that their interest rates are likely to be higher and their terms shorter than those of conventional financing. Some examples of unconventional financing are:

INSTALLMENT CONTRACT. Installment contract is sometimes called **LAND CONTRACT** or **CONTRACT FOR DEED**. It is used mostly in the sale of undeveloped land or vacant lots. An installment contract may be used when a seller wants to sell a property for a certain price to an interested buyer who is unable to secure a mortgage for the entire price, but can pay the price in installments. Both parties then agree on the price, interest rate, and the number and intervals of installments. Under the contract agreement, the buyer takes possession of the property and pays the taxes and assessment charges but the seller retains the title. The deed is delivered either when the price is paid in full or in part. In the latter case, the buyer has to give the seller specific guarantees such as a purchase money mortgage for the balance of the price.

Before signing the contract for deed, the buyer should ensure that the seller has a marketable title. The deed should be held in escrow by a third party to protect the buyer if the seller dies or becomes incapacitated before transfer of title.

The other frequent application of installment contract is when an owner sells two lots to one buyer who cannot pay for both lots in cash. The seller accepts cash for one lot and installment payments for the other. The buyer can then obtain a construction loan if he wants to build a house on the lot that has been paid for in cash.

INDIVIDUAL LENDERS. Individual lenders are another source of mortgage loans. Their activity is highest in their communities and spheres of influence. They may lend directly, or through mortgage companies or brokers. Individual lenders may offer first, second, or third mortgage loans. However, they prefer second and third mortgages because this is where they can charge the most interest. In return, they may lend to less credit-worthy borrowers who might have been turned down by institutional lenders. They charge more interest, but they take more risks.

CITY and STATE AGENCIES. City and state agencies provide mortgage loans for low-priced housing or low-income families at below-market interest rates. The funds are raised by selling tax exempt bonds. Designated local lenders are chosen to accept and process loan applications starting at a specific date on a first-come-first-served basis until the funds are exhausted. The rates are so attractive that borrowers form long lines before the lenders open their doors.

FARMER'S HOME ADMINISTRATION (FmHA) is a branch of the US Department of Agriculture. It provides mortgage loans for rural communities, by either lending directly or guaranteeing loans made by primary lenders.

II. READING COMPREHENSION TEST:

1. The secondary market contributes to stimulating construction of new housing by _____.
 - a) supplying cash to primary market lenders.
 - b) buying large numbers of mortgages from primary market lenders.
 - c) selling big blocks of mortgages to investors.
2. The primary lenders continue to service the loans. It means:
 - a) they are authorized to sell them
 - b) they receive monthly payments
 - c) they collect the payments
3. FNMA was established by the federal government to _____.
 - a) support individual borrowers
 - b) stimulate the secondary market
 - c) stimulate housing construction
4. GNMA buys conventional and federally insured or guaranteed mortgage loans _____ at below-market interest rates.
 - a) made to high-income families
 - b) made to low-income families
 - c) made to average families
5. Unconventional financing may be defined as:
 - a) financing that is provided by institutional lenders
 - b) a preferred source of real estate financing in any situation
 - c) not being subject to most government lending regulations
6. Installment contract is used mostly in the sale of _____.
 - a) a property for a certain price
 - b) undeveloped land
 - c) a mortgage
7. Individual lenders prefer second and third mortgages because
 - a) they may lend to less credit-worthy borrowers
 - b) they take more risks
 - c) they charge more interest

III. DECIDE WHETHER THE FOLLOWING SENTENCES ARE TRUE OR FALSE:

1. Not every individual can buy FNMA or GNMA bonds or notes directly because they are sold in large minimum denominations.
2. The primary lenders do not continue to service the loans after they sell them.
3. FNMA is a quasigovernmental agency organized as a partly private, partly public corporation.

4. GNMA provides assistance in housing in areas that can afford the prevailing interest rates.
5. FHLMC guarantees the timely payments of principal and interest on certificates.
6. Individual lenders can lend directly, or through mortgage companies or brokers.
7. City and state agencies provide mortgage loans for low-priced housing or low-income families at above-market interest rates.

IV. SUPPLY THE SENTENCES WITH THE REQUIRED WORDS AND WORD-COMBINATIONS:

Institutions, title, to stimulate, below-market, housing construction, charge, benefit.

1. The secondary market contributes significantly to ___ construction of new housing.
2. The housing industry and primary market lenders ___ enormously from the secondary market.
3. By the sheer size of their huge purchases, the secondary market ___ are able to exert great influence over prevailing practices of mortgage lending.
4. The federal government in 1938 to stimulate ___ established FANNIE MAE.
5. GNMA buys conventional and federally insured or guaranteed mortgage loans made to low-income families at ___ interest rates.
6. Before signing the contract for deed, the buyer should ensure that the seller has a marketable ___.
7. Individual lenders prefer second and third mortgages because they can ___ the most interest.

V. ASK YOUR GROUPMATES:

1. what the secondary mortgage market consists of;
2. how the secondary market contributes to stimulating construction of new housing;
3. how lenders benefit from the secondary market;
4. how FNMA is organized now;
5. where GNMA provides assistance;
6. what the advantage of unconventional financing sources is;
7. why individual lenders agree take more risks.

TEXT XX

I. MATCH EACH WORD WITH ITS DEFINITION:

1. promissory note	a) apparent value
2. insurance premium	b) a policy provided by private companies that insures the top 20 or 25 percent of small down payment mortgage loans made with loan-to-equity ratios of 90 and 95 percent, respectively
3. hazard insurance	c) to make a law into a statute
4. discount points	d) temporary withdrawal
5. fiscal policy	e) an up-front fee charged by mortgage lenders to raise the effective yield on their loans. One point is equal to one percent of the value of the loan
6. private Mortgage Insurance	f) the amount paid by the policyholder for coverage under the contract, usually in periodic installments
7. effective yield	g) the interest rate based on the face value of the loan less the discount points and other financial charges
8. to enact	h) an insurance policy for occupied house that insures against losses resulting from hazards such as fire, windstorm and flooding. It does not cover flooding in flood-prone areas so designated by HUD
9. face value	i) a document signed by the borrower that includes the amount of the loan, the interest rate, the method of payment, and the borrower's promise to repay the loan plus interest to the lender. It must include a clause stating that it is secured by a mortgage
10. recession	j) financial policy

LENDING PRACTICES.

Lending practices are the rules that lenders follow in accepting mortgage loan applications, qualifying the applicants, determining the maximum amount of the loan, the method of charging interest, determining the discount points, deciding how the loan is to be repaid, etc. these practices change from time to time and differ from lender to lender. Nonetheless, they are guided by the fiscal and national policies of the federal government and Congress. For example, if there is a recession or the threat of one, the government is likely to issue executive orders or enact legislation to ease the conditions for mortgage lending. On the other hand, if inflation appears on the horizon, a tight fiscal policy is likely to be enforced. Each lender can set its own lending practices within government guidelines depending upon how and where it is chartered, whether it is going to sell its mortgage loans in the secondary

market, and the level of its cash flow. A lender with a lot of cash is likely to offer better terms to its borrowers than a lender with little cash.

MONTHLY COST OF HOUSING (PITI)

The monthly cost of housing is composed of the principal (P), interest (I), taxes (T), and home insurance premium (I), collectively known as PITI. For mortgage loans with low down payments, the monthly cost of housing includes the monthly cost of the private mortgage insurance (PMI).

Lenders use the monthly cost of housing together with the borrower's gross monthly income to determine the maximum amount of loan for which he qualifies. Here is a description of the elements of the monthly cost of housing:

PRINCIPAL. The principal is the face value of the loan. It can also be identified as the amount of the obligation as stated in the promissory note, or bond. The interest in any monthly statement is calculated by multiplying the amount of the principal of the preceding month by the monthly interest rate. The principal must be reduced to zero by the end of the term of the loan.

INTEREST. Interest is what lenders charge borrowers for using their money. A universal measure of interest is the annual interest rate, which is the percentage ratio between the amount of the yearly interest and the value of the loan. If the annual interest rate is 10% on a \$50,000 loan, the interest per year is \$5,000.

The introduction of the discount points and other service charges that have to be paid up front created two interest rates for the same loan:

An annual interest rate based on the nominal amount of the loan without deducting the prepaid charges. For example, if the amount of the loan is \$50,000 and the annual interest rate is 10%, the amount of the interest per year is \$5,000.

An effective interest rate, sometimes called effective yield, based on the amount of the loan less some prepaid charges. If the charges on the \$50,000 loan total \$2,000, the effective yield is calculated based on paying \$5,000 interest on \$48,000 loan. The effective interest rate calculations are based on the length of the term of the loan.

PROPERTY TAXES. The monthly tax installments are calculated by dividing the annual taxes by 12. The taxes are included in the monthly cost of housing because they are obligations that must be paid.

HAZARD INSURANCE. Similar to taxes, the amount of the monthly cost of hazard insurance is obtained by dividing the annual premium by 12. Lenders require that their borrowers carry a hazard insurance policy on the mortgaged house to pay off the debt should the house burn down or be destroyed. Lenders prefer to collect insurance installments and keep them in escrow until paid.

PRIVATE MORTGAGE INSURANCE (PMI) insures lenders against losses resulting from defaults on small down payment mortgage loans. Lenders, particularly those who sell their mortgage loans in the secondary mortgage market, maintain a loan-to-value ratio of 80% or less. Nevertheless, a loan can be made with either 10% or 5% down payment provided that the borrower obtains a private mortgage insurance policy for the top 20% or 25% of the loans, respectively. When the insured top portion of the mortgage loan is amortized or repaid, the PMI policy may be terminated with the lender's approval. The current premium of a PMI in the first year is $\frac{1}{2}$ and $\frac{3}{4}$ of one percent of the total value of the loan for the 10% and 5% down payment loans, respectively. Thereafter, the annual premium is $\frac{1}{4}$ of one percent of either loan.

DISCOUNT POINTS. Discount points are charged by lenders up-front to increase the effective yield on the loan. One point is equal to 1% of the principal. Some lenders use points as a marketing technique to attract customers. For example, a lender may charge lower than the prevailing interest rate and increase the points, or vice versa.

II. READING COMPREHENSION TEST:

- Lending practices ___ and differ from lender to lender.
 - change in every state
 - never change
 - change sometimes
- A lender with a lot of cash is likely to ___ its borrowers than a lender with little cash.
 - to offer higher interest rate
 - to offer better terms
 - to offer the best terms
- The monthly cost of housing includes:
 - the principal (P) and interest (I)
 - the principal (P), interest (I) and taxes (T)
 - the principal (P), interest (I), taxes (T) and home insurance premium (I)
- The principal ___ the amount of the obligation as stated in the promissory note.
 - means
 - includes
 - consists of
- A universal measure of interest is:
 - the quarter interest rate
 - the annual interest rate
 - the monthly interest rate
- Lenders require that their borrowers carry a hazard insurance policy on the mortgaged house ___ should the house burn down or be destroyed.
 - to pay off the insurance
 - to pay off the debt
 - to pay off the constructor
- Discount points are charged by lenders up-front to ____ .
 - get additional yield on the loan
 - lower the effective yield on the loan
 - increase the effective yield on the loan.

III. COMPLETE THE SENTENCES ACCORDING TO THE TEXT, TRANSLATE THEM:

- Lending practices are the rules that lenders...
- If there is a recession the government is likely to ...
- If inflation appears on the horizon ...
- Lenders use the monthly cost of housing together with the borrower's gross monthly income to ...
- A universal measure of interest is ...
- The taxes are included in the monthly cost of housing because ...
- PMI insures lenders against ...

IV. DECIDE WHETHER THE FOLLOWING SENTENCES ARE TRUE OR FALSE:

1. Some lenders use discount points as a marketing technique to attract borrowers.
2. PMI insures lenders against losses resulting from recession.
3. The amount of the monthly cost of hazard insurance is obtained by multiplying the annual premium by 12.
4. If the annual interest rate is 10% on a \$50,000 loan, the interest per year is \$5,500.
5. Lending practices are guided by the fiscal and national policies of the federal government and Congress.
6. A lender with a lot of cash is likely to offer worse terms to its borrowers than a lender with little cash.
7. The principal must be reduced to 50% by the end of the term of the loan.

V. FILL IN THE ENGLISH EQUIVALENTS OF THE RUSSIAN WORD COMBINATIONS:

1. Lending practices are the rules that lenders follow in determining (дисконтные пункты).
2. The government is likely to issue (исполнительные приказы) or enact legislation to ease the conditions for mortgage lending.
3. (с другой стороны), if inflation appears on the horizon, a tight fiscal policy is likely to be enforced.
4. Each lender can (установить) its own lending practices within government guidelines.
5. The monthly cost of housing (состоит из) of the principal (P), interest (I), taxes (T), and home insurance premium (I), collectively known as PITI.
6. The principal is (номинальная стоимость) of the loan.
7. A universal measure of interest is (годовая ставка процента).
8. Lenders prefer to collect (страховые взносы) and keep them in escrow until paid.
9. Lenders, particularly those who sell their mortgage loans in the secondary mortgage market, maintain a (коэффициент обеспечения) of 80% or less.

VI. ASK YOUR GROUPMATES:

1. if each lender can set its own lending practices;
2. what the monthly cost of housing is composed of;
3. what for lenders use the monthly cost of housing together with the borrower's gross monthly income;
4. how the principal can be defined;
5. when the principal must be reduced to zero;
6. how the monthly tax installments are calculated;
7. why the taxes are included in the monthly cost of housing;
8. why lenders require that their borrowers carry a hazard insurance policy;
9. how discount points are charged by lenders.

TEXT XXI

I. QUALIFYING RATIOS.

Qualifying ratios are the maximum ratios between the borrower's long term monthly obligations and his gross monthly income. Lenders use these ratios to ensure that the borrowers can afford to repay the loans and to reduce the possibility of their default. The ratios are stated in the form of two figures, currently 28/36.

The first figure, 28, indicates the percentage ratio between the monthly cost of housing and the gross monthly income. Other long-term monthly obligations such as credit cards, car, furniture, and child support payments are not included in this ratio. Thus, if a borrower has \$3,000 gross monthly income, his monthly cost of housing should not exceed \$720, which is 3000 multiplied by 28 and divided by 100.

The second figure, 36, indicates the percentage ratio between the monthly cost of housing plus all long-term monthly payments and the gross monthly income. For the same borrower of \$3000 monthly income, all long-term monthly obligations should not exceed \$1080 which is 3000 multiplied by 36 and divided by 100. If such a borrower has monthly installments comprised of \$150 child support and \$250 car installment, a total of \$400, his monthly cost of housing should not exceed \$680, which is \$1080 less \$400. Lenders calculate the cost of housing using both ratios and use the lower figure to determine the amount of the mortgage loan.

LOAN-TO-VALUE RATIO.

The loan-to-value ratio means the amount of the loan calculated as a percentage of the market value of the property. It is one of the factors that lenders use to calculate the maximum amount of a mortgage loan. The prevailing ratios are 80% for uninsured conventional mortgage loans and 95% for privately insured mortgage loans. The value of the property is determined by the lender's appraiser. If she appraises the house for \$100,000 and you bought it for \$110,000, you get the loan based on the \$100,000 value. On the other hand, if she appraises the house at \$120,000 and you bought it for \$110,000, the loan is calculated based on the \$110,000. A lender wants to ensure that it will get its money back should you default and should it have to sell the house through foreclosure and sale proceedings.

HOUSE APPRAISAL.

House appraisal means determining the market value of the house. The market value is the maximum price for which a house can be sold in a competitive market if the house is allowed to stay on the market for a reasonable amount of time. The professional who estimates the value of the house is called the appraiser.

The market value of the house is determined by comparing it with other houses in the neighborhood that were recently sold and with other houses that are currently for sale. The comparison includes the size of the lot, the square footage of all the floors and the quality of construction. If the house is to be constructed (if the application is for construction loan), the house is appraised based on the design drawings (blueprints) and specifications. For finished houses, the appraiser makes an on-site inspection of the house.

In either case, the appraiser prepares an elaborate report that includes the detailed characteristics of the house she is appraising, and the houses she is using for comparison. For houses recently sold, she reports their listing prices, the dates they were sold, the prices for which they were sold, and how many days they stayed on the market. For houses currently for sale, she reports the asked price, and the date they were put on the market. Her report includes the following:

1. The municipality, post office and zip code.
2. The style of the house (colonial, ranch, tudor, cape cod).
3. The type of construction (frame, brick, stone).
4. The type of exterior (shingle, cedar, shake, brick veneer, aluminum siding).
5. The construction of the walls of the basement (cinder blocks, concrete blocks, poured concrete).
6. The type and the size of the garage (one-car garage, two-car garage, attached garage, detached garage).
7. The year in which the house was built.
8. The color of the exterior.
9. The length of the lot in front in feet.
10. The depth of the lot in feet.
11. The property size in square feet (in case the property is irregularly shaped).
12. The square footage of all the floors. (This does not include the area of the basement unless it meets certain conditions such as having above grade windows).
13. The number of rooms. (The hallways, foyers, and mudrooms are not counted).
14. The number of bedrooms.
15. The number of bathrooms.
16. The number of floors and rooms on each floor.
17. The zoning district.
18. The school district.
19. The name of the elementary, junior, and senior high schools.
20. The type of insulation, if any (fiberglass, Styrofoam, batts).
21. The water supply (municipal, well, private).
22. The type of plumbing pipes (copper, plastic, brass, mixed).
23. The type of roofing (asphalt shingle, shake, wood shingle, slate, tile).
24. The type of wall (drywall or sheetrock, plaster, stucco).
25. The type of heating (hot water, hot air, heat pumps, solar, steam).
26. The type of fuel (oil, gas, electric, solar).
27. The heating cost per year.
28. The amenities (alarm system, pool, tennis court, waterfront, powder room, walk to train, eat-in-kitchen, number of fireplaces, type of flooring, type of air conditioning, whirlpool bathtub, compactor, ovens).

Additionally, the appraiser takes several photos of the house she is appraising and possibly the neighboring houses. The appraiser then uses her judgment in determining the appraised value. Naturally, different appraisers give different prices.

EQUITY.

The equity of real property is the difference of its market value and the debt against it. If a house is worth \$100,000 and the mortgage on it is \$70,000, the equity in the house is \$30,000. The equity changes with the rise and fall of the value of the house. If the value of the house just mentioned rises to \$120,000, the equity becomes \$50,000, assuming that the amount of the mortgage is unchanged. On the other hand, if the value of the house drops to \$90,000, the equity is reduced to \$20,000.

II. READING COMPREHENSION TEST:

1. Lenders use qualifying ratios to ensure that the borrowers ___ the loans and to reduce the possibility of their default.
 - a) can afford to borrow
 - b) can afford to repay
 - c) can afford to buy
2. The first figure indicates the percentage ratio between the monthly cost of housing and _____.
 - a) the gross annual income
 - b) the net monthly income
 - c) the gross monthly income
3. The second figure indicates the percentage ratio between the monthly cost of housing plus and ___ the gross monthly income.
 - a) all short-term monthly payments
 - b) all long-term monthly payments
 - c) all long-term annual payments
4. Lenders calculate the cost of housing using ___ and use the lower figure to determine the amount of the mortgage loan.
 - a) the lower figure
 - b) both ratios
 - c) the upper figure
5. The loan-to-value ratio means the amount of the loan calculated as a percentage of ___ of the property.
 - a) the face value
 - b) the market value
 - c) the real value
6. The lender's appraiser ___ the value of the property.
 - a) sets
 - b) determines
 - c) describes
7. The professional who estimates the value of the house is called _____.
 - a) the appraiser
 - b) the lender
 - c) the borrower
8. The market value of the house is determined by ___ with other houses in the neighborhood.
 - a) comparing it
 - b) selling it
 - c) appraising it
9. The equity changes with the rise and fall of _____.
 - a) the value of the house
 - b) the value of the debt
 - c) the interest rate

III. DECIDE WHETHER THE FOLLOWING SENTENCES ARE TRUE OR FALSE:

1. The equity of real property is the difference of its face value and the debt against it.
2. Different appraisers give different prices.

3. For houses currently for sale, the appraiser reports the asked price, and the date they were put on the market.
4. For unfinished houses, the appraiser makes an on-site inspection of the house.
5. The market value is the approximate price for which a house can be sold in a competitive market.
6. The comparison includes the size of the lot, the square footage of all the floors and the style of construction.
7. The borrower's appraiser determines the value of the property.
8. Other long-term monthly obligations such as credit cards, car, furniture, and child support payments are included in this ratio.
9. Lenders calculate the cost of housing using both ratios.

IV. SUPPLY THE SENTENCES WITH THE REQUIRED WORDS AND WORD-COMBINATIONS:

Default, exceed, specifications, characteristics, real property, long term, competitive, the mortgage loan

1. Qualifying ratios are the maximum ratios between the borrower's ___ monthly obligations and his gross monthly income.
2. If a borrower has \$3,000 gross monthly income, his monthly cost of housing should not ___ \$720.
3. Lenders calculate the cost of housing using both ratios and use the lower figure to determine the amount of ___.
4. The market value is the maximum price for which a house can be sold in a ___ market.
5. If the house is to be constructed it is appraised based on the design drawings (blueprints) and ___.
6. . A lender wants to ensure that it will get its money back should you ___.
7. The appraiser prepares an elaborate report that includes the detailed ___ of the house.
8. The equity of ___ is the difference of its market value and the debt against it.

V. ASK YOUR GROUPMATES:

1. what qualifying ratios are;
2. what for lenders use these ratios;
3. what long-term monthly obligations which are not included are;
4. what the loan-to-value ratio means;
5. what the market value is;
6. what the professional who estimates the value of the house is called;
7. what the appraiser's report includes;
8. why the appraiser takes several photos of the house;
9. what the equity of real property is.

TEXT XXII

I. MATCH EACH WORD WITH ITS DEFINITION:

1. amortized loan	a) a punishment imposed for a violation of law or rule
2. balloon loan	b) the date by which a mortgage loan must be paid in full
3. adjustable rate mortgage	c) a mortgage loan that is paid in periodic installments that include interest and part of the principal so that the principal will be paid in full at the end of the term of the loan
4. maturity date	d) a loan that is repaid by a specific number of amortized payments followed by a balloon payment at the end of the loan's term
5. term loan	e) the length of time by the end of which the mortgage loan must be paid in full
6. partially amortized loan	f) to ask too high a price
7. to overcharge	g) a mortgage loan in which the interest rate is tied to a certain monetary index, and changes upward or downward to follow this index
8. penalty	h) a loan in which the final payment is larger than the regular monthly payments
9. to refinance a mortgage	i) to come to an end
10. a subordination clause	j) to sell a mortgage in order to redeem
11. to entice	k) a clause by which a second mortgage lender agrees that his mortgage will not become a first mortgage but will remain a second mortgage if the first mortgage is refinanced
12. to expire	l) to attract
13. buy-down	m) a technique used by developers to entice customers, whereby the developer pays a lender a sum of money to compensate it for offering buyers a lower interest rate for an early period of the life of the loan
14. certificate of reduction of mortgage	n) a document signed by the mortgagor (the borrower) stating the unpaid balance of the mortgage as of the date of signing the certificate, and the interest rate on the loan
15. an estoppel certificate	o) a document prepared and signed by the lender indicating the amount of the outstanding principal on an existing mortgage loan and the interest rate

REPAYMENT PLANS.

Mortgage loans are classified according to their repayment plans as amortized loans or balloon loans.

AMORTIZED LOANS. Amortized loans are paid in monthly installments, each comprises of the interest of the preceding month plus a portion of the principal such that the principal is paid in full by the end of the term of the loan. Most mortgage loans are of amortized type. For fixed-rate mortgages, the monthly install-

ments are equal throughout the life of the loan. For adjustable-rate mortgages, the monthly payment changes each time the interest rate is adjusted.

At the beginning of the life of the loan, most of the payment is used to pay the interest and only a small portion is allocated to reduce the principal. With each payment, the portion allocated to paying the interest is reduced slightly and the portion allocated to reducing the principal increases by an equal amount. By the maturity date, the balance of the principal should be reduced to zero. If not, the balance should be paid immediately.

BALLOON LOANS. A balloon loan is a loan in which the final payment is larger than the regular monthly payment. There are two types of balloon loans: term loan, and partially amortized loan.

1. Term loan. In the term loan, the monthly or periodic payments consist of only the interest until the maturity date, at which time the entire loan must be paid in full. The construction loan is a term loan.

2. Partially amortized loan. This type of loan requires the borrower to pay a specific number of amortized payments in amounts comparable to those of long-term mortgages, and the balloon payment at the end of the loan's term.

Both term and partially amortized loans have their advantages and disadvantages to the borrower. An advantage can be realized if the borrower is expecting a sum of money by the end of the loan's term from which he can pay off the loan. It is also advantageous when the borrower believes that the interest rates are likely to go down substantially by the end of the term and that he can then refinance the loan at a much lower rate. The disadvantage is that the borrower has to shop for a mortgage loan when the balloon loan matures, and go through costly and time consuming closing procedures.

USURY.

Usury is the interest in excess of the maximum legal interest rate as established by the law of the state. This maximum rate is adjusted periodically to reflect the prevailing interest rate. The intent of usury law is to protect borrowers from being overcharged by lenders. The penalty for usury lending varies from state to state. In some states, the violator may lose all the interest; in others it may lose the entire amount of the loan and interest. Generally, private lenders are exempt from usury limits or ceiling.

FIRST and SECOND MORTGAGES.

A first mortgage to a real property is a mortgage that has no prior recorded mortgage or lien. It is sometimes called a senior lien. A second mortgage is the one that is recorded after the first mortgage. It is sometimes called a junior mortgage.

When a first mortgage is refinanced, the second mortgage becomes a first mortgage because it was recorded before the refinancing mortgage. The refinancing mortgage becomes the second mortgage. This is the reason for the reluctance of some lenders to refinance a first mortgage if the property has a second mortgage. The priority of the mortgages may change by a subordination clause by which the second mortgage lender agrees that his mortgage remains a second mortgage.

DISCOUNTS.

To entice borrowers, some lenders advertise low interest rates for the first few months of the life of their adjustable mortgage loans. These rates are called discounts or discounted rates. When you respond to such an advertisement, you

should ask about the index and margin used in calculating the interest rate after the discount period, and how much the current interest rate would be without discount.

Discounts are sometimes used by lenders to qualify borrowers who may not qualify if the normal rates were used. If this is the case, you should determine before you accept such an offer whether you will be able to afford the payments after the discount expires.

BUY-DOWN.

Buy-down is a technique used by developers to attract buyers. A developer makes an agreement with a lender whereby he pays the lender a sum of money to compensate it for offering the people who buy houses from him lower than the prevailing interest rates (and consequently lower payments) for an early period of the mortgage term. This way the houses sell faster because more buyers can qualify to buy them. It is doubtful, however, the buy-down will save the buyers any money because the developer is likely to raise the price of the houses to compensate for the buy-down he pays to the lender.

This method is advantageous to the buyers if he is expecting his income to rise by the end of the discount period. However, before you decide to buy a house under a buy-down plan, make sure that you can afford the regular payments after the discount rate expires.

CERTIFICATE OF REDUCTION OF MORTGAGE.

This certificate is needed when a buyer is assuming the seller's mortgage. The buyer requires a proof of the exact amount of the reduced mortgage or the outstanding principal that he will be obliged to pay. The contract of sale should contain a clause that the seller delivers to the buyer a certificate of reduction of mortgage executed by the lender. The certificate must describe the mortgage and state that the lender is the holder of the mortgage loan. It should also indicate the outstanding principal at a specific date, usually the closing date, the interest rate, the amount of the monthly installments, and that the lender knows the property is being sold and the mortgage assumed. The certificate must be signed by the lender or mortgage holder, who must also have it notarized if it is to be recorded.

ESTOPPEL CERTIFICATE.

This certificate is also required if the buyer is assuming the existing mortgage. It is prepared by the lender but signed by the seller and states the amount of the outstanding principal, the interest rate, and the monthly payment of the assumed loan. The purpose of this certificate is to have the seller's consent to the lender's statement.

II. READING-COMPREHENSION TEST:

1. Amortized loans are paid ____
 - a) quarterly
 - b) in monthly installments
 - c) at the end of the year
2. At the beginning of the life of the loan, most of the payment is used ____.
 - a) to pay the principle
 - b) to pay the interest
 - c) the first part of the loan

3. A balloon loan is a loan in which the final payment is ___ than the regular monthly payment.
- smaller
 - larger
 - the same
4. An advantage can be realized if the borrower is expecting ___ by the end of the loan's term.
- a sum of money
 - recession
 - discount
5. The intent of usury law is ___ borrowers from being overcharged by lenders.
- to insure
 - to protect
 - to free
6. The priority of the mortgages may change by a ___.
- separate document
 - subordination clause
 - concluded agreement
7. ___ borrowers, some lenders advertise low interest rates for the first few months of the life of their adjustable mortgage loans.
- to attract
 - to discourage
 - to create
8. Buy-down is advantageous to the buyers if he is expecting his income to rise by the end of ___.
- loan term
 - the end of the year
 - the discount period
9. The certificate must be signed by ___ or mortgage holder.
- the borrower
 - the lender
 - the lawyer

III. DECIDE WHETHER THE FOLLOWING SENTENCES
TRUE OR FALSE:

ARE

1. Estoppel certificate is also required if the buyer is assuming the new mortgage.
2. The certificate of reduction of mortgage must describe the mortgage and state that the lender is the holder of the mortgage loan.
3. Before you decide to buy a house under a buy-down plan, it is necessary to make sure that you can afford the regular payments after the discount rate expires.
4. Some lenders advertise high interest rates for the first few months of the life of their adjustable mortgage loans.
It is certain that the buy-down will save the buyers any money.
5. A first mortgage to a real property is a mortgage that has prior recorded mortgage or lien.
6. Private lenders are also not exempt from usury limits or ceiling.

7. A balloon loan is a loan in which the final payment is lower than the regular monthly payment.

8. For fixed-rate mortgages, the monthly installments are equal throughout the life of the loan.

IV. DECIDE WHICH TRANSLATION IS CORRECT:

1. Most mortgage loans are of amortized type.

a) Большинство ипотечных кредитов амортизируются.

b) Большинство ипотечных кредитов- это амортизируемые ипотечные кредиты.

c) Многие ипотечные кредиты - это амортизируемые ипотечные кредиты.

2. A balloon loan is a loan in which the final payment is larger than the regular monthly payment.

a) Шаровой кредит – это кредит, в котором последний платеж больше регулярного ежемесячного.

b) Шаровой кредит – это кредит с большими регулярными платежами.

c) Шаровой кредит – это кредит с большим последним платежом.

3. This maximum rate is adjusted periodically to reflect the prevailing interest rate.

a) Эта ставка периодически меняется, отражая преобладающую процентную ставку.

b) Эта максимальная ставка периодически меняется, так чтобы она соответствовала преобладающей процентной ставке.

c) Эта максимальная ставка постоянно меняется, так чтобы она соответствовала преобладающей процентной ставке.

4. You should determine whether you will be able to afford the payments after the discount expires.

a) Вам следует решить, сможете ли вы позволить себе платежи после истечения срока скидки.

b) Тебе следует определить, сможешь ли ты осуществлять платежи по истечении сроков скидки.

c) Вам следует определить, сможете ли вы осуществлять платежи по истечении сроков действия скидки.

5. Buy-down is a technique used by developers to attract buyers.

a) Понижительная покупка используется техниками для привлечения застройщиков.

b) Понижительная покупка технично используется застройщиками для привлечения покупателей.

c) Понижительная покупка- это техника, используемая застройщиками для привлечения покупателей.

6. This certificate is needed when a buyer is assuming the seller's mortgage.

a) Этот сертификат желателен, когда покупатель получает ипотеку продавца.

b) Этот сертификат необходим, когда покупатель получает ипотеку продавца.

c) Этот сертификат необходим, когда покупатель получает ипотечный кредит

7. It should also indicate the outstanding principal at a specific date.

a) В нем также должна указываться сумма основного капитала на определенную дату.

b) В нем также должна указываться невыплаченная сумма основного капитала на определенную дату

c) В нем также должна быть неоплаченная сумма капитала на определенную дату.

V. ASK YOUR GROUPMATES:

1. what the purpose of estoppel certificate is;
2. what the contract of sale should contain;
3. if the buy-down will save the buyers any money;
4. in what case the method of buy-down is advantageous to the buyers;
5. what the intent of usury law is;
6. how most of the payment is used at the beginning of the life of the loan;
7. about types of balloon loans;
8. how amortized loans are paid;
9. what the difference is between term loan and partially amortized loan.

TEXT XXIII

I. MATCH EACH WORD WITH ITS DEFINITION:

1. a co-maker	a) extra working time
2. an endorser	b) a payment due a real estate broker for services rendered
3. verification	c) the downward movement of the soil supporting the footings
4. authorization	d) having to legal force or effect
5. base pay	e) the right of a borrower to cancel a loan transaction that is secured by a mortgage or lien on a home he occupies as his personal residence
6. overtime	f) a federal law that requires lenders to provide prospective borrowers with a statement disclosing the annual interest rate, the effective interest rate or effective yield, and an estimate of the prepaid charges
7. commission	g) pay received for a given work period, as an hour or week
8. settlement	h) evidence that establishes or confirms the accuracy or truth
9. right to rescission	i) one who acknowledges payment by placing his signature on a document
10. Truth in Lending act	j) one who formally undertakes to discharge the duties of the maker of a promissory note in the event of his default
11. void	k) permission or power granted by an authority

SHOPPING FOR A MORTGAGE LOAN.

The first step towards obtaining a mortgage or construction loan is to call as many lenders as you can and ask about their interest rate, points, terms of the loan, and other requirements for both fixed- and adjustable-rate mortgages. Get loan application from the two or three lenders that offer the most favorable terms. Apply to only one or two lenders; filling out mortgage applications is a time consuming process. It is also costly because lenders require a nonrefundable appraisal fee (a few hundred dollars) with each application.

MORTGAGE APPLICATION FORMS.

Most lenders use a printed mortgage loan application conforming to the standards of the Federal National Mortgage Association/ Federal Home Loan Mortgage Corporation (FNMA/FHLMC). The same form is used for construction loan applications. The main items on this form are:

The type of mortgage: conventional, FHA-insured, or VA-guaranteed.

The address of the property.

The legal description of the property (attach a sheet if necessary).

The name and telephone number of the person to call regarding the application (usually the borrower or co-borrower).

The purpose of the loan: purchase (if you are buying a finished house); construction (if you have bought a lot and want to build); construction permanent (if you have bought a lot and wish to have a construction loan and a long-term loan closed in one session); refinance (if you are refinancing a construction or an existing long-term loan).

Items to be completed only if the application is for a construction or construction-permanent loan. They include the lot's original cost, present value, year acquired, and cost of improvements (cost of building the house).

The name under which the title will be held.

Source of down payment and closing or settlement charges.

The borrower's and co-borrower's names; current addresses; names and addresses of their present employers; types of business; social security numbers; home and business telephone numbers.

Gross monthly income of the borrower and co-borrower.

Monthly housing expenses.

Legal and financial questions for the borrower and co-borrower:

- a. Have you any outstanding judgments?
- b. In the last seven years, have you been declared bankrupt?
- c. Have you had property foreclosed upon or given title or deed in lieu thereof?
- d. Are you a co-maker or endorser of a note?
- e. Are you a party in a lawsuit?
- f. Are you obliged to pay alimony, child support or separate maintenance?
- g. Is any part of the down payment borrowed?

An explanation is required if a "yes" answer is given to any of the above

questions.

13. A schedule of the borrower's and co-borrower's assets.

14. A schedule of the borrower's and co-borrower's liabilities and pledged assets.

15. A schedule of the real estate owned by the borrower or co-borrower.

16. A list of previous credit references.

17. An agreement that:

- a) The mortgage loan is to be secured by a first mortgage or deed of trust to the property.
- b) The property will not be used for any illegal or restricted purposes.
- c) All statements made in the application are true.
- d) Verification may be obtained from any source named in the application.
- e) The borrower and co-borrower should indicate whether they intend or do not intend to occupy the property.

18. Authorization to lender to request a credit report on the borrower and co-borrower.

19. Information for government monitoring purposes. In order to monitor the lender's compliance with equal credit opportunity and fair housing laws the federal government encourages the borrower and co-borrower to furnish information regarding their race, national origin, and sex. If the borrower or co-borrower chooses not to furnish such information, federal regulations require the lender to note race and sex on the basis of visual observation or surname.

20. The borrower and co-borrower must sign the application and indicate the date of signing.

VERIFICATION OF EMPLOYMENT. Lenders mail their loan applicants a "Request For Verification Of Employment", to be filled out by the borrower's and co-borrower's current employers and mailed directly to the lender. The verification of employment includes date of employment, present position, probability of continued employment, base pay, overtime, commission, bonus, and remarks.

VERIFICATION OF DEPOSITS. The lender mails you a "Request For Verification Of Deposits", to be filled out by your depositories (the banks in which you have deposits), and mailed directly to the lender. Verification includes the type of account, account number, current balance, the date it was opened, and the average balance for the previous two months.

After receiving a mortgage loan application, the lender assigns an appraiser to determine the cost of construction or the market value of the house.

LOAN APPROVAL. When your loan application is approved, the lender mails you, the borrower, a letter to that effect. The letter states the terms and conditions of the loan, the cost of the closing or settlement, and the duration of the commitment (from 15 days to a few months). The lender also requests a copy of the deed, a recent land survey, and a signed copy of the terms and conditions to indicate your consent. At this stage, the lender may demand part or all of the discount points.

BORROWER'S RIGHT TO RESCISSION. Under the federal law, the borrower has the right to rescind (cancel or repeal) a loan transaction that may result in a lien, mortgage or other security interest on his home. You can exercise this right when you refinance a construction or long-term mortgage loan or when you apply for a second mortgage provided that you are living in the house. However, this right does not apply when the loan is used to buy a previously owned house.

When applicable, the lender is obliged to mail you a "Notice Of Right Of Rescission" after it approves your loan application and before the closing date. You actually get two notices, one in your name and the other in the co-borrower's name. The notice states that you have the legal right under federal law to cancel this transaction if you desire to do so, without any penalty or obligation, within three business days from the date of the issue of the notice or any later date on which all material disclosures required under the Truth in Lending act have been given to you. If you cancel the transaction, any lien or mortgage arising from transaction is automatically void. You are also entitled to receive a refund of any down payment or other consideration if you cancel. If you decide to cancel the transaction, you may do so by notifying the lender by mail, telegram or any other form of written notice not later than midnight of the date stated in the notice (based on three days notice). For your protection, the use of registered or certified mail with return receipt is recommended.

When you exercise your right to rescind, the lender is obliged to return to you any money or property given as earnest money, down payment or otherwise, within 10 days after receiving your notice. The lender shall also take the necessary action to terminate any security interest (such as liens) created under this transaction.

II. COMPLETE THE SENTENCES ACCORDING TO THE TEXT, TRANSLATE THEM:

1. The first step towards obtaining a mortgage or construction loan is to call as many lenders as you can and ask about ...
2. Most lenders use ... conforming to the standards of the Federal National Mortgage Association/ Federal Home Loan Mortgage Corporation.
3. The verification of employment includes ...
4. The lender mails you a "Request For Verification Of Deposits", to be filled out by ...
5. After receiving a mortgage loan application, the lender assigns ...
6. When your loan application is approved, the lender mails you, the borrower, ...
7. Under the federal law, the borrower has the right to ...
8. When you exercise your right to rescind, the lender is obliged to ...
9. If you cancel the transaction, any lien or mortgage arising from transaction is ...

III. DECIDE WHETHER THE FOLLOWING SENTENCES ARE TRUE OR FALSE:

1. The first step towards obtaining a mortgage or construction loan is to call one lender.
2. Filling out mortgage applications is a time consuming process.
3. The borrower and co-borrower must sign the application and indicate the date of sending it.
4. The verification of employment does not include probability of continued employment.
5. After receiving a mortgage loan application, the lender assigns an appraiser to determine the cost of construction.
6. The right to rescind applies when the loan is used to buy a previously owned house.
7. You have the right to receive a refund of any down payment or other consideration if you cancel.
8. The federal government discourages the borrower and co-borrower to furnish information regarding their race, national origin, and sex.

IV. FILL IN THE ENGLISH EQUIVALENTS OF THE RUSSIAN WORD COMBINATIONS:

1. It is also costly because lenders require a (невозмещаемую плату за оценочные услуги) with each application.
2. Most lenders use a printed mortgage loan application (соответствующий) the standards of the Federal National Mortgage Association.
3. An explanation is required if a "yes" answer is given to (любой из вышеперечисленных) questions.
4. The property will not be used for (любых незаконных или ограниченных) purposes.
5. (подтверждение с места работы) includes date of employment, present position.
6. (исследование кредитоспособности) includes the type of account, account number, current balance, the date it was opened.
7. When your (заявка на получение кредита) is approved, the lender mails you a letter to that effect.

8. (согласно федеральному закону), the borrower has the right to rescind.
9. (для своей защиты), the use of registered or certified mail with return receipt is recommended.

V. SUPPLY THE SENTENCES WITH THE REQUIRED WORDS AND WORD COMBINATIONS:

Signing, towards, notifying, market value, directly, states, on the basis of, employment, time consuming.

1. The first step ___ obtaining a mortgage or construction loan is to call as many lenders as you can.
2. Apply to only one or two lenders; filling out mortgage applications is a ___ process.
3. Federal regulations require the lender to note race and sex ___ visual observation or surname.
4. The borrower and co-borrower must sign the application and indicate the date of ___.
5. . The verification of ___ must be filled out by the borrower's and co-borrower's current employers.
6. Request For Verification Of Deposits must be mailed ___ to the lender.
7. After receiving a mortgage loan application, the lender assigns an appraiser to determine the cost of construction or the ___ of the house.
8. The letter ___ the terms and conditions of the loan.
9. . If you decide to cancel the transaction, you may do so by ___ the lender by mail.

TEXT XXIV

I. MATCH EACH WORD WITH ITS DEFINITION:

1. disability benefit	a) to lose one's right
2. family liability insurance	b) a preliminary examination of the basic evidence and charges to determine whether a trial is justified
3. to bring a lawsuit	c) a list of persons to be paid with the amount due to each
4. insurance coverage	d) money given as an equivalent for injury
5. a dependent	e) the body of persons composing a jury
6. cash compensation	f) to begin a prosecution of a claim in a court
7. payroll records	g) to bring a civil action against smb.
8. compensable	h) eligible for or subject to compensation
9. hearing	i) to consider in court the statement of the witness under oath
10. appeal	j) an application or proceeding for review by a higher tribunal
11. to forfeit one's right	k) a person to whom one contributes an amount of necessary financial support
12. to sue	l) insurance covering the insured against losses arising from injury or damage to the members of a family or property
13. to take testimony	m) payment providing income to a policyholder who is disabled and can not work
14. panel	n) protection provided against risks

INSURANCE AND SURETY BONDS.

Several kinds of insurance are required in connection with the construction of your house. Which ones you will need depends on how construction is going to be managed. If you buy a lot and hire constructors to do excavation, plumbing, rough framing, etc., you must buy workmen's compensation, disability benefits, builder's risk, and family liability insurance policies. But if you buy a lot and hire a general constructor to build the entire house, your contract with him should state that he carries the first three insurances and that he must present you with the copy of the policies before construction starts. In all cases, you must be covered by a family liability insurance.

WORKMEN'S COMPENSATION INSURANCE.

Workmen's compensation insurance provides cash benefits and medical care for workers who become disabled because of any injury or sickness related to their work. Some states allow this type of insurance to be issued only by the State Insurance Fund, which owned by the state. In other states, solely private

insurance companies provide this insurance. In the remaining states, either the State Fund or private companies may issue this type of policy.

The benefits under this insurance are only those provided by law and approved by the state's workers' compensation board. If death results, benefits are payable to the surviving spouse and the dependents as defined by law.

In addition to the benefits paid to the injured, workmen's compensation insurance provides the insured with legal defense and pays any court award in jurisdictions where an injured worker can bring a lawsuit against his employer.

If you are managing the construction of your house without having a workmen's compensation insurance coverage, you are personally liable for any compensation benefits due to injured worker(s), and to his (their) family and dependents in the event of his (their) death. In addition, you may be subject to penalties in accordance with the law. Such liabilities can be of a staggering magnitude and can exceed by far the total value of your house.

MEDICAL CARE. In almost all states, the injured worker who is eligible for worker's compensation is entitled to all necessary medical care as the nature of the injury or the process of recovery may require.

CASH COMPENSATION. Workers who are totally or partially disable and who are eligible for cash benefits, receive two thirds of their average weekly wage, but no more than the maximum benefit. The average weekly wage is based on payroll records for the year prior to the date of the disability or accident.

There are two benefit maximums, one for partial disability and the other for total disability. The maximum weekly benefits for any accident or sickness are periodically adjusted upward and are substantially different for the partial and total disabilities.

IN THE EVENT OF DEATH. If the worker dies from a compensable injury, the surviving spouse and dependents as defined by law are entitled to weekly cash benefits. The amount is figured as two thirds of the deceased worker's average weekly wage for the year before the accident, but in no event may the compensation exceed the established benefit maximum, no matter how many dependents are involved.

If there is no surviving spouse or children or other dependents, such as parents, grandchildren, or brothers or sisters, as defined by law, may be entitled to cash benefits if dependency is proven.

In addition to these benefits, funeral expenses are payable up to a certain amount.

DISABILITY CLASSIFICATION. The number and the details of disability classifications differ from state to state. Here are five basic classifications:

Temporary Partial Disability. The wage-earning capacity is only partially lost, and on a temporary basis.

Temporary Total Disability. The injured worker's wage-earning capacity is totally lost, but only on a temporary basis.

Permanent Partial Disability. Part of the employee's wage-earning capacity has been permanently lost. Benefits are payable as long as partial disability exists.

Permanent Total Disability. The employee has permanently and totally lost wage-earning capacity for his job. There are no limits on the number of weeks payable.

Disfigurement. Serious and permanent disfigurement of the face, head, or neck may entitle the worker to compensation up to a maximum amount.

HEARINGS and APPEALS. An employee who applies for compensation under a workmen's compensation policy forfeits his right to sue his employer for damages. An injured employee may choose to reject the compensation provided by law and instead sue his employer. However, the conditions for rejection of the law by a worker are extremely difficult. In some states, a worker may not sue his employer. If the injured worker is not satisfied with the award as specified by law, he can appeal before a court designated by law.

If a claim is challenged, the administrative authority holds hearings before a worker's compensation judge. The judge takes testimony, reviews medical and other evidence and decides whether the claimant is entitled to benefits. If the claim is found compensable, the judge determines the amount and duration of the compensation award.

Either side may appeal the judge's decision by applying for a board review in writing within a specific number of days. If the application is granted, the board assigns a panel of three members to review the case. This panel may affirm, modify, or rescind the judge's decision or restore the case to a judge for further consideration. In the event the panel is not unanimous, any part may apply in writing for a full board review, and the full board must review the decision, and either affirm, modify, or rescind the panel's decision.

II. READING COMPREHENSION TEST:

- Which ones you will need depends on how construction is going
 - to be insured
 - to be financed
 - to be managed
- Workmen's compensation insurance ___ provide this insurance.
 - solely state companies
 - solely private insurance companies
 - joined ventures
- If death results, benefits are payable to ___ as defined by law.
 - the surviving spouse and the dependents
 - the children and the dependents
 - the parents and the dependents
- Such liabilities can ___
 - be of exceptionally small sums
 - exceed the value of your house
 - not exceed the price of the house
- Workers who are totally or partially disable receive ___ of their average weekly wage
 - a half
 - three thirds
 - two thirds
- The surviving spouse and dependents as defined by law are entitled to ___ cash benefits.
 - monthly
 - weekly
 - annual
- The number and the details of disability classifications ____ .
 - is fixed in every state

- b) is identical in all states
 - c) differ from state to state
8. The conditions for rejection of the law by a worker are extremely ____.
- a) reasonable
 - b) easy
 - c) difficult
9. If the application is granted, the board assigns a panel of ____ to review the case.
- a) four judges
 - b) three members
 - c) three courts

III. DECIDE WHETHER THE FOLLOWING SENTENCES ARE TRUE OR FALSE:

1. In certain cases, you must be covered by a family liability insurance.
2. Workmen's compensation insurance provides only cash benefits.
3. If death results, benefits are payable to the surviving spouse and the dependents.
4. Workmen's compensation insurance coverage provides the insured with legal defense and pays any court award.
5. The benefits under the insurance are provided by law and approved by the state's workers' compensation board.
6. The average weekly wage is based on payroll records for the month prior to the date of the disability or accident.
7. The number and the details of disability classifications is the same in every state.
8. An injured employee may choose to reject the compensation provided by law.
9. If the claim is found compensable, the judge states the amount and duration of the compensation award.

IV. SUPPLY THE SENTENCES WITH THE REQUIRED WORDS AND WORD-COMBINATIONS:

Lawsuit, wage, wage-earning, award, benefits, exceed, compensable, surviving, insurance

1. Which kinds of ____ you will need depends on how construction is going to be managed.
2. Workmen's compensation insurance provides cash ____.
3. An injured worker can bring a ____ against his employer.
4. Such liabilities can be of a staggering magnitude and can ____ the total value of your house.
5. If death results, benefits are payable to the ____ spouse.
6. Workers who are totally or partially disable receive two thirds of their average weekly ____.
7. The employee has permanently and totally lost ____ capacity for his job.
8. If the injured worker is not satisfied with the ____ as specified by law, he can appeal before a court designated by law.
9. If the claim is found, the judge determines the ____ amount and duration of the compensation award.

V. DECIDE WHICH TRANSLATION IS CORRECT:

1. The board assigns a panel of three members to review the case.
 - a) Совет назначает группу присяжных из трех человек для просмотра дела.
 - b) Совет созывает группу экспертов из трех человек для просмотра дела.
 - c) Совет назначает группу присяжных из трех человек для решения дела.
2. An injured employee may choose to reject the compensation.
 - a) Травмированный работник может выбрать компенсацию.
 - b) Травмированный работник может выбрать отказ от компенсации.
 - c) Травмированный работник должен выбрать отклонение компенсации.
3. The wage-earning capacity is only partially lost.
 - a) Трудоспособность только потеряна.
 - b) Трудоспособность только частично потеряна.
 - c) Трудоспособность почти не потеряна.
4. Workers receive two thirds of their average weekly wage.
 - a) Рабочие получают две трети своей средненедельной зарплаты.
 - b) Рабочие получают две трети среднемесячной зарплаты.
 - c) Рабочие получают треть своей средне недельной зарплаты.
5. If death results, benefits are payable to the surviving spouse.
 - a). При смертельном исходе супруг получает пособие.
 - b) В случае смерти супруг получает прибыль.
 - c) В случае смерти пособие выплачивается живущему супругу.

VI. ASK YOUR GROUPMATES:

1. what which insurance you will need depends on;
2. by what you must be covered in all cases.
3. what workmen's compensation insurance provides;
4. who benefits are payable to if death results;
5. when you are personally liable for any compensation benefits due to injured worker(s);
6. where the injured worker who is eligible for worker's compensation is entitled to all necessary medical care;
7. how the amount of compensation is figured;
8. what an injured employee may choose.

TEXT XXV

I. MATCH EACH WORD WITH ITS DEFINITION:

1. wages	a) the judicial decision of a cause in court
2. workmen's compensation	b) the previous year
3. assignment	c) money that is paid or received for work or services
4. the preceding year	d) to commit an unlawful act causing injury to the person, property or rights to another, committed with force or violence
5. disability insurance	e) insurance required by law from the employers for the protection of employees (while) engaged in the employer's business
6. to elapse	f) something assigned, as a particular task or duty
7. vulnerable	g) free from legal or specific wrong, guiltless
8. family liability insurance	h) the failure to exercise that degree of care which, under the circumstances, the law requires for the protection of other persons or their interests
9. to trespass	i) to pass away
10. negligence	j) difficult to defend
11. innocent	k) insurance providing income to a policyholder who is disabled and can not work
12. judgment	l) insurance covering the insured against losses arising from injury or damage to a member of the family or property

WORKMEN'S COMPENSATION INSURANCE PREMIUM. Premiums for workmen's compensation insurance are computed by multiplying each worker's wages, up to a certain dollar figure, by the rate specified for his or her work classifications (carpenter, plumber, mason, etc.) taking into consideration the volume of construction.

When buying a workmen's insurance policy, you are required to give the insurance representative an estimate of the number and classification of the workers you intend to employ directly and how long their assignments are expected to last. This is in order to estimate the premium. Even if you plan to assign all items to contractors who carry workmen's compensation insurance, you still have to pay a deposit the value of which depends on the value of construction. The policy is effective for one year, renewable. At the end of the year, an insurance representative pays you a visit to check your records to determine the number and classification of the workers you have hired directly. If you gave all or a part of the work to constructors, you are required to present the names and addresses of these constructors and a copy of their contracts or bills to him as evidence. Based on this information, he estimated the insurance premium for the preceding year. Accordingly, you might have to pay more money or may get a refund.

DISABILITY BENEFIT INSURANCE. Disability benefit insurance provides your workers with protection for disabilities incurred through accidents or diseases not

related with their work. This insurance can be bought from the state insurance fund or private insurance companies, depending on the state. Whoever manages construction should carry this insurance (the premium is small).

Disability insurance usually pays about the same as unemployment benefits. All state plans provide for maximum weekly benefits and a maximum number of weeks for paying benefits. A waiting period of one week must elapse before benefits begin.

BUILDER'S RISK INSURANCE. Builder's risk insurance provides protection against losses caused by fire, lightning, windstorm, and vandalism. During construction, the wood framing is exposed and this makes it vulnerable particularly at night or during weekends when the house is unattended. This is why construction loan lenders require that you, the borrower, must carry this insurance before the closing in an amount equal to the appraised value of construction. Some lenders require that you pay one year's premium by the closing date, others permit you to pay for it in installments. This insurance usually covers the structure and the materials to be used in construction (such as a pile of lumber) that are adjacent to it. However, records, documents, drawings and specifications are not covered under this insurance.

The amount of the premium depends on the face value of the policy, the type of construction, and the proximity of fire fighting facilities such as the distance of the nearest fire station or fire hydrant.

Other coverage such as theft or robbery may be added to the builder's risk policy. Such coverage is expensive, however.

The builder's risk policy is terminated when the house is completed and the certificate of occupancy is obtained. It is to be replaced by a hazard or homeowner's insurance policy.

FAMILY LIABILITY INSURANCE.

As soon as you buy a lot, make sure that you are covered by a family liability insurance. If you are living in your own house, your home insurance policy may provide you with liability coverage. Check your policy and consult your insurance agent. But if you are living in an apartment, you may not have such coverage. Some insurance companies offer policies that combine theft and fire insurance for furniture and personal belongings in the apartment with liability insurance.

The reason for carrying such insurance is to cover you in case somebody trespasses on your property and gets hurt and sues you whether or not it is "your fault". A construction worker may be injured and decide to sue you for negligence, even though you might not be negligent. There are two legal rules in this regard: (1) everybody has the right to sue, and (2) you can be sued even if you are innocent.

The liability insurance company pays for the legal defense, and the judgments against the insured, up to the face value of the insurance, each occurrence. If a person who is covered by liability insurance suffers a loss involving a land vehicle or watercraft, the liability insurance pays only after all other applicable insurance have been exhausted. It is therefore recommended that you buy liability insurance from your auto or boat insurance company so that you would be dealing with only one company. Such a company must be reputable and reliable.

II. READING COMPREHENSION TEST:

1. The value of the deposit you have to pay depends on ...
 - a) the number of the workers
 - b) the value of construction
 - c) the period of the construction
2. At the end of the year, an insurance representative pays you ...
 - a) a cheque
 - b) a visit
 - c) a certain sum of money
3. Disability insurance usually pays about the same as ...
 - a) unemployment benefits
 - b) monthly allowance
 - c) weekly allowance
4. Builder's risk insurance provides protection against losses caused by...
 - a) thieves
 - b) fire
 - c) contractors
5. The builder's risk policy is terminated when the house ...
 - a) is planned
 - b) is built
 - c) is completed
6. ... pays for the legal defense.
 - a) The owner of the house
 - b) The liability insurance company
 - c) The contractor
7. It is therefore recommended that you buy liability insurance from ...
 - a) building company
 - b) different companies
 - c) your auto or boat insurance company

III. DECIDE WHETHER THE FOLLOWING SENTENCES ARE TRUE OR FALSE:

1. Premiums for workmen's compensation insurance are computed by the rate specified for his or her work classifications.
2. You are required to give the insurance representative an estimate of the number and classification of the workers and how long their assignments are expected to last.
3. The policy is effective for two years, renewable.
4. An insurance representative estimated the insurance premium for the previous year.
5. Disability benefit insurance provides your workers with protection for disabilities incurred related with their work.
6. Builder's risk insurance usually covers the structure and the materials to be used in construction.

7. If you are living in your own house, your home insurance policy may not provide you with liability coverage.
8. There are two legal rules in this regard: (1) everybody has the right to sue, and (2) you can not be sued if you are innocent
9. You should check your policy and consult your insurance agent concerning a family liability insurance.

IV. SUUPLY THE SENTENCES WITH THE REQUIRED WORDS AND WORD-COMBINATIONS:

Value, pays, proximity, judgments, fund, refund, installments, terminated, unemployment, computed,

1. Premiums for workmen's compensation insurance are ___ by multiplying each worker's wages.
2. You have to pay a deposit the value of which depends on the ___ of construction.
3. At the end of the year, an insurance representative ___ you a visit.
4. Accordingly, you might have to pay more money or may get a ___.
5. This insurance can be bought from the state insurance ___ or private insurance companies.
6. Disability insurance usually pays about the same as ___ benefits.
7. Some lenders permit you to pay for it in ___.
8. The amount of the premium depends on the face value of the policy, the type of construction, and the ___ of fire fighting facilities.
9. The builder's risk policy is ___ when the house is completed.
10. The liability insurance company pays for the legal defense, and the ___ against the insured, up to the face value of the insurance.

V. PUT THE SENTENCES IN A SEQUENCE ORDER:

1. The liability insurance company pays for the legal defense, and the judgments against the insured, up to the face value of the insurance.
2. Disability benefit insurance provides your workers with protection for disabilities incurred through accidents or diseases not related with their work.
3. Builder's risk insurance provides protection against losses caused by fire, lightning, windstorm, and vandalism.
4. Even if you plan to assign all items to contractors who carry workmen's compensation insurance, you still have to pay a deposit the value of which depends on the value of construction.
5. Disability insurance usually pays about the same as unemployment benefits.
6. The builder's risk policy is terminated when the house is completed and the certificate of occupancy is obtained.

VI. FILL IN THE ENGLISH EQUIVALENTS OF THE RUSSIAN WORD
COMBINATIONS:

1. When buying a workmen's insurance policy, you are required to give (представителю страховой компании) certain data.
2. The policy is (действительна) for one year, renewable.
3. (основываясь на) this information, he estimated the insurance premium for the preceding year.
4. This insurance can be bought from (государственный страховой фонд) or private insurance companies.
5. (период ожидания) of one week must elapse before benefits begin.
6. During construction, (деревянный каркас) is exposed and this makes it vulnerable particularly at night when the house is unattended.
7. .
8. Records, documents, drawings and specifications (не покрываются) under this insurance.
9. The builder's risk policy (завершается) when the house is completed and the certificate of occupancy is obtained.
10. The reason for carrying such insurance is to cover you in case somebody trespasses on your property and (пострадает) and sues you whether or not it is "your fault".

TEXT XXVI

I. MATCH EACH WORD WITH ITS DEFINITION:

1. certificate of occupancy	a) a surety bond posted by a contractor for the owner's benefit to assure him that the work will be completed in accordance with the contract agreement
2. reputable company	b) the amount or percentage of the final selling price of the house that represents the difference between the cost to the seller and the final selling price
3. deductible	c) to stop working
4. occurrence	Insurance guaranteeing performance of a contract or obligation
5. surety bond	d) allowable as a tax deduction
6. performance bond	e) an honorable, respectable company
7. to come to a halt	f) a right given to laborers, constructors and sub constructors to secure payment for work performed where the work has been done and the workers have not been paid
8. mark-up	g) something that happens, event, incident
9. mechanic's lien	h) a certificate issued by the building department stating that the house has been built in accordance with the local building code, and may be occupied

HOMEOWNER'S POLICY.

As soon as you obtain the certificate of occupancy and move into the house, you should replace the builder's risk policy with a homeowner's insurance policy. Homeowner's policies are not all the same. Thus, you must buy a policy from a reputable company to ensure that your house is protected. A good homeowner's policy provides the following coverage:

For physical loss to the house up to the face value of the policy. There are upgraded policies whereby the insurance company increases the coverage each year according to a specific index to reflect building cost increases. In these policies, the replacement of the property is guaranteed. The first \$200 or so is deductible.

For personal property for an amount equal to 50% of the coverage of the house. The first \$200 or so is deductible.

For family liability protection, usually a few hundred thousand dollars, each occurrence.

For guest medical protection, about \$1000 each person.

The policy explains in detail what and who is covered and what and who is not covered under each item. Therefore, you should read the policy carefully. It is important to know what is not covered in your homeowner's policy. It is a general rule that the following items are not covered by homeowner's insurance policies:

1. Water damage caused by flooding, back-ups of sewers or drains, and subsurface or underground water.
2. Earth movement resulting from earthquakes or other reasons, volcanic eruptions, landslides, mudflows, erosions, or rising, sinking, shifting, expanding, or constructing of the earth.

3. Enforcement of any ordinance or law regulating the construction, repair, or demolishing of buildings or other structures.
4. Neglect by an insured person to take all reasonable steps to save and preserve the property at and after a loss or when the property is endangered by a loss covered by the policy. (This means that you must promptly call the fire department if there is a fire!)
5. Nuclear reactions, including radiation and radioactive contamination.
6. War and warlike acts.
7. Freezing of plumbing, heating, or air conditioning system.
8. Settling, cracking, shrinking, bulging, or expansion of foundations, walls, floors, roofs, ceilings, pavements, or patios.
9. Seepage or leakage of water or steam over a period of time from the plumbing, heating, or air conditioning system.
10. Vandalism if the house covered had been vacant for more than 30 consecutive days immediately prior to the loss.

SURETY BONDS.

Surety bonds are provided by companies that specialize in them. A surety is a part that assumes liability if another party fails to perform an agreement, or pay a debt. A surety bond is a written agreement that states the terms and obligations under such an agreement. In the course of building your house, one or more of the following bonds may be used:

PERFORMANCE BOND. If you assign the entire house to a general contractor, the successful completion of the house depends on him. If he quits in the middle of the work or if he goes bankrupt, the project will come to a halt. Therefore, you may want to protect yourself against such an occurrence by demanding that he provides you with a performance bond. The bond guarantees that the house will be built as agreed upon the contract and according to the drawings and specifications. Generally, the bond covers the warranty period stated in the contract, which should be at least one year after the date of the certificate of occupancy. The bond should cover the changes you may require during construction. The face value of this bond should be higher than the amount of the contract.

PAYMENT BOND. This bond guarantees payment of workers and material suppliers. It protects you against claims by these individuals. The face value of this bond is about 50% of the value of the contract since wages represent only a part of construction costs.

When you require the contractor to provide you with surety bonds, you have to keep in mind that he is going to pass the premium charges plus a mark-up to cover his overhead expenses on to you.

BOND TO DISCHARGE A MECHANIC'S LIEN. A surety bond is the amount claimed by the workers or material suppliers can be used to discharge a mechanic's lien. The lien holder may then legally attack the surety bond to satisfy his claim.

DEFAULT BY THE CONTRACTOR. If a bonded contractor defaults, the surety discharges its obligation under the bond agreement up to the face value of the bond. It is up to the surety company to decide how to complete the contract. If the contractor goes out of business, the surety company will have to assign the remaining work to another contractor either through competitive bidding or otherwise. If the contractor's failure is a result of low bidding and he has stopped to cut his losses, the surety company may provide him with financing to complete the job.

II. READING COMPREHENSION TEST:

1. Homeowner's policies are ...
 - a) all the same
 - b) not obligatory
 - c) not all the same
2. You should ... the policy carefully.
 - a) choose
 - b) read
 - c) inspect
3. It is a general rule that ... is not covered by homeowner's insurance policies.
 - a) guest medical protection
 - b) family liability protection
 - c) freezing of plumbing
4. A surety bond is ... that states the terms and obligations under such an agreement.
 - a) a written agreement
 - b) an oral agreement
 - c) mutual agreement
5. The performance bond ... that the house will be built as agreed upon.
 - a) guarantees
 - b) states
 - c) implies
6. The face value of this bond should ... than the amount of the contract.
 - a) be double
 - b) be higher
 - c) a little lower
7. Payment bond guarantees payment of...
 - a) subcontractors
 - b) workers and material suppliers
 - c) insurance company
8. It is up to ... to decide how to complete the contract.
 - a) the building company
 - b) the surety company
 - c) the insurance company

III. DECIDE WHICH TRANSLATION IS CORRECT:

1. Thus, you must buy a policy from a reputable company to ensure that your house is protected.
 - a) Таким образом, вы должны купить страховку у уважаемой компании, чтобы обеспечить защитой свой дом.
 - b) Поэтому вы должны купить страховку у уважаемой компании, чтобы обеспечить то, что ваш дом будет защищен.
 - c) Таким образом, вы должны купить страховку у уважаемой компании, чтобы обеспечить защищенность своего дома.
2. Therefore, you should read the policy carefully.
 - a) Таким образом, необходимо прочитать каждую деталь страховки.
 - b) Поэтому необходимо тщательно прочитать страховку.
 - c) Там необходимо тщательно прочитать страховку.

3. This means that you must promptly call the fire department.
- а) Это означает, что вы должны немедленно позвонить в пожарное отделение.
 - б) Это предполагает, что необходимо немедленно позвонить в пожарное отделение.
 - в) Это означает необходимость немедленного звонка в пожарное отделение.
4. The bond guarantees that the house will be built as agreed upon.
- а) Гарантия обеспечивает то, что дом будет построен в соответствии с договоренностью.
 - б) Обязательство гарантирует то, что все будет сделано в соответствии с договоренностью.
 - в) Обязательство гарантирует то, что дом будет построен в соответствии с договоренностью.
5. The face value of this bond should be higher than the amount of the contract.
- а) Номинальная стоимость этой облигации должна быть выше контракта.
 - б) Номинальная стоимость этой долговой закладной должна быть выше стоимости контракта.
 - в) Номинальная стоимость этого закладного обязательства должна быть больше стоимости контракта.

IV. SUPPLY THE SENTENCES WITH THE REQUIRED WORDS AND WORD-COMBINATIONS:

Liability, remaining, in detail, claims, important, promptly, require, financing, warranty, coverage,

1. There are upgraded policies whereby the insurance company increases ___ the each year.
2. The policy explains ___ what and who is covered.
3. It is ___ to know what is not covered in your homeowner's policy.
4. You must ___ call the fire department if there is a fire.
5. A surety is a part that assumes ___ if another party fails to perform an agreement.
6. The performance bond covers the ___ period stated in the contract.
7. The bond should cover the changes you may ___ during construction.
8. Payment bond protects you against ___ by workers and material suppliers.
9. If the contractor goes out of business, the surety company will have to assign the ___ work to another contractor.
10. The surety company may provide the contractor with ___ to complete the job.

V. COMPLETE THE SENTENCES ACCORDING TO THE TEXT, TRANSLATE THEM:

1. As soon as you obtain the certificate of occupancy and move into the house, you...
2. You must buy a policy from...
3. The policy explains in detail...
4. A surety bond is a written agreement that...

5. If you assign the entire house to a general contractor, the successful completion of the house...
6. The bond covers the warranty period stated in the contract, which should be...
7. The face value of this bond should be ...
8. The lien holder may then legally attack the surety bond to ...
9. If a bonded contractor defaults, the surety discharges its obligation under the bond agreement up to ...
10. It is up to the surety company to decide ...

VI. ASK YOUR GROUPMATES:

1. when you should replace the builder's risk policy with a homeowner's insurance policy;
2. what a good homeowner's policy provides;
3. what the policy explains;
4. what items are not covered by homeowner's insurance policies;
5. what a surety is;
6. whom the successful completion of the house depends on;
7. what the payment bond guarantees;
8. what the face value of performance bond should be;
9. what the surety company will have to do if the contractor goes out of business;
10. to whom it is up to decide how to complete the contract.

TEXT XXVII

I. MATCH EACH WORD WITH ITS DEFINITION:

1. agreed-upon	a) a report prepared by a specialized company detailing an individual's debts and credit worthiness
2. relevant document	b) a person who breaks a law
3. sequence	c) an initial amount paid at the time of purchase
4. satisfaction	d) a percentage of income given to a person in a position of power or influence as payment for having made the income possible, usually considered improper or immoral
5. title search	e) a settlement in which the buyer and the seller choose a neutral third party to handle the transaction
6. gratuity	f) to pay out money
7. to disburse funds	g) to expand price unduly
8. escrow closing	h) a gift of money, over and above payment due for service
9. down payment	i) an applicable, suitable document
10. kickback	j) the following of one thing after another
11. to inflate	k) arranged or set by common consent
12. a violator	l) the examination of the public records to discover the names of the parties who have interest in a real property and to detect any defects that may affect the quality of the title
13. credit report	m) the act of satisfying, fulfillment

CLOSING AND CLOSING COSTS.

Closing or settlement of a real estate transaction is the process by which the promises and agreements made up by the parties are fulfilled or executed. In most sale transactions, two closings take place: (1) the closing of the buyer's loan and the payment of the existing seller's mortgage, if any, and (2) the closing of the sale of the house or lot, whereby the seller delivers the agreed-upon deed to the buyer and the buyer delivers the agreed-upon price to the seller.

After the transaction takes place, all relevant documents must be recorded in the proper sequence. The satisfaction of the seller's mortgage, if any, must be recorded first, followed by the buyer's deed, and then the buyer's mortgage.

CLOSING MEETING.

The closing meeting may be held at the office of either the lender of the new mortgage loan, the seller's lawyer, the buyer's lawyer, or the real estate agent, depending on the circumstances of the particular closing. For instance, construction loan closing is likely to be held in the lender's office because there is no real estate agent or seller involved.

Present at the closing meeting are the seller and the buyer; each is usually accompanied by his or her lawyer. Also present is the representative of the title search or title insurance company. If the transaction involves obtaining a new mortgage loan and paying off an existing one, a lawyer or other representative of the lender who made the new loan must be present. A representative of the lender of the paid-off loan may or may not be present. If he is not, the representative of the title search or title insurance company is usually entrusted with delivering the check of the paid-off loan to the office of that lender. In return, he gets a gratuity from the buyer. The real estate agent or agents who brought the buyer and seller together may or may not be present.

CLOSING AGENT.

The closing agent is a person who conducts the closing or settlement proceedings. She is usually a representative from the office in which the closing takes place. The closing agent is charged with calculating the closing costs, as well as division of taxes, the dollar-value of heating oil in the tank, and other charges between the seller and the buyer; disbursing funds to the seller and title insurance company; calculating and withholding the property taxes and insurance premiums in an escrow account; and ensuring that the documents are signed and acknowledged in the proper sequence.

ESCROW CLOSING.

In escrow closing, there may not be a meeting between the buyer and the seller. Rather, they both choose a neutral third party called an escrow agent or escrow holder to handle the transaction. The escrow agent may be a lawyer, the escrow department of a bank, or the title insurance company. A real estate broker may be an escrow agent, but not for a transaction on which she is earning a commission, so as to avoid having a conflict of interest.

The buyer and the seller choose the escrow agent at the time of signing the contract of sale. Then they sign an escrow agreement in which they state in writing the sequence of actions to be performed by each party. The first step would be for the seller to sign and deliver the deed to the escrow agent with instruction not to deliver it to the buyer until the agreed upon price is received. He also delivers to the agent the tax schedule, recent survey, certificate of occupancy, and all papers pertinent to the transaction. The buyer delivers the deposit or down payment to the agent with instruction to keep it in escrow and to obtain a title search or title insurance policy. If the property has an outstanding mortgage loan, the escrow agent contacts the lender notifying it that the property is being sold, and request the certificate of reduction of mortgage. She also examines the certificate of title, or title insurance policy. If she finds the title to be marketable, she demands the balance of the price from the buyer, delivers the deed to him, and the price to the seller. If on the other hand, she finds the deed to be defective, the escrow agent returns the down payment to the buyer and the deed to the seller.

ESCROW ACCOUNTS. In most mortgage loans, lenders collect with each payment approximately one-twelfth of the estimated annual property taxes, assessments, insurance premiums and other recurring charges. They keep these funds in a separate account called escrow account or reserve account from which they pay taxes and insurance premiums when they are due.

At the closing, the borrower is required to make an initial deposit into the escrow account to ensure that there are enough funds to pay for the taxes or insur-

ance installments. RESPA limits the maximum amount a lender can require a borrower to deposit into an escrow account at the closing to:

1. An amount that would be sufficient to pay taxes and insurance premiums.
2. An additional amount not in excess of two months' payments of the estimated taxes and insurance premiums.

Lenders revise monthly tax and insurance withholdings each year to reflect any changes in these items.

PROTECTION AGAINST UNFAIR PRACTICES.

The law provides consumers with protection from unnecessarily high settlement charges due to abusive practices. Some unlawful activities are:

KICKBACKS. The law prohibits anyone from giving or taking a fee, kickback, or anything of value as part of an agreement that business will be referred to a specific person or organization. It is also illegal to charge or accept a fee or part of a fee where no service has actually been performed.

The prohibition is aimed at eliminating arrangements in which one party agrees to pay a part of his fee to a referring party in exchange for obtaining business. This could lead the party providing the services to inflate his fee to cover the payments to the referring party, resulting in higher costs to the borrower. There are criminal penalties of both fine and imprisonment for any violation of this law. There are also provisions for the borrower to recover three times the amount of the kickback, rebate or referral fee involved, through a private lawsuit. If the borrower wins the lawsuit, the court may award him court costs plus lawyer's fees.

TITLE COMPANIES. Under the law, the seller may not require, as a condition of sale, that the buyer purchases a title insurance from a particular title company. The violator can be held liable to the buyer in an amount equal to three times all charges made for the title insurance.

FAIR CREDIT REPORTING. There are nationwide credit reporting companies whose business is to compile credit data in individuals. The data includes all outstanding debts such as mortgages, personal loans, car loans, credit cards, and department store charge accounts; whether you pay your bill on time; whether you have filed for bankruptcy; whether you have been sued; and any judgments against you.

The Fair Credit Reporting Act does not give you the right to inspect or physically handle your actual report at the credit reporting company, not to receive an exact copy of the report. You may at any time obtain a summary of your credit report for a small fee (about \$10). However, you may obtain the summary report free of charge if you are denied the mortgage or a personal or auto loan due to a bad credit report, by mailing a request to the credit company naming the lender and the loan number. It is very possible that the report is not completely accurate and you have the right to challenge its accuracy and request that the correction be made.

EQUAL CREDIT OPPORTUNITY. The Equal Credit opportunity Act prohibits lenders from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, or age (provided that the applicant has the capacity to enter into a binding contract) or because part or all of the applicant's income derives from any public assistance program. If you feel you have been discriminated against by a lender, you may ask the lender about the identity of the Federal Agency that administers compliance with this law and consult with this agency. You also have the right to sue the lender.

II. READING-COMPREHENSION TEST:

- Closing or settlement of a real estate transaction is the ___ by which the promises and agreements made up by the parties are fulfilled or executed.
 - document
 - process
 - transaction
- Present at the closing meeting are ____ .
 - the seller and the buyer
 - the seller and the buyer and their lawyer.
 - the real estate agent or agents
- A person who conducts the closing or settlement proceedings is a ____ .
 - the lender
 - the closing agent
 - the real estate agent
- In escrow closing, there ___ a meeting between the buyer and the seller.
 - must be
 - should be
 - may not be
- If the property has an outstanding mortgage loan, the escrow agent contacts ___ notifying it that the property is being sold.
 - the lender
 - the borrower
 - the lawyer
- In most mortgage loans, lenders collect with each payment approximately one-twelfth of the estimated ____ .
 - insurance sum
 - cost of the lot
 - recurring charges
- It is ___ to charge or accept a fee or part of a fee where no service has actually been performed.
 - legal
 - illegal
 - acceptable
- There are nationwide credit reporting companies whose business is ___ credit data in individuals.
 - to collect
 - to sell
 - to store
- It is very ___ that the report is not completely accurate.
 - possible
 - impossible
 - likely
- The Equal Credit opportunity Act ___ lenders from discriminating against credit applicants.
 - allows
 - prohibits
 - denies

III. FILL IN THE ENGLISH EQUIVALENTS OF THE RUSSIAN WORD COMBINATIONS:

1. After the transaction takes place, all (соответствующие документы) must be recorded in the proper sequence.
2. The closing meeting may be held at the office of either the lender of the new mortgage loan, the seller's lawyer, the buyer's lawyer, or the real estate agent, (в зависимости от обстоятельств) of the particular closing.
3. The real estate agent or agents who brought the buyer and seller together (могут присутствовать либо нет).
4. The closing agent is charged with (подсчетом стоимости) of the closing.
5. The buyer and the seller choose the escrow agent at the time of (подписания контракта) of sale.
6. They both choose a (нейтральную третью сторону) called an escrow agent or escrow holder to handle the transaction.
7. A real estate broker may be an escrow agent, but not for a transaction on which she is earning a commission, so as to avoid having a (конфликт интересов).
8. You may obtain the summary report (бесплатно) if you are denied the mortgage.
9. It is very possible that the report is (не совсем точный) and you have the right to challenge its accuracy and request that the correction be made.
10. The Equal Credit opportunity Act prohibits lenders from discriminating against credit applicants (на основе) of race.

IV. DECIDE WHETHER THE SENTENCES ARE TRUE OR FALSE:

1. In most sale transactions, two closings take place.
2. The satisfaction of the buyer's mortgage, if any, must be recorded first, followed by the buyer's deed, and then the seller's mortgage.
3. Construction loan closing is not likely to be held in the lender's office.
4. The real estate agent or agents who brought the buyer and seller together must be present.
5. At the closing, the borrower is required to make an initial deposit into the escrow account.
6. The law provides consumers with insurance from unnecessarily high settlement charges due to abusive practices.
7. The Fair Credit Reporting Act gives you the right to inspect or physically handle your actual report at the credit reporting company.
8. The Equal Credit opportunity Act prohibits lenders from discriminating against credit applicants.
9. It is also legal to charge or accept a fee or part of a fee where no service has actually been performed.

V. COMPLETE THE SENTENCES ACCORDING TO THE TEXT AND TRANSLATE THEM:

1. Closing or settlement of a real estate transaction is the process by which...
2. After the transaction takes place, all relevant documents must be...

3. Present at the closing meeting are the seller and the buyer; each is usually accompanied by...
4. The closing agent is a person who...
5. The closing agent is charged with...
6. The escrow agent may be...
7. The law prohibits anyone from...
8. There are criminal penalties of both fine and imprisonment for...
9. There are nationwide credit reporting companies whose business is to...
10. If you feel you have been discriminated against by a lender, you may...

VI. ASK YOUR GROUPMATES:

1. how many closings take place in most sale transactions;
2. when all relevant documents must be recorded in the proper sequence;
3. where the closing meeting may be held;
4. what the closing agent does;
5. when the buyer and the seller choose the escrow agent;
6. what we call an escrow account or reserve account ;
7. when lenders revise monthly tax and insurance withholdings;
8. what the law provides consumers with ;
9. what task credit reporting companies have;
10. if you also have the right to sue the lender.

TEXT XXVIII

I. MATCH EACH WORD WITH ITS DEFINITION:

A private mortgage insurance policy	a) A sum additional to the interest paid for the loan of money
In accrue	b) Settlement of a disputed account
Mortgage insurance	c) A drawing made to scale showing the lengths and directions of the boundary lines of the lot; the surrounding lots and streets, the position of the house and all exterior improvements
Hazard insurance	d) An unpaid loan
Abstract of title	e) A history of all recorded documents that affect the title to a property arranged in the order in which they were recorded
Survey	f) Compensation of the lender's costs for hiring an independent appraiser
Adjustment	g) An insurance policy for occupied houses that insures against losses resulting from hazards such as fire, windstorm and flooding
Appraisal fee	h) A fee without any modification or variation
Flat fee	i) An insurance that pays the monthly installments of a mortgage loan if the borrower fails to make the payment
An outstanding loan	j) A policy provided by private companies that insures the top 20 or 25 percent of small down payment mortgage loans
Premium	k) To add as interest on money

CLOSING COSTS.

Closing or settlement costs are expenses paid for services in association with a real estate transaction. These costs may be substantial and the buyer must have the funds to pay for them before the closing. The following are possible settlement services for which you may be charges:

ORIGINATED FEE. Originated fee is what some lenders charge their borrowers to cover their costs and expenses for the services associated with processing the mortgage loan. Such expenses include reviewing the loan application form, searching the title, appraising the property, obtaining and reviewing a credit report on the borrower, preparing the note and mortgage documents, overhead expenses, etc.

DISCOUNT POINTS. Discount points are charged by lenders when the loan is initiated to increase their yield on the loan.

APPRAISAL FEE. This fee is to compensate the lender for the costs of hiring an independent appraiser or assigning a member of its staff to determine the value of the mortgaged property. Some lenders charge a flat appraisal fee, others charge higher fees for high priced houses. Most lenders require that a check for the appraisal fee accompany the loan application on a nonrefundable basis, otherwise they will not process the loan.

CREDIT REPORT FEE. This fee covers the cost of obtaining a credit report on you, the borrower. The lender uses this report to learn about your outstanding

loans and other financial obligations in order to calculate the maximum mortgage loan you are eligible for. The lender also wants to know if you pay your bills on time so as to determine whether or not you are creditworthy. This fee is small.

LENDER'S INSPECTION FEE. This fee is often associated with construction mortgage loans. It covers the costs of inspecting construction each time you request a loan installment. This inspection may be made by a lender's employee or by an independent inspector.

PRIVATE MORTGAGE INSURANCE APPLICATION FEE. This covers processing the application for a private mortgage insurance policy, which is required for small down payment mortgage loans.

ASSUMPTION FEE. This fee is charged to cover the processing costs if the buyer assumes the balance of the existing mortgage.

INTEREST. Lenders require that borrowers pay at the closing the interest that accrues on the loan (or the first installment for construction loans) from the date of the settlement to the beginning of the following month. For example, if the closing date is October 10, your first monthly payment will be due on December 1 and covers the interest for the month of November. The interest on the loan for the period from October 10 to November 1 will be collected at closing.

MORTGAGE INSURANCE PREMIUM. This type of insurance protects the lender from losses should the borrower default on the loan. The lender may require you to pay the premium before or on the date of settlement. The yearly premium may be paid in one or several installments. This insurance is not always required and should not be confused with mortgage life insurance, which pays off the balance of the mortgage if the borrower or co-borrower dies.

HAZARD INSURANCE PREMIUM. Lenders require the borrower to have an effective hazard or homeowner's insurance policy before the closing. The face value of the policy is proportional to the value of the completed house (usually 80%), regardless of the amount of the mortgage loan. As an illustration, if a house is appraised at \$200,000 and the mortgage loan is only \$50,000, the lender may inquire the hazard insurance policy for at least \$160,000, which is 80% of the \$200,000. This insurance protects you, the owner, and the lender against loss due to fire, windstorms, and other natural hazards. The protection under this policy does not include losses caused by flooding in flood-prone areas.

CLOSING FEE. The closing fee, sometimes called settlement fee or closing charge, is to cover the services of the settlement agent. This fee may be paid by either the buyer or the seller and this should be negotiated between both at the time of signing the contract for sale.

ABSTRACT OR TITLE SEARCH. These charges cover the costs of searching the public records and preparing the abstract of title. The borrower or the seller or both may pay for these charges depending on the local customs. The contract of sale should indicate who pays for these charges.

MORTGAGE TITLE INSURANCE. This is a one-time fee or premium for the mortgage title insurance to be paid at the closing. It is customary that the buyer pays for this insurance unless the seller agrees in the contract of sale to pay part or all of it.

ATTORNEY'S FEES. You may be required to pay for legal services provided by the lender in examining the legal documents pertaining to the title and other matters. Usually, this fee is charged if you do not have a lawyer.

OWNER'S TITLE INSURANCE. This fee is for owner's title insurance protection. When a mortgage title insurance is provided, the title insurance company is required to offer the buyer an owner's insurance policy at a slight additional cost. In some areas the buyer pays for this insurance, in other areas, the seller provides the buyer with this policy.

RECORDING FEES. These charges are usually paid by the buyer (borrower). They include the deed recording fee, and building loan filing fee.

GOVERNMENT TAXES. These taxes vary from state to state. Usually the state regulates who pays which taxes. These taxes are:

1. **STATE MORTGAGE TAX.** This is paid for by the borrower or shared between the borrower and the lender.
2. **STATE TAX or STAMPS.** Usually paid for by the seller.
3. **CITY and COUNTRY TAX or STAMPS.** Usually paid for by the seller.

SURVEY. The lender or the title insurance company requires a recent land survey showing the boundaries of the lot and the exact location of the house.

HOME INSPECTION. This inspection is for previously owned homes. The buyer usually pays for such inspection.

ADJUSTMENT between BUYER and SELLER. The adjustment between buyer and seller involved dividing the taxes value of remaining heating fuel, and water charges between the buyer and the seller.

PROPERTY TAXES. Property taxes can be a big item. In some expensive areas, taxes can be well over \$10,000 per year. As an illustration of tax adjustment, let us assume that the whole year's taxes are payable on June 30 of each year to cover until June 30 of the following year. Let's say that the closing occurs on November 30. In the adjustment, you have to pay the seller a portion of the taxes that covers the period from November 30 to the following June 30, because he has already paid for this period.

FUEL. When you buy a previously owned house heated by oil, it is normal to have some oil left in the tank when the transaction takes place. You are required to pay for this oil based on the number of gallons in the tank multiplied by the prevailing price per gallon.

II. READING COMPREHENSION TEST:

1. Closing or settlement costs are expenses paid for services in association with ...
 - a) a real estate transaction
 - b) a real transaction
 - c) any transaction
2. Originated fee is what some ... charge their borrowers.
 - a) agencies
 - b) real estate agents
 - c) lenders
3. Most lenders require that a check for the appraisal fee accompany the loan application on a ... basis.
 - a) refundable
 - b) nonrefundable
 - c) commercial
4. The lender uses credit report to learn about your ... loans.
 - a) paid off

b) outstanding

c) previous

5. The inspection of construction may be made by ...
 - a) only a lender's employee
 - b) a lender's employee or by an independent inspector.
 - c) an independent inspector
6. The lender may require you to pay the mortgage insurance premium ...
 - a) before or on the date of settlement
 - b) on the date of settlement
 - c) before the date of settlement
7. The face value of the hazard policy is proportional to...
 - a) value of the mortgage
 - b) 80% of the value of the house
 - c) the value of the completed house
8. The borrower or the seller or both may pay for searching the public records and preparing the abstract of title depending on...
 - a) terms of the contract
 - b) the local customs
 - c) law
9. Property taxes ... a big item.
 - a) always is
 - b) can be
 - c) must not be
10. Home inspection is for ... homes.
 - a) previously owned
 - b) newly built
 - c) recently restored

III. DECIDE WHETHER THE FOLLOWING SENTENCES ARE TRUE OR FALSE:

1. Closing or settlement costs may be substantial and the buyer must have the funds to pay for them after the closing.
2. Discount points are charged by lenders when the loan is finalized to increase their yield on the loan.
3. Most lenders demand that a check for the appraisal fee accompany the loan application on a nonrefundable basis.
4. Credit report fee covers the cost of obtaining a credit report on the borrower.
5. Lender's inspection fee covers the costs of inspecting construction each time you request a loan installment.
6. Lenders require that borrowers pay the interest at the initiation.
7. The protection under hazard insurance policy includes losses caused by flooding in flood-prone areas.
8. Mortgage insurance is a one-time fee or premium for the mortgage title insurance to be paid at the closing.
9. Settlement fee may be paid by either the buyer or the seller.
10. The seller usually pays for home inspection.

IV. SUPPLY THE SENTENCES WITH THE REQUIRED WORDS AND WORD-COMBINATIONS:

Processing, taxes, provided, independent, installments, previously, additional, substantial, yield

1. Closing costs may be ___ and the buyer must have the funds to pay for them before the closing.
2. Originated fee is what some lenders charge their borrowers to cover their costs and expenses for the services associated with ___ the mortgage loan.
3. Discount points are charged by lenders when the loan is initiated to increase their ___ on the loan.
4. Lender's inspection may be made by a lender's employee or by an ___ inspector.
5. The yearly premium may be paid in one or several ___.
6. You may be required to pay for legal services ___ by the lender in examining the legal documents.
7. The title insurance company is required to offer the buyer an owner's insurance policy at an ___ cost.
8. Government ___ vary from state to state.
9. When you buy a ___ owned house heated by oil, it is normal to have some oil left in the tank.

V. DECIDE WHICH TRANSLATION IS CORRECT:

1. Settlement costs are expenses paid for services in association with a real estate transaction.
 - a) Оплата соглашения – это расходы за услуги, ассоциируемые со сделкой по недвижимому имуществу.
 - b) Оплата соглашения – это доходы за услуги, связанные со сделкой по недвижимому имуществу.
 - c) Оплата соглашения – это расходы за услуги, связанные со сделкой по недвижимому имуществу.
2. This fee is to compensate the lender for the costs of hiring an independent appraiser.
 - a) Эта оплата предназначена для компенсации расходов кредитора, связанных с наймом независимого оценщика.
 - b) Эта оплата компенсирует кредитору наем независимого оценщика.
 - c) Эта оплата компенсирует кредитора, в связи с наймом независимого оценщика.
3. Lenders require that borrowers pay the interest at the closing.
 - a) Кредиторы требуют, чтобы заемщики оплачивали проценты при закрытии сделки.
 - b) Кредиторам желательно, чтобы заемщики оплачивали проценты при закрытии сделки
 - c) Кредиторы требуют, чтобы заемщики оплачивали интерес при закрытии сделки
4. This type of insurance protects the lender from losses.
 - a) Такой тип страховки страхует кредитора от потерь.

b) Такой тип страховки дает протекцию против потерь.

c) Такой вид страховки защищает кредитора от потерь.

5. The face value of the policy is proportional to the value of the completed house.

a) Номинальная стоимость страхового полиса пропорциональна стоимости завершенного дома.

b) Лицевая стоимость страхового полиса пропорциональна стоимости завершенного дома.

c) Номинальная стоимость страхового полиса пропорциональна стоимости застрахованного дома.

6. These charges cover the costs of searching the public records.

a) Эта оплата покрывает расходы, связанные с исследованием общественных архивов.

b) Эта оплата покрывает доходы, связанные с исследованием Государственных архивов.

c) Эта оплата покрывает расходы, связанные с исследованием Государственных архивов.

7. In some expensive areas, taxes can be well over \$10,000 per year.

a) В некоторых дорогих районах налоги могут немного превышать 10 000 в год

b) В некоторых далеких районах налоги могут намного превышать 10 000 в год

c) В некоторых дорогих районах налоги могут намного превышать 10 000 в год.

VI. COMPLETE THE SENTENCES ACCORDING TO THE TEXT, TRANSLATE THEM:

1. Closing or settlement costs are expenses paid for...

2. Some lenders charge a flat appraisal fee, others charge...

3. The lender uses credit reports to learn about...

4. The lender may require you to pay the mortgage insurance premium...

5. Lenders require the borrower to have an effective hazard...

6. The closing fee, sometimes called settlement fee or closing charge, is to...

7. The lender or the title insurance company requires a recent land survey showing...

8. When you buy a previously owned house heated by oil, it is normal to...

A

- accrue – (v) нарастать, накапливаться
action – (n) решение, постановление
adjustment – (v) 1. согласование, приведение в соответствие 2. поправка
alter- (v) изменять, исправлять
amenity - (n) удобства
amortization - (n) 1. амортизация 2. погашение долга в рассрочку
amortize - (v) амортизировать
amount - (n) 1. количество 2. общая сумма 3. основная сумма и процент с нее
annual - (adj) ежегодный, годовой
annuity - (n) 1. ежегодная рента, ежегодный доход 2. страхование ренты и пенсии
apparent – (adj) 1. бесспорный 2. обманчивый
appeal - (v) обжаловать, подавать апелляционную жалобу
applicable- (adj) пригодный, применяемый
applicant- (n) заявитель
application - (n) 1. заявление, 2. ходатайство 3. применение, использование
4. application of payment – требование уплаты
appraisal - (n) оценка, экспертиза
appraise - (v) оценивать
appraiser - (n) оценщик
appropriate - (v) 1. назначать, ассигновать, выделять 2. присваивать
approval - (n) одобрение, утверждение, санкция, разрешение
approve - (v) одобрять, утверждать, санкционировать
arrange - (v) 1. приводить в порядок, систематизировать 2. приходить к соглашению
ascertain - (v) выяснять, устанавливать
assess - (v) 1. оценивать 2. определять размер (налога, ущерба и т.д.) 3. облагать налогом или штрафом
assessment - (n) 1. оценка 2. обложение налогом 3. размер налога
assert - (n) статья актива (в балансе)
asserts - (n) активы, средства, капитал, фонды, имущество, собственность
assign - (v) 1. ассигновать 2. передавать (n)- правопреемник
assignor - (n) лицо, совершающее передачу(имущества, права)
association (n) - ассоциация, объединение
assume - (v)1. принимать на себя ответственность 2. предполагать, допускать
assumption– (n) 1. принятие на себя ответственности, обязательства 2. предположение (pl.) ориентировочные расчеты
attach - (v) 1. прилагать 2. приписывать
attached -(adj) 1. привязанный, преданный 2. прикрепленный
attachment - (n) 1. прикрепление, присоединение 2. наложение ареста
attorney - (n) поверенный в суде, адвокат
auction - (n) аукцион
authorization -(n) 1. наделение полномочиями 2. разрешение 3. выдача разрешения, лицензии
authorize - (v) 1. разрешать 2. уполномочивать
average - (n) 1. среднее число 2. индекс курсов ценных бумаг (v) 3. составлять равняться в среднем
award - (n) арбитражное решение (v) - присуждать
awkward - (adj) неудобный, затруднительный

В

- balloon**– (n) форма погашения кредитов, при которой последние платежи существенно превышают предыдущие . (v) – взвинчивать, вздуть цены
- bargain**– (n) 1. договор о покупке 2. выгодная сделка (v) – торговать, договариваться, вести переговоры
- basement**– (n) цокольный этаж
- behalf**– (n) 1. in behalf - для, ради, в пользу кого-то 2. in smb's behalf – в чьих-либо интересах 3. on behalf – от имени кого-либо
- beneficiary**– (n) 1. наследник по завещанию 2. получатель денег по аккредитиву или страховому полису
- benefit** – (n) 1. преимущество, льгота 2. выгода, прибыль 3. пенсия, пособие
- bid**– (n) 1. предложение цены (на аукционе) 2. цена, предложенная покупателем, надбавка к цене 3. торги, продажа с торгов (v) – 1. назначать цену, 2. набавлять цену (на аукционе) 3. принимать участие в торгах
- bidder**– (n) 1. участник торгов, покупатель на аукционе 2. фирма ведущая переговоры о заключении подряда 3. the highest bidder – лица, предлагающие самую высокую цену
- bidding** – (n) 1. назначение цены 2. набавление цены (на аукционе) 3. торги
4. competitive bidding – конкурентная заявка
- bill** – (n) 1. счет, вексель 2. treasury bill – казначейский вексель
- bind**– (v) 1. обязывать(законом), связывать (договором) 2. скреплять, подписывать (сделку)
- blanket**– (adj) глобальный, комплексный, аккордный
- block**– (n) пакет (акций, ценных бумаг)
- board** – (n) правление, совет, коллегия
- bond**– (n) 1. долговое обязательство 2. залог, гарантия 3. закладная 4. tax exempt bond – облигация, доход от которой освобожден от налогового обложения 5. performance bond – документ, подтверждающий обязательства продавца, в отношении выполнения контракта
- bonus**– (n) премия, надбавка
- borrow**– (v) брать займы
- borrower** - (n) заемщик
- brass** - (n) 1. деньги, "золото"; медяки, мелкие деньги, мелочь; 2. низость, бесстыдство, хамство
- breach**– (n) 1. нарушение (закона) 2. разрыв (отношений)
- brief**– (n) 1. документ, подготовленный адвокатом для представления суду, в котором собраны все факты 2. краткая информация по какому-либо вопросу
- bulge**– (n) повышение курса на бирже, вздутие цен
- bungle**– (n) плохая работа, ошибка (v) – работать неумело, портить работу, делать кое-как
- buy down**– (v) покупать в рассрочку

С

- cancel** – (v) аннулировать, отменять, расторгать
- cash benefit** – (n) денежное пособие
- caution** – (n) осторожность, предусмотрительность
- certify** – (v) 1. удостоверять, подтверждать 2. утверждать, разрешать
- certificate of title** – (n) удостоверение на право собственности

challenge – (n) 1. сложная проблема 2. отвод (присяжным, составу суда) (v)
3. бросать вызов 4. заявлять отвод
channel – (n) 1. источник, средство 2. канал связи
charge – (n) 1. цена, плата 2. налог 3. долговое обязательство (v) 4. назна-
чать цену, плату, взимать 5. late charge – пеня за задержку платежа
charter – (n) 1. устав 2. чартер
claim – (n) 1. требование, претензия 2. иск 3. заявление, утверждение (v)
4. требовать 5. заявлять, утверждать
claimant - (n) истец
clause – (n) 1. статья, пункт, условие 2. acceleration clause – условия уско-
ренного платежа по ссуде (в случае нарушения должником своих обяза-
тельств)
closing – (n) закрытие, ликвидация
cohere – (v) 1. быть связанным 2. согласовываться
collateral – (n) залог, дополнительное обеспечение
commence – (v) начинать, начинаться
commingle – (v) смешивать(ся)
commission – (n) 1. договоренность 2. комиссионное вознаграждение
commitment – (n) 1. передача, вручение 2. обязательство
comparison – (n) сравнение, сопоставление
compel - (v) принуждать
compelling -(adj) непреодолимый
compensable - (adj) подлежащий компенсации, возмещению
compensation – (n) 1. возмещение, компенсация 2. вознаграждение
competent – (adj) дееспособный, правомочный
competitive – (adj) конкурентный, конкурентоспособный
compile – (v) собирать (факты, данные)
compliance – (n) соответствие, согласие
comply – (v) 1. уступать, соглашаться 2. исполнять 3. подчиняться
compose - (v) составлять
compound – (n) 1. состав, смесь (v) 2. составлять 3. улаживать, примерять 4.
приходить к компромиссу, частично погашать
comprise – (v) 1. включать, заключать в себе, охватывать 2. содержать, вме-
щать
conceal – (v) скрывать, утаивать
concession - (n) 1. уступка, скидка
conclude – (v) 1. заканчивать, завершать 2. заключать (сделку) 3. делать
вывод, приходить к заключению
condemnation - (n) осуждение
condense – (v) 1. конденсировать 2. сжато выразить
conduct - (n) поведение
confide – (v) 1. доверять, поверять 2. вверять, поручать
conform - (v) соответствовать
confuse – (v) смешивать, путать
confusion – (n) 1. беспорядок 2. путаница, неразбериха
conjunction – (n) 1. соединение, связь 2. совпадение, стечение
consecutive – (adj) последовательный, последующий
consent - (n) согласие

consequence – (n) 1. последствие, результативность 2. вывод 3. значение, возможность
consideration – (n) 1. возмещение, компенсация 2. сумма вознаграждения, уплачиваемая одной стороной сделки другой(в обмен на обязательство что-то сделать)
consume – (v) потреблять, расходовать
consumer – (n) потребитель
contamination – (n) загрязнение
contingent – (n) 1. доля, квота 2. контингент
contract – (n) 1. контракт 2. valid contract – контракт, составленный в соответствии с действующим законодательством 3. installment contract – контракт с платежом в рассрочку 4. formal contract – юридический документ, скрепленный печатью
contractor – (n) 1. подрядчик 2. участник договора
contractual capacity – (n) 1. договорные возможности 2. правоспособность
contribute – (v) 1. способствовать, содействовать 2. делать вклад 3. участвовать
conventional – (adj) обычный, общепринятый
conversely – (adv)обратно, наоборот
conversion – (n) 1. конверсия 2. незаконное распоряжение чужой собственностью
convey – (v) 1. перевозить 2. передавать
conveyance – (n) передача прав имущества
convince – (v) убеждать, уверять
copper – (n) 1. медь 2. медный
core – (n) 1. сердцевина 2. суть
corporate – (adj) корпоративный
counsel – (n) 1. обсуждение 2. адвокат
counteroffer – (n) контрпредложение
county – (n) графство
course – (n) 1. курс 2. ход, течение 3. линия поведения
court – (n) суд
courthouse – (n) здание суда
covenant – (n) 1. соглашение, договор 2. условие или статья договора 3. обязательство, вытекающее из договора
cover – (v) 1. обеспечивать денежное покрытие 2. страховать
coverage – (n) 1. оплата 2. общая сумма риска, покрытая договором страхования
crack – (n) трещина
credit applicant – (n) лицо, обращающееся за кредитом
current – (adj) 1. текущий, современный 2. находящийся в обращении
custom – (n) 1. обычай 2. клиентура, покупатели 3. таможенная пошлина
customary – (adj) обычный, стандартный

D

damage – (n) порча, ущерб, убыток
damages – (n) возмещение ущерба, компенсация за убытки
datum – (n) факт, информация (pl) data – данные
deal – (n) сделка, соглашение
dealings – (n) 1. деловые отношения 2. торговые сделки

debt – (n) долг, задолженность, обязательство
deceased – (adj) умерший
deduct – (v) вычитать, удерживать
deductible – (adj) подлежащий вычету
deed – (n) юридический документ, скрепленный подписями и печатью, в котором излагаются соглашения, обязательства и права сторон
default – (n) невыполнение обязательств по платежам, неуплата
defeat – (n) 1. поражение, аннулирование (v) 2. разрушать (планы), отменять, аннулировать
defendant - (n) ответчик
deficiency – (n) нехватка, недостаток, дефицит
define – (v) определять, устанавливать
delay – (n) 1. задержка 2. просрочка 3. отсрочка (v) 4. задерживать 5. отсрочивать, переносить
delete – (v) вычеркивать
demolition – (n) разрушение, снос
delinquent – (adj) неуплаченный, просроченный
dependant - (n) иждивенец
deposit – (n) 1. вклад в банке 2. взнос 3. задаток, залог
derive - (v) 1. происходить (v) 2. устанавливать происхождение 3. получать, извлекать 4. наследовать
desert – (v) покидать, оставлять, бросать
designate – (v) 1. определять, устанавливать 2. обозначать
detach –(v) разделять, отделять
detect –(v) находить, обнаруживать
deterioration – (n) ухудшение, порча
determine – (v) 1. определить, установить 2. заканчивать, оканчивать
developer - (n) застройщик
deviation – (n) отклонение, отступление
disability – (n) 1. нетрудоспособность 2. неплатежеспособность 3. недееспособность
disadvantage – (n) 1. невыгодное положение 2. недостаток 3. ущерб, убыток
disburse – (v) платить, выплачивать, оплачивать
discharge – (v) 1. выполнять, исполнять 2. погашать
disclose – (v) открывать, обнаруживать
disclosure – (n) раскрытие, разглашение
discontinue – (v) прекращать, прерывать
discount – (n) 1. скидка 2. учетная ставка
discourage – (v) 1. обескураживать 2. препятствовать, отговаривать
disfigurement – (n) 1. искажение; коверканье 2. физический дефект, недостаток
disposal – (n) 1. передача 2. право распоряжаться
dispose – (v) распоряжаться, продавать
diverse – (adj) различный, разнообразный
division – (n) 1. разделение 2. разногласие 3. округ
docket – (n) 1. декларация продавца 2. квитанция об уплате
dominant - (adj) доминирующий
drape – (n) 1. драпировка; портьера 2. украшать тканями, обивать

drastic - (adj) интенсивный; решительный; радикальный, глубокий; резкий
driveway - (n) дорога, проезд, путь; подъездная дорожка
due - (adj) 1. должный, надлежащий 2. ожидаемый 3. причитающийся, подлежащий выплате
duly - (adv) должным образом, соответственно
dump - (v) наводнять рынок дешевым товаром, устраивать демпинг
dwelling - (n) жилье, помещение, дом

Е

enclose - (v) прилагать
encounter - (v) сталкивать, наталкивать
encroachment - (n) вторжение
encumber - (v) 1. затруднять, препятствовать 2. обременять долгами
encumbrance - (n) 1. затруднение 2. закладная 3. долг, обязательство
endanger - (v) подвергать опасности
endeavor - (n) 1. попытка, старание, стремление (v) 2. пытаться, прилагать усилия, стараться
endorse - (v) делать передаточную надпись
enforce - (v) 1. принуждать 2. взыскивать 3. приводить в исполнение
enforceable - (adj) имеющий исковую силу, обеспеченный правовой санкцией
enforcement - (n) 1. принуждение 2. принудительное взыскание 3. приведение в исполнение
enhance - (v) увеличивать, повышать
enrich - (v) 1. обогащать 2. улучшать
ensure - (v) 1. обеспечивать, гарантировать 2. ручаться
entice - (v) 1. переманивать соблазнять
entire - (adj) 1. полный, совершенный 2. целый, цельный сплошной
entirely - (adv) полностью, всецело, совершенно
entitle - (v) давать право
entrust - (v) поручать, доверять
equipment - (n) оборудование, оснащение
equitable - (adj) справедливый, беспристрастный
equity - (n) 1. справедливость 2. обыкновенная акция 3. собственный капитал, собственные средства
erosion - (n) 1. разъединение 2. эрозия
eruption - (n) извержение (вулкана)
escrow - (n) 1. документ, условно депонированный у третьего лица до выполнения определенного условия 2. трехстороннее соглашение 3. escrow account (syn. funds) - резерв для выплаты налогов и страховых взносов в качестве условия займа под залог имущества
essence - (n) сущность, существо
essential - (adj) 1. обязательный, необходимый 2. существенный
establish - (v) 1. основывать, учреждать 2. открывать (аккредитив)
estimate - (v) 1. оценивать 2. составлять смету
estimate - (n) 1. оценка 2. смета, предварительный подсчет
estop - (v) отводить заявление
evade - (v) избегать, отклоняться (от обязательств).
evaluation - (n) оценка, определение стоимости

evidence – (n) 1. данные, факты 2. свидетельские показания, доказательство
exceed – (v) 1. превышать 2. превосходить
exception – (n) исключение
excess – (n) 1. избыток, излишек 2. превышение
exclude – (v) исключать, изымать
execute – (v) 1. исполнять, выполнять 2. оформлять (документ)
execution – (n) 1. исполнение 2. оформление, выполнение оформления
executive – (n) 1. исполнительная власть 2. руководитель
exempt – (adj) освобожденный, не подлежащий чему-либо
exercise – (v) осуществлять, применять, использовать
exert – (v) 1. напрягать (силы), осуществлять 2. оказывать давление, влиять
expand – (v) расширять(ся), развивать(ся)
expansion – (n) 1. рост, развитие, расширение 2. увеличение
expedite – (v) ускорять
expire – (v) оканчиваться, истекать (о сроке)
explicit – (adj) ясный, подробный, точный, определенный
expose – (v) 1. подвергать 2. выставлять (на продажу) 3. раскрывать (секрет)
exposure – (n) 1. зависимость 2. риск потенциальных убытков
extend – (v) 1. распространять, расширять 2. продлевать 3. предоставлять (заем, кредит)
extent – (n) 1. объем 2. степень 3. размер, величина

F

fail – (v) 1. обанкротиться, прекратить платежи 2. не выполнять чего-либо
failure – (n) 1. банкротство, несостоятельность 2. невыполнение
faith – (n) честность, лояльность; good faith – добросовестность; in good faith – добросовестно
fee – (n) 1. гонорар, плата за услуги 2. взнос 3. земельная собственность или недвижимость, полученные по наследству
fiberglass – (n) стекловолокно
file – (n) 1. дело, досье 2. архив
file – (v) 1. регистрировать и хранить документы в определенном порядке 2. подавать документы
finance – (n) 1. финансы, доходы, деньги (v) 2. финансировать
fine – (n) 1. пеня, штраф (v) 2. штрафовать
fiscal – (n) 1. судебный исполнитель 2. финансовый, бюджетный
fit – (adj) 1. годный, соответствующий требованиям (v) 2. годиться, соответствовать
fixture – (n) (pl) инвентарь, принадлежности
footage – (n) длина пленки или фильма в футах, метраж
foreclose – (v) лишать права выкупа заложенного имущества
foreclosure – (n) лишение права выкупа заложенного имущества
forfeit – (n) 1. штраф 2. лишение права
forge – (v) подделывать
former – (adj) 1. прежний, бывший 2. предшествующий
forward – (adj) 1. заблаговременный 2. вперед, дальше 3. ускорять помогать, отправлять, посылать

fragile – (adj) хрупкий, ломкий, непрочный
frame – (n) 1. структура 2. каркас, рама
fraud – (n) обман, мошенничество
fulfill – (v) исполнять, осуществлять
fund – (n) 1. фонды, денежные средства 2. государственные денежные бу-
маги 3. сберегательная организация
furnish – (v) 1. снабжать, предоставлять 2. доставлять, поставлять
furthermore – (adv) к тому же, кроме того

Н

hallway – (n) 1. коридор 2. прихожая
halt – (n) остановка, приостановка
hamper – (v) мешать, препятствовать, затруднять
handle – (v) 1. обращаться с чем-либо 2. торговать
hazard – (n) риск, опасность
hearing – (n) слушание (дела в суде)
hefty – (adj) здоровенный, тяжелый, массивный
height – (n) 1. высота 2. возвышенность 3. степень 4. верх
heir – (n) наследник
hence – (adv) 1. отсюда 2. с этих пор 3. следовательно
herein – (adv) в этом, здесь, при сем
highlight – (n) основной момент, факт
hinge – (n) 1. суть, кардинальный пункт (v) 2. вращаться, зависеть(оп – от)
hire – (n) 1. наем 2. плата за наем (v) 3. нанимать
homesteader – (n) усадьба, ферма
householder – (n) съемщик дома, квартиры
huge – (adj) огромный, громадный

I

identify – (v) идентифицировать, устанавливать подлинность
illegal – (adj) незаконный, запрещенный
impair – (v) 1. ослаблять 2. ухудшать(ся) 3. нарушать (интересы)
implement – (v) выполнять, осуществлять, реализовывать
imply – (v) 1. заключать в себе, значить 2. подразумевать
impose – (v) 1. облагать (налогами) 2. навязывать
imprisonment – (n) заключение (в тюрьму)
improve – (v) 1. улучшать 2. повышаться в цене
improvement – (n) улучшение, усовершенствование
incapacitate – (v) делать неспособным, непригодным to be incapacitated –
быть нетрудоспособным
incineration – (n) сжигание, кремация
increase – (n) 1. рост, увеличение 2. надбавка (v) 3. увеличивать(ся), воз-
растать
incur – (v) терпеть(убытки), нести (потери)
indicate – (v) указывать, показывать
infinity – (n) бесконечно большое число (количество)
inflate – (v) 1. взвинчивать, вздуть цены 2. производить инфляцию
initial – (adj) начальный, исходный

initiate – (v) 1. начинать, приступать 2. проявлять инициативу
injunction – (n) 1. судебный запрет 2. предписание, приказ
injury – (n) 1. вред, ущерб 2. телесные повреждения
innocent – (adj) невинный
install – (v) устанавливать, монтировать
installment – (n) 1. взнос в счет оплаты 2. часть
institutional – (adj) учрежденный, установленный
instrument – (n) 1. средство 2. документ, акт
instrumental – (adj) 1. служащий орудием, средством 2. способствующий
insulate – (v) отделять, изолировать
insulation – (n) изоляция, обособление
insurance – (n) 1. страхование 2. страховой полис
insure – (v) страховать(ся)
intent – (n) намерение, цель
intentional – (adj) намеренный, умышленный
interest – (n) 1. ссудный процент, доход с капитала 2. (pl) выгода, польза
interfere – (v) мешать, препятствовать
interference – (n) 1. вмешательство 2. помеха
interim – (adj) временный, промежуточный
intermediate – (adj) 1. промежуточный 2. посреднический
internal – (adj) внутренний
intervene – (v) 1. вмешиваться 2. происходить 3. помешать, являться помехой
invalidate – (v) объявлять недействительным, лишать законной силы
investigate – (v) расследовать, узнавать
investigation – (n) расследование, следствие
investment – (n) 1. капиталовложение 2. капитальные затраты
invoke – (v) 1. ходатайствовать (о чем-л.), призывать (к чему-л.) 2. осуществлять.
issue – (n) 1. выдача, выписка (документа) 2. спорный вопрос 3. (pl) доходы
item – (n) пункт, параграф, статья
itemize – (v) 1. перечислять по пунктам 2. разбивать по позициям

J

judge – (n) 1. судья 2. судить, выносить приговор
judgment – (n) 1. слушание дела в суде 2. решение суда 3. оценка
judicial – (adj) судебный
junior – (adj) младший (по должности), нижестоящий
jurisdiction – (n) 1. юрисдикция 2. сфера полномочий, компетенция
jury – (n) состав присяжных
just – (adj) справедливый, обоснованный, законный
justification – (n) 1. оправдание 2. правомерность 3. основание
justify – (v) 1. оправдывать 2. обосновывать

K

keep – (v) 1. держать, хранить 2. вести (записи, счета)
keeper – (n) 1. хранитель 2. владелец
kickback – (n) 1. вознаграждение 2. (амер) взятка
knock down – (v) 1. сбивать цену 2. продавать с аукциона

L

- lack – (n) 1. недостаток, нехватка, дефицит, отсутствие (v) 2. испытывать недостаток, нуждаться
landholder – (n) владелец или арендатор земельного участка
landowner – (n) землевладелец
landslide – (n) оползень, обвал
latter – (adj) 1. недавний 2. последний (из двух)
law – (n) 1. закон 2. право 3. (pl) правила
lawful – (adj) законный
lawsuit – (n) иск, судебное дело
leakage – (n) утечка, просачивание
lease – (v) 1. сдавать в аренду, внаем 2. брать в аренду, внаем
legal – (adj) 1. юридический, правовой 2. законный
legal capacity – (n) дееспособность
legislation – (n) законодательство
lend – (n) 1. ссуда, заем 2. сдавать внаем
lender – (n) заимодавец, кредитор
length – (n) 1. длина 2. расстояние 3. продолжительность
levy – (n) 1. сбор, налог 2. обложение налогом (v) 3. собирать налоги 4. облагать налогом
liability – (n) 1. ответственность 2. обязательство 3. долг, задолженность, денежные обязательства
liable – (adj) обязанный, подлежащий чему-либо
license – (n) лицензия, официальное разрешение
lien – (n) 1. право удержания имущества до уплаты налога 2. официальное разрешение lien in/of – вместо
lienee – (n) лицо, на имущество которого имеет залоговое право другое лицо
lienor – (n) лица, обладающие правом наложить арест на имущество
litigation – (n) гражданский судебный процесс
loan – (n) 1. заем, ссуда, кредит (v) 2. давать займы, ссужать 3. loan application – заявка на получение ссуды 4. loan agreement – соглашение о предоставлении ссуды
locate – (v) размещать(ся), располагаться
loophole – (n) лазейка (чтобы обойти закон), уловка
loss – (n) 1. потеря, утрата 2. убыток, ущерб урон
loyalty – (n) преданность, лояльность
lump – (n) большое количество, груда

M

- magnitude – (n) величина, размеры
mail – (n) почта, корреспонденция 2. посылать по почте
maintain – (v) 1. поддерживать сохранять 2. содержать в хорошем состоянии
3. to maintain an account – вести счет
multifunction – (n) неисправность, неисправная работа
margin – (n) 1. допускаемый предел 2. прибыль 3. разница, разность 4. гарантийный взнос
marital – (adj) супружеский, брачный
mark up – (v) повышать ставки

market – (n) 1. рынок 2. биржа 3. торговля
marketable – (adj) 1. годный для продажи 2. ходкий
mason – (n) каменщик
mature – (adj) подлежащий оплате в связи с наступлением срока
maturity – (n) 1. срок (платежа) 2. наступление срока
meantime – (adv) тем временем, между тем
measure – (n) 1. мера, система 2. размер 3. масштаб, критерий
merely – (adv) только, просто, единственно
merge – (v) 1. сливать, соединять 2. сливаться, соединяться
minutes – (n) протокол
modify – (v) изменять
monitory – (adj) предостерегающий
mortgage – (n) 1. залог, ипотека, закладная 2. ипотечный кредит
mortgagee – (n) кредитор по закладной
mortgager – (n) должник по закладной
mortgage banking company – (n) ипотечный банк
mudroom – (n) растворный узел
mudflow – (n) сель
multiply – (v) увеличивать(ся)
municipality – (n) город, муниципалитет
mutual – (adj) совместный, взаимный
mutual savings bank – (n) взаимосберегательный банк

N

neglect – (n) пренебрежение, халатность, упущение
negligence – (n) небрежность, халатность
negligent – (adj) небрежный, халатный
negotiate – (v) 1. вести переговоры, договариваться, обсуждать(условия)
negotiation – (n) pl переговоры, обсуждение условий
neighborhood – (n) 1. соседство, близость, 2. окрестности
nominal consideration – (n) формальная компенсация
nonetheless – (adv) несмотря на, однако
notice – (n) извещение, уведомление, предупреждение, объявление
notification – (n) извещение, уведомление, предупреждение
notify – (v) 1. извещать, уведомлять 2. объявлять
nuisance – (n) неудобство, источник вреда, причинение собственнику не-
движимости неудобств в пользовании ею
null and void – (adj) не имеющий юридической силы

O

oath – (n) присяга, клятва
object – (v) возражать, протестовать
objection – (n) возражение, протест
obligation – (n) 1. обязательство 2. долг 3. долговое обязательство, расписка
obtain – (v) получать, доставлять, приобретать
occupancy – (n) 1. занятие, овладение 2. владение
occupant – (n) 1. житель 2. временный владелец, арендатор
occur – (v) 1. встречаться, попадаться 2. случаться, происходить

occurrence – (n) 1. случай, происшествие 2. местонахождение, распространение
offense – (n) нарушение, правонарушение
offensive – (adj) 1. оскорбительный 2. отвратительный 3. агрессивный
offer – (n) 1. предложение (v) 2. предлагать
omit – (v) 1. пренебрегать 2. пропускать, не включать
option – (n) 1. выбор, право выбора
optional – (adj) необязательный, добровольный
order – (n) 1. порядок, последовательность 2. исправность, хорошее состояние 3. приказ, распоряжение, предписание 4. ордер, разрешение 5. заказ, требование
ordinance – (n) указ, местное муниципальное постановление
originate – (v) брать начало, происходить
otherwise – (adv) 1. иначе, по-другому, иным образом 2. в других отношениях
outright – (adv) to buy outright - покупка ценных бумаг с уплатой наличными в полном размере
outset – (n) начало, at the outset – вначале, - с самого начала
outstanding – (adj) 1. неуплаченный, просроченный 2. невыполненный 3. нерешенный, спорный
overall – (adj) 1. полный, общий 2. всеохватывающий
overdue – (adj) просроченный long overdue – после наступления срока to be overdue – 1. наступать (о сроке) 2. опаздывать
overflow – (n) избыток
overheads – (n) накладные расходы
override – (n) дополнительное вознаграждение
overstretch – (v) слишком натягивать
overtime – (adv) сверхурочно
own – (v) владеть, обладать
ownership – (n) 1. собственность, право собственности 2. владение

P

package – (n) 1. тюк, кипа 2. пакет financial package - финансирование
pamphlet – (n) брошюра
panel – (n) 1. список, перечень 2. комиссия
parcel – (n) 1. блок акций, которые переходят из рук в руки на фондовом рынке 2. участок (земли)
passerby – (n) прохожий, проезжий
pavement – (n) тротуар
pay – (n) 1. плата, уплата 2. пособие, пенсия
pay off – (v) 1. полностью рассчитываться 2. уволить, дать расчет
payable – (adj.) 1. подлежащий оплате 2. доходный, выгодный payable at maturity – подлежащий оплате при наступлении срока; payable in advance – оплачиваемый авансом; payable in cash – подлежащий оплате наличными; payable when due – подлежащий оплате при наступлении срока
payment – (n) выплата (v) to collect payments – получать платежи по инкассо
payroll – (n) платежная ведомость
penalty – (n) штраф, неустойка, пеня

pending – (adj.) 1. находящийся на рассмотрении, ожидающий решения 2. предстоящий

percentage – (n) 1. процентное содержание 2. комиссионное вознаграждение в процентах 3. процент, доля

perform – (v) исполнять, выполнять

performance – (n) исполнение, выполнение

permanent – (adj) постоянный, долговременный, бессрочный

pertain – (v) 1. принадлежать, иметь отношение 2. подходить

pertinent – (adj.) 1. уместный, подходящий 2. имеющий отношение, относящийся

personal asserts – (n) личное имущество

physician – (n) врач, доктор

piazza – (n) веранда

pile – (v) 1. кипа, пачка 2. складывать, нагружать

plaint – (n) иск

plaintiff – (n) истец

plaster – (n) 1. штукатурка (v) 2. штукатурить

pledge – (n) 1. залог 2. обеспечение кредита 3. обязательство to accept as a pledge –принимать в качестве залога; to carry out one's pledge –выполнять обязательство; to deposit a pledge – вносить залог; to discharge a pledge – выплачивать залог; to put in a pledge – отдавать в залог

plot – (n) участок земли

plumb – (adj.) 1. вертикальный 2. абсолютный, явный

point – (n) 1. вопрос, дело 2. пункт, единица изменения цены в торговле акциями 3. дополнительные сборы(комиссионные) по кредитам

policy – (n) страховой полис

pond – (n) пруд, бассейн

pool –(n) общий фонд

possess – (v) обладать

postpone – (m) откладывать, отсрочивать, переносить сроки

posture – (n) состояние, положение

poultry – (n) домашняя птица

poured concrete – (n) бетон уложенный

precaution – (n) 1. предосторожность, предусмотрительность 2. меры предосторожности

precedence – (n) 1. предшествование 2. первоочередность to have precedence – иметь преимущественное право, предшествовать

predict – (v) предсказывать, прогнозировать

premises – (n) 1. помещение, здание 2. недвижимость

premium – (n) 1. вознаграждение 2. надбавка к цене 3. страховой взнос

prevail – (v) 1. преобладать 2. существовать, быть распространенным

prevent – (v) 1. предотвращать, предохранять, предупреждать 2. мешать, препятствовать

prime – (adj.) 1. главный, важнейший 2. превосходящий, первоклассный

principal – (n) 1. доверитель 2. основная сумма, капитал

principle – (n) принцип, закон

prior – (adj.) предшествующий

priority – (n) 1. предшествование, порядок, очередность

procedure – (n) 1. порядок, процесс 2. метод 3. судебное производство
proceed – (v) 1. приступать к чему-либо 2. возбуждать процесс, привлекать к суду
proceedings – (n) 1. работа, дела 2. судебное разбирательство
process – (v) обрабатывать
profit – (n) 1. польза, выгода 2. (pl) прибыль, доход
prohibit – (v) запрещать
prohibition – (n) запрет, запрещение
promissory note – (n) долговое обязательство, вексель
prompt – (adj.) немедленный, срочный
proof – (n) доказательство
property – (n) 1. собственность, имущество 2. земельная собственность, земельный участок 3. право собственности
proportionate – (adj.) пропорциональный, соразмерный
prosecute – (v) преследовать судебным порядком
prosecution – (n) судебный процесс
prospective – ожидаемый, предполагаемый, будущий
provide – (v) 1. обеспечивать 2. предоставлять, давать
provision – (n) 1. снабжение, обеспечение 2. положение, условие (договора, контракта)
provided – (adv.) при условии, если только; в том случае, если
proximity – (n) близость
prudent – (adj.) 1. предусмотрительный 2. осторожный 3. расчетливый, бережливый
publicize – (v) рекламировать
pump – (n) 1. насос 2. качать, выкачивать
purchase – (n) 1. покупка, купля, приобретение (v) 2. покупать приобретать
pursuant – (adv.) соответственно, согласно
pursue – (v) 1. преследовать 2. следовать 3. продолжать

Q

quality – (v) 1. получать право на что-либо 2. оценивать, квалифицировать
quasi – (adv) как будто, как бы, якобы, почти
quit – (v) 1. бросать, кончать 2. выплачивать (долг) 3. выполнять обязательства
to get quit рассчитываться, расплачиваться
quitclaim – (n) отказ от права

R

rapport – (n) связь, взаимоотношения
rate – (n) 1. ставка, тариф, расценка 2. курс, цена 3. процент, доля
ratio – (n) 1. соотношение, пропорция 2. коэффициент
reading – (n) показание (прибора)
readjust – (v) перестраивать, реорганизовывать
readjustment – (n) перестройка, реорганизация
rebate – (n) 1. скидка, уступка 2. вычет процентов 3. возврат переплаты
receipt – (n) 1. расписка в получении, квитанция 2. (pl) денежные поступления, доход

receptacle – (n) 1. приемник, хранилище; вместилище, погреб; резервуар 2. ящик, тара

recession – (n) 1. отступление от чего-то 2. падение, спад

recite – (v) 1. излагать 2. перечислять факты

recover – (n) 1. получать обратно 2. возмещать 3. взыскивать

recovery – (n) 1. возврат 2. возмещение 3. взыскание

redeem – (v) 1. выкупать 2. погашать, выплачивать (долг)

redemption – (n) возврат, выплата (долга)

reduce – (v) уменьшать, сокращать, понижать

reduction – (n) снижение, понижение, сокращение

referee – (n) арбитр, третейский судья

reference – (n) 1. справка 2. рекомендация 3. передача на рассмотрение

referral – (n) направление (на работу, к врачу и т. п.; from; to)

refund – (n) 1. возврат, возмещение 2. возвращать, возмещать

refuse – (v) отказываться, отклонять

regarding – (adv) относительно, о

regardless – (v) 1. не обращать внимание на 2. не взирая на, не считаясь с

reimburse – (n) возмещать, компенсировать, оплачивать

reject – (v) 1. отклонять (предложение) 2. отказываться

relate – (v) 1. состоять в родстве 2. относиться, иметь отношение

release – (n) 1. освобождение 2. разрешение 3. освобождать 4. разрешать

reliable – (adj) надежный

relevant – (adj) уместный, относящийся к делу

relieve – (v) 1. освобождать от чего-либо 2. оказывать помощь

reluctance – (n) нежелание with reluctance - неохотно

remark – (n) 1. замечание 2. примечание, ссылка 3. замечать, отмечать 4. делать замечание, высказываться

remedy – (n) 1. средство 2. средство правовой защиты

remote – (adj) 1. отдаленный, дальний 2. маловероятный

render – (v) 1. отдавать, платить 2. представлять (отчет) 3. оказывать (услугу)

renewal – (n) 1. восстановление 2. возобновление 3. продление (срока)

rent – (n) 1. арендная (квартирная) плата 2. доход с недвижимости и капитала (v) 3. сдавать в аренду, внаем 4. арендовать, снимать помещение

rental – (n) 1. арендная плата 2. доходы от аренды 3. дом, квартира, сдаваемые внаем

repair – (n) 1. ремонт, ремонтные работы (v) 2. ремонтировать 3. исправлять, возмещать

repay – (v) 1. возвращать (долг) 2. возмещать (ущерб) 3. вознаграждать

repeal – (n) 1. аннулирование, отмена (v) 2. аннулировать, отменять

replacement – (n) 1. замена, подмена 2. замещение, убытки (основного капитала)

reputable – (adj) почтенный, уважаемый, достойный уважения

request – (n) 1. просьба, требование 2. запрос, заявка (v) 3. просить, требовать 4. запрашивать

require – (v) требовать, нуждаться

rescind – (v) аннулировать, отменить, расторгать

rescission – (n) аннулирование, отмена, расторжение

reservation – (n) 1. сохранение за собой 2. оговорка

resort – (n) 1. обращение (за помощью) without resort – не прибегая к 2. прибегать, обращаться к чему-либо
respond – (v) 1. отвечать 2. реагировать
restore – (n) восстанавливать
restrict – (v) ограничивать
restriction – (n) ограничение
resume – (v) возобновлять
retail – (n) 1. розничная продажа 2. продавать в розницу
retailer – (n) розничный продавец
retain – (v) 1. удерживать 2. сохранять
retroactive – (adj) имеющий обратную силу
reveal – (v) 1. открывать 2. показывать, обнаруживать
revenue – (n) 1. доход 2. государственные доходы
reverse – (n) 1. обратное, противоположное 2. неудача, провал
review – (n) 1. рассмотрение 2. (юр.) пересмотр
revise – (v) 1. проверять, исправлять 2. пересматривать, изменять
rise – (n) 1. повышение, увеличение (v) 2. повышаться, увеличиваться
robbery – (n) грабёж, кража
rural – (adj) сельский

S

sample – (n) проба, образец
sane – (adj) 1. в своем уме 2. здравый, здравомыслящий
satisfaction – (n) удовлетворение
satisfy – (v) 1. удовлетворять 2. соответствовать, отвечать требованиям
savings – (n) сбережения
savings and loan association – ссудо-сберегательная ассоциация
scaffolds – (n) строительные материалы
scale – (n) 1. масштаб 2. размер 3. шкала ставок
scatter – (v) разбрасывать, рассыпать
schedule – (n) расписание, график, план
screen – (v) просматривать (ценные бумаги)
search – (n) 1. поиск 2. исследование (v) 3. искать 4. исследовать, изучать
secure – (adj) 1. надежный, прочный, надежно защищенный (v) 2. охранять
3. гарантировать 4. получать 5. обеспечивать долг
seed – (n) семена
seek – (v) 1. искать, разыскивать 2. предъявлять иск 3. пытаться, стараться
seize – (v) конфисковать, налагать арест
seepage – (n) просачивание, течь, утечка
senior – (n) 1. ценная бумага с приоритетными правами (adj) 2. старший, главный
sequence – (n) последовательность
service – (n) 1. работа, служба 2. эксплуатация 3. обслуживание, сервис 4. услуга 5. уплата процентов (по займу)
serviceman – (n) инструктор
session – (n) 1. заседание, совещание 2. рабочий день биржи
setback – (n) 1. спад 2. понижение цен

settlement – (n) 1. расчет, покрытие погашение (долга) 2. ликвидация сделки
3. разрешение (спора), урегулирование
settling – (n) расчет
sewer – (n) коллектор, сточная труба
shake out – (v) вытеснять с рынка
share – (n) 1. доля, часть, пай 2. акция (v) 3. делить, участвовать в чем-либо
4. иметь долю, быть пайщиком
sheath – (v) обшивать (тех.)
sheer – (adj) 1. сущий, явный 2. абсолютный, полнейший (adv) 3. полностью, абсолютно
sheetrock – (n) гаж (констр.)
shifting – (n) перемещение, перестановка
shingle – (n) кровельная дрань, гонт
shrink – (v) 1. уменьшаться 2. усыхать 3. садиться, давать усадку
sickness – (n) болезнь
sign – (n) 1. объявление 2. подпись 3. признак
sign – (v) подписываться
signature – (n) подпись
significance – (n) 1. значение, смысл 2. важность, значительность
significant – (adj) 1. важный, существенный 2. показательный
slate – (n) шифер, шиферная крыша 2. крыть шифером
slope – (n) 1. наклон, склон, скат (v) 2. клониться, иметь наклон 3. скашивать
sod – (n) дерн
solar – (adj) солнечный
sole – (adj) 1. единственный 2. исключительный, монопольный
solely – (adv) единственно, только, исключительно
solicit – (v) 1. просить 2. требовать, ходатайствовать
solicitor – (n) поверенный, юристконсульт
span – (n) интервал, промежуток времени
specific – (adj) 1. особый, специальный 2. характерный 3. точный, определенный
specification – (n) 1. перечень 2. определение, описание 3. (pl) технические условия, характеристики
specify – (v) 1. точно определять, устанавливать 2. обуславливать, оговаривать 3. перечислять, указывать
split – (v) делить, разбивать на части
spouse – (n) супруг, супруга
stag – (v) спекулировать ценными бумагами
stature – (n) 1. законодательный акт 2. устав (adj) 3. законный, легальный
statutory – (adj) установленный законом, подлежащий исполнению согласно закону
stock – (n) 1. фонд 2. акционерный капитал 3. акция 4. ценные бумаги, облигации 5. пай, денежный фонд
strict – (adj) 1. точный, определенный 2. строгий, требовательный
subdivision – (n) подразделение subdivisions of profit – компоненты прибыли
subject – (n) предмет, вопрос subject to – подлежащий
submit – (v) 1. представлять, предъявлять (документы) 2. передавать на рассмотрение 3. подчиняться

subordinate – (adj) 1. зависимый, подчиненный 2. второстепенный
subordination – (n) подчинение, зависимость
subsequent – (adj) последующий
subsequently – (adv) впоследствии, потом, позже
substantial – (adj) существенный, важный, значимый
substantiate – (v) обосновывать, приводить доказательства
subsurface – (adj) 1. находящийся под поверхностью 2. подводный
successive – (adj) 1. последующий 2. следующий один за другим, последовательный
successor – (n) правопреемник, наследник
sue – (v) предъявить иск
sufficient – (adj.) достаточный
summary – (adj) (n) краткое изложение, сводка, резюме
summon – (v) вызывать (в суд)
summons – (n) 1. вызов в суд 2. судебная повестка
supersede – (v) заменять, смещать (с поста)
supervise – (v) наблюдать, контролировать, руководить
supervisor – (n) инспектор, контролер
supplement – (n) 1. дополнение 2. приложение
supplier – (n) поставщик
supply – (v) снабжать, поставлять
suppress – (v) 1. запрещать 2. конфисковать
surely – (n) 1. поручительство, гарантия, залог 2. поручитель, гарант
survey – (n) 1. осмотр 2. инспектирование, обследование (v) 3. осматривать
4. изучать 5. проверять, инспектировать
survive – (v) 1. выживать 2. сохранять работоспособность, оставаться в исправном состоянии

T

tank – (n) бак, резервуар
tax – (n) 1. налог 2. размер счета (v) 3. облагать налогом
taxable – (adj) облагаемый налогом
taxation – (n) налогообложение
tax-free – (adj) свободный от уплаты налогов, не облагаемый налогом
taxpayer – (n) налогоплательщик
temporary – (adj) временный
terminate – (v) 1. прекращать 2. ограничивать
testimony – (n) свидетельское показание sworn testimony – показание под присягой
theft – (n) воровство, кража
thereafter – (adv) 1. с этого времени 2. согласно этому (образцу)
thereto – (adv) кроме того, к тому же, вдобавок
threat – (n) угроза
threaten – (v) грозить, угрожать
tie – (n) 1. связь 2. долг, обязательство (v) 3. связывать 4. ограничивать условиями
tight – (adj) 1. трудный, тяжелый, стесненный 2. строгий, ограниченный
tile – (n) 1. черепица 2. кафель (v) 3. крыть черепицей

timely – (adj) своевременный

tip – (n) чаевые

title – (n) 1. титул 2. право, правовой титул 3. an abstract of the title – документ на право владения 4. to convey title – передавать право

toll-free – (adj) не подлежащий сбору, пошлине

to the benefit – (adv.) с выгодой

transaction – (n) 1. ведение дел 2. сделка, дело

transfer – (n) 1. перенос, перемещение 2. уступка, передача (права, имущества) 3. документ о передаче

treasury – (n) 1. казна 2. казначейские сертификаты

trespass – (v) 1. нарушать право владения 2. посягать на что-либо

truck – (n) грузовик

trust – (n) 1. доверительная собственность 2. опека 3. кредит 4. trust agreement – договор о передаче имущества в распоряжение

trustee – (n) доверенное лицо, опекун

trustworthy – (adj) 1. кредитоспособный 2. заслуживающий доверия

U

unanimous – (adj) единогласный, единодушный

unattended – (adj) 1. несопровождаемый 2. оставленный без ухода

unconventional – (adj) 1. необычный 2. неконвенционный

understanding – (n) 1. согласие, взаимопонимание 2. договоренность

unemployment – (n) безработица

unemployment benefit – (n) пособие по безработице

unfair – (adj) 1. несправедливый 2. нечестный

unforeseen – (adj) непредвиденный, непредусмотренный

uniform – (adj) единообразный, однородный

unjust – (adj) несправедливый

unjustified – (adj) неоправданный

unlawful – (adj) незаконный, противоправный

unpaid balance – непогашенный остаток

update – (v) 1. модернизировать 2. корректировать, обновлять (данные)

upgrade – (v) повышать (качество)

upward – (adj) 1. повышающий (adv) 2. вверх

usury – (n) ростовщичество

utility – (n) 1. эффективность 2. (pl) коммунальные услуги

utilize – (v) использовать, утилизировать

V

vacate – (v) 1. освободить (помещение) 2. отменять, аннулировать

valid – (adj) 1. действительный, имеющий силу 2. веский, обоснованный

variable – (adj) 1. изменчивый, непостоянный (n) 2. переменная величина 3. параметр

vehicle – (n) 1. автотранспортное средство 2. (pl) транспорт

vendee – (n) покупатель

vendor – (n) продавец

veneer – (n) 1. шпон 2. (кирпичная) облицовка, наружный слой

verification – (n) проверка, контроль, удостоверение

verify – (v) 1. проверять, контролировать 2. удостоверить
vice versa – (adv) наоборот, обратно
vigilant – (adj) бдительный
violate – (v) нарушать
violation – (n) нарушение
violator – (n) нарушитель
virtually – (adv) фактически, в сущности
void – (v) делать недействительным, аннулировать
volatility – (n) изменчивость, непостоянство
volume – (n) 1. объем, количество 2. значительное количество
voluntary – (adj) добровольный
vote – (n) 1. голосование 2. право голоса (v) 3. голосовать
vulnerable – (adj) уязвимый, ранимый

W

waive – (v) отказываться (от права)
warranty – (n) 1. гарантия, поручительство 2. разрешение, санкция 3. условие, оговорка (контракта)
waterfront – (n) 1. порт, город или район, расположенный на берегу 2. берег
well – (n) колодец, источник, скважина
whereby – (adv) посредством чего, как
whichever – (pron) 1. какой 2. какой угодно, какой бы ни
whoever – (pron) кто бы ни, который бы ни
will – (n) завещание
windstorm – (n) буря, метель
withdraw – (v) 1. отзываться, отменять, аннулировать 2. снимать со счета
withhold – (v) 1. отказывать в чем-либо 2. удерживать (из оплаты)
witness – (n) 1. свидетель 2. быть свидетелем (v) 3. свидетельствовать
worth – (n) 1. цена, стоимость 2. ценность (adj) 3. имеющий определенную цену 4. имеющий ценность, важность

Y

yearly – (adj) ежегодный
yield – (n) 1. доход, доходность (v) 2. давать доход
yielding – (adj) приносящий доход

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