1. Adjustable-rate mortgage
There are two types of conventional loans: the fixed-rate and the adjustable-rate mortgage. In an adjustable-rate mortgage, the interest rate can change over the course of the loan at five, seven, or ten year intervals. For homeowners who plan to stay in their home for more than a few years, this is a risky loan as rates can suddenly skyrocket depending on market conditions.

2. Amortization
This is the process of combining both interest and principal in payments, rather than simply paying off interest at the start. This allows you to build more equity in the home early on.

3. Appraisal
In order to get a loan from a bank to buy a home, you first need to get the home appraised so the bank can be sure they are lending the correct amount of money. The appraiser will determine the value of the home based on an examination of the property itself, as well as the sale price of comparable homes in the area.

4. Assessed value
This is how much a home is worth according to a public tax assessor who makes that determination in order to figure out how much city or state tax the owner owes.

5. Buyer's agent
This is the agent who represents the buyer in the home-buying process. On the other side is the listing agent, who represents the seller.

6. Cash reserves
The cash reserves is the money left over for the buyer after the down payment and the closing costs.

7. Closing
The closing refers to the meeting that takes place where the sale of the property is finalized. At the closing, buyers and sellers sign the final documents, and the buyer makes the down payment and pays closing costs.

8. Closing costs
In addition to the final price of a home, there are also closing costs, which will typically make up about two to five percent of the purchase price, not including the down payment. Examples of closings costs include loan processing costs, title insurance, and excise tax.

9. Comparative market analysis
Comparative market analysis (CMA) is a report on comparable homes in the area that is used to derive an accurate value for the home in question.

10. Contingencies
This term refers to conditions that have to be met in order for the purchase of a home to be finalized. For example, there may be contingencies that the loan must be approved or the appraised value must be near the final sale price.

11. Dual agency
Dual agency is when one agent represents both sides, rather than having both a buyer's agent and a listing agent.

12. Equity
Equity is ownership. In homeownership, equity refers to how much of your home you actually own—meaning how much of the principal you've paid off. The more equity you have, the more financial flexibility you have, as you can refinance against whatever equity you've built. Put another way, equity is the difference between the fair market

value of the home and the unpaid balance of the mortgage. If you have a $200,000 home, and you still owe $150,000 on it, you have $50,000 in equity.

13. Escrow
Escrow is an account that the lender sets up that receives monthly payments from the buyer.

14. Fixed-rate mortgage
There are two types of conventional loans: the fixed-rate and the adjustable-rate mortgage. In a fixed-rate mortgage, the interest rate stays the same throughout the life of the loan.

15. Home warranty
This warranty protects from future problems to things such as plumbing and heating, which can be extremely expensive to fix.

16. Inspection
Home inspections are required once a potential buyer makes an offer. Typically, they cost a few hundred dollars. The purpose is to check that the house's plumbing, foundation, appliances, and other features are up to code. Issues that may turn up during an inspection may factor into the negotiation on a final price. Failing to do an inspection may result in surprise costly repairs down the road for the home buyer.

17. Interest
This is the cost of borrowing money for a home. Interest is combined with principal to determine monthly mortgage payments. The longer a mortgage is, the more you will pay in interest when you have finally paid off the loan.

18. Listing
A listing is essentially a home that is for sale. The term gets its name from the fact that these homes are often "listed" on a website or in a publication.

19. Listing agent
This is the agent who represents the seller in the home-buying process. On the other side is the buyer's agent, who represents the buyer.

20. Mortgage broker
The broker is an individual or company that is responsible for taking care of all aspects of the deal between borrowers and lenders, whether that be originating the loan or placing it with a funding source such as a bank.

21. Offer
This is the initial price offered by a prospective buyer to the seller. A seller may accept the offer, reject it, or counter with a different offer.

22. Pre-approval letter
Before buying a home, a buyer can obtain a pre-approval letter from a bank, which provides an estimate on how much the bank will lend that person. This letter will help determine what the buyer can afford.

23. Principal
The principal is the amount of money borrowed to purchase a home. Paying off the principal allows a buyer to build equity in a home. Principal is combined with interest to determine the monthly mortgage payment.

24. Private mortgage insurance

Private mortgage insurance (PMI) is an insurance premium that the buyer pays to the lender in order to protect the lender from default on a mortgage. These insurance payments typically end once the buyer builds up 20% equity in a home.

25. Real estate agent
A real estate agent is a professional with a real estate license who works under a broker and assists both buyers and sellers in the home-buying process.

26. Real estate broker
A real estate broker is a real estate agent who has passed a state broker's exam and met a minimum number of transactions. These brokers are able to work on their own or hire their own agents.

27. Realtor
A Realtor is a real estate agent who specifically is a member of the National Association of Realtors. NAR has a code of standards and ethics that members must adhere to.

28. Refinancing
Refinancing is when you restructure your home loan, replacing your old loan with an entirely new loan that has different rates and payment structures. The main reason people refinance their home loans is to get a lower interest rate on their mortgage, and therefore lower not only the monthly payment but also the overall debt owed.

29. Title insurance
Title insurance is often required as part of the closing costs. It covers research into public records to ensure that the title is free and clear, and ready for sale. If you purchase a home and find out later that there are liens on the home, you'll be glad you had title insurance.