

MLS Listing Input Key Definitions

Types of Listing Agreements

Exclusive Agency: A contractual agreement under which the listing broker acts as the agent or as the legally recognized non-agency representative of the seller(s), and the seller(s) agrees to pay a commission to the listing broker if the property is sold through the efforts of any real estate broker. If the property is sold solely through the efforts of the seller(s), the seller(s) is not obligated to pay a commission to the listing broker.

Exclusive Agency with Exclusions: As stated in previous definition with the addition of if named prospect(s) purchase the property, no commission is owed (must be disclosed). Cooperating broker is responsible for inquiring about the terms of exclusion.

Exclusive Right-to-Sell : A contractual agreement under which the listing broker acts as the agent or as the legally recognized non-agency representative of the seller(s), and the seller(s) agrees to pay a commission to the listing broker, regardless of whether the property is sold through the efforts of the listing broker, the seller(s), or anyone else; and a contractual agreement under which the listing broker acts as the agent or as the legally recognized non-agency representative of the seller(s), and the seller(s) agrees to pay a commission to the listing broker regardless of whether the property is sold through the efforts of the listing broker, the seller(s), or anyone else, except that the seller(s) may name one or more individuals or entities as exemptions in the listing agreement and if the property is sold to any exempted individual or entity, the seller(s) is not obligated to pay a commission to the listing broker.

Exclusive Right to Sell with Exclusions: As stated in previous definition with the addition of if named prospect(s) purchase the property, no commission is owed (must be disclosed). Cooperating broker is responsible for inquiring about the terms of exclusion.

Limited-Service: Specific wording in Listing Agreement (Not a FSBO). The broker performs a la carte functions for a set fee. The cooperating broker may be instructed to work directly with the seller. Offer of compensation is included. The listing agent is fully responsible for maintaining the listing in the MLS.

Open Listings (Not Accepted by MLS): Lets owners sell their homes themselves as "For Sale by Owner" (FSBO) properties. It's a non-exclusive listing agreement, allowing an owner to execute open listings with more than one real estate broker. Then, the seller would pay only the real estate broker who brought the eventual homebuyer.

Net Listings (Not Accepted by MLS): An owner sets a minimum amount that he or she wants to receive from the sale of the property and lets the broker have as commission any amount above the set minimum.

Ownership Descriptions

Co Op: You do not “buy” a co-op; instead, you become a shareholder in the corporation that owns the co-op. The loan you take out to invest in a co-op is considered a home loan, not a mortgage loan.

Generally, one will have to be approved by a co-op board as a shareholder and must abide by the rules of the co-op board for as long as you are a shareholder. If you wish to sell your interest in the co-op, the buyer will typically have to go through this approval process as well.

Since you do not own your co-op, you are not building equity in the property. You will be paying monthly HOA dues for maintenance; these dues also cover the property taxes associated with the unit since it is technically owned by the corporation. Depending on the co-op rules, you may be prohibited from making any changes to the inside of the unit beyond regular maintenance.

Condo: Condos in Florida are governed by the Florida Condominium Act, which regulates how they are treated as real property. When you buy a condo in Florida, you own your individual unit but also have what is known as an “undivided interest” in all the common areas, such as the pool, parking garage, tennis courts, etc. You are required to abide by the rules and regulations as established by the condominium complex as one part of a community of condo owners.

As a condo owner, you are responsible for paying property taxes on your unit, which provides you with a tax deduction. Most condo complexes also assess monthly dues that go to pay for the overall maintenance of the complex, which is not deductible.

Unless you pay the full purchase price upfront, you will be responsible for obtaining a mortgage. When you sell your condo, you transfer ownership in the same way you would if you sold a house — by real estate deed.

Single Family: The legal description for this home is a structure maintained and used as a single dwelling unit. A single dwelling unit will have these characteristics: No common walls i.e., This home is a stand-alone, detached property. Built on its own parcel of land i.e., The area around the building is for the private use of the owner. Has private and direct access to a street or thoroughfare, only one set of utilities can service this home—and may not be shared in any way with another residence. This applies to heating, electricity, water, or any other essential service. This home is built as the residence for one family, person, or household.

Timeshare: One either owns the unit for the rest of their life, for the number of years spelled out in the purchase contract, or until they sell it. Interest is legally considered real property. One buys the right to use a specific unit at a specific time every year, and may rent, sell, exchange, or bequeath the specific timeshare unit. Timeshare owners collectively own the property.

Unless purchased for cash, purchaser is responsible for paying the monthly mortgage, annual maintenance fee; property taxes may be extra. Owners share in the use and upkeep of the units and of the common grounds of the property.

Fractional Ownership: Partial ownership of a property. In this kind of ownership, a property is owned and shared by more than one individual. In fractional ownership, the investor owns part of the title and if the value of the asset increases, the share value also increases. A fractional share gives the owners certain privileges, such as a number of days or weeks when they can use the property. Fractional ownership shareholders also share the benefits of the asset such as income sharing.

Homeowners Association (HOA): Residents of the community elect volunteer homeowners to the board of directors of the HOA. The board of director's act as the governing body that oversees important issues that come up in the community. The main responsibilities of the board include representing the community resident's best interests in protecting the value of their homes, by the enactment and enforcement of covenants and restrictions which are the rules that the community has agreed to abide by. Additionally, the HOA board is responsible for the assessment and collection of HOA fees, which are used to pay for the maintenance of the community common areas and any other designated areas that are detailed in the covenants and deeds.

HOA Fees and Dues: Generally calculated dependent on the amenities available in the community and maintenance of the common areas. In certain communities group rates may be negotiated for trash pickup and/or cable and internet services and these may be part of the dues. Generally, dues are collected monthly or quarterly in most HOA's, however dues collected annually are less common.

HOA Mandatory: In Florida, generally when purchasing a home, condo, townhouse, or villa that is overseen by a homeowner's association, membership in the association is automatic. There is no choice involved as the purchase of the property creates a contract with the HOA. The contract includes agreement to follow the rules and regulations of the HOA as well as pay all of the dues, fees, and any special assessments that may arise.

HOA Voluntary: In a community with a voluntary HOA, homeowners are not required to join, do not need to pay dues, and do not need to abide by the rules and restrictions — at least not all of them.

Tax Districts

Community Development District: Often referred to as a "CDD," is a special purpose unit of local government created under Florida law, for purposes of financing, constructing, operating and maintaining community-wide infrastructure, improvements and services for the benefit of the properties within its boundaries.

Municipal Service Tax Development: Locally imposed and administered by municipalities and charter counties under Chapter 166, Florida Statutes. MPST is levied on six utility services: electric, fuel oil/kerosene, LP gas, manufactured gas, natural gas, and water. A municipality or charter county must report tax information if it does not provide the utility service itself or through a separate authority, board, or commission. It is required to report the tax rate, effective date and a contact name.

Municipal Service Tax Unit: Funded by the collection of ad valorem taxes. Ad valorem taxes are based on the assessed value of the subject property.

FIRPTA: Foreign Investment in Real Property Tax Act

What is it? Tax imposed on the amount realized from the sale of real property owned by a foreign seller.

How does it work?

- There are exceptions to this tax-withholding requirement. Given the complexities of tax laws, the buyer and seller should consult with a tax specialist to determine the exact withholding amount or to determine if an exemption to the FIRPTA requirement applies.
- FIRPTA applies when the seller is a foreign person, as defined by FIRPTA. However, a foreign buyer may want to consult with a tax professional if that buyer's intent is to sell the property, as then FIRPTA may apply.
- As there are several exemptions available, foreign sellers are wise to speak to their tax professional as early in the sales process as possible to know their options to avoid money being held in escrow.

Compensation

Buyer Agent: Florida law requires that a real estate licensee operating as a single agent to the buyer agent disclose to the buyer their duties

Transaction Broker: Florida law requires that real estate licensees operating as a transaction broker disclose to buyers and sellers their role and duties in providing a limited form of representation.

Non-Rep: Nonrepresentative Broker: A legal brokerage relationship in which brokers do not represent either buyers or sellers in a transaction.

Variable Rate Commission: A dual or variable rate commission arrangement is a listing where one amount of commission is payable if the listing broker's firm is the procuring cause of sale/lease and a different amount of commission is payable if the sale/lease results through the efforts of the seller/landlord or a cooperating broker.

Joint Agency: An agreement where two brokers act together in selling a property and share the commission when the property is sold.

Special Sale Types

REO: Real Estate Owned, a class of property owned by a lender—typically a bank, government agency, or government loan insurer—after an unsuccessful sale at a foreclosure auction.

Foreclosure: The legal process by which a lender attempts to recover the amount owed on a defaulted loan by taking ownership of and selling the mortgaged property. Typically, default is triggered when a borrower misses a specific number of monthly payments, but it can also happen when the borrower fails to meet other terms in the mortgage document.

A Few Things to Know About Properties in Foreclosure

- **Right of redemption** - “Right of redemption” is the ability of a mortgage holder to prevent a foreclosure sale by paying amounts due. There are several caveats.

If a property is in the process of foreclosure, the person or entity that holds the mortgage or any interest may prevent a foreclosure sale by paying the money specified in the judgment, order, or decree of foreclosure.

If no judgment, order, or decree of foreclosure has been rendered, the mortgage/interest holder may tender the performance due under the security agreement, including any amounts due because of the exercise of a right to accelerate – plus the reasonable expenses of proceeding to foreclosure incurred to the time of tender, including reasonable attorney’s fees of the creditor.

This may happen before the clerk of the court files a certificate of sale, or the time specified in the judgment, order, or decree of foreclosure, whichever is later. Otherwise, there is no right of redemption.

- **Compliance with Association Law** - Any owner of property that is subject to a condominium or homeowners association is required to comply with the law regarding association disclosure. According to the Florida Statutes, “each unit owner – that is, record owner of legal title to a condominium parcel– who is not a developer ... shall comply with the provisions of this subsection prior to the sale of his or her unit.”

Similarly, for homeowners’ associations, “a prospective parcel owner in a community must be presented a disclosure summary before executing the contract for sale. ... The disclosure must be supplied ... but the parcel owner.”

Therefore, lenders that acquire properties subject to associations via foreclosure are responsible for complying with the law and are not exempt from the above requirements.

Short Sale: A transaction approved by a lender to release the seller's mortgage for less than what the seller owes on the home. A short sale can mean a home is marketed substantially below the seller's previous purchase price. Short sales can take months longer to close than a typical home purchase.

Lis Pendens: A written notice that a lawsuit has been filed which affects title to real property or some interest in that real property. A lis pendens is regularly referred to as a "cloud on title" and will stop the homeowner from selling or attaining refinancing on their property until the lis pendens is removed.

Auction: A method of selling real estate. It is an intense, accelerated real estate marketing process that involves the public sale of any property through open cry, competitive bidding.

Other Terms to Know

VOW: A participant's Internet website, or a feature of a participant's Internet website, through which the participant is capable of providing real estate brokerage services to consumers with whom the participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS data, subject to the participant's oversight, supervision, and accountability.

VOW Blogging: Some virtual office websites blog about properties on the market in their local MLS.

AVM: Automated Valuation Model, statistically based computer programs that use real estate information such as comparable sales, property characteristics, and price trends to provide a current estimate of market value for a specific property. An AVM report provides a written summary of the results.

IDX: Internet Data Exchange, a policy that allows brokers to exchange consent to display one another's property listings on the Internet. This program is known by several names, including Internet Data Display (IDD) and Broker Reciprocity. NAR has mandated that all MLS's must offer their participants a way to display the listings of other participants on their own Web sites. In other words, brokers can now post listing information directly from their local MLS on their own Web site without having to frame another other listing site -- with some limitations.