

The “What Did the Broker Just Say?” Guide

Unless you studied *Home Buying 101* at university, buying a home can feel like learning a whole new language. To help, we’ve included explanations of some of the most commonly used home loan and property terms — with a few light-hearted truths thrown in along the way.

Term	Definition
Additional Repayment	Extra funds paid into your loan on top of the minimum required repayments.
Agent	A real estate agent. The person with the nice shoes and the “another couple is very interested” line.
Amortisation Period	The total period of time over which a loan is calculated and repaid.
Application Fee	A fee charged by a lender to cover the cost of setting up your loan.
Arrears	An overdue account or missed repayment that still needs to be paid.
Authority to Sell	A legally binding agreement between the seller and the real estate agent outlining commission, advertising costs, and sale terms. Many parts of this agreement are negotiable.
Best Mortgage Broker in Adelaide	Pretty much anyone at First State Finance.
Borrower	A person or entity borrowing money to purchase, refinance, or pay out a property or loan product.
Bridging Finance	A short-term loan (usually less than 12 months) used to “bridge the gap” between buying a new property and selling your current one.
Buyer’s Advocate / Buyer’s Agent	An agent who works solely for the buyer to source properties and negotiate on their behalf.
Capital	The value of your assets, including property, savings, vehicles, businesses, and investments.
Capital Gain	The profit made when you sell an asset for more than you paid for it. May be subject to Capital Gains Tax (CGT).
Caveat	A notice placed on a property title indicating that a third party has an interest in the property.
Certificate of Currency	A document confirming that an insurance policy is current and active. Lenders usually require this before settlement.
Certificate of Title	A document showing who owns a property, the land dimensions, and any restrictions such as mortgages, easements, or encumbrances.
Chattels	Moveable personal property such as furniture or appliances.
Commission	Payment made to an agent for services rendered, usually calculated as a percentage of the sale price.
Common Property	Shared areas owned jointly by all property owners, such as driveways, lifts, gardens, or stairwells in apartment complexes.
Community Title	A form of land division where individual “lots” share ownership of common property.
Comparison Rate	A rate that combines the interest rate with most fees and charges to help compare the true cost of different loans.
Conditional Approval	Preliminary loan approval subject to certain conditions being met before formal approval is issued.

Term	Definition
Consumer Credit	Laws and regulations governing personal, domestic, and household lending to protect consumers and ensure fair lending practices.
Consumer Credit Code	Legislation designed to ensure lenders provide clear, honest, and consistent information to borrowers. Also known as the Uniform Consumer Credit Code (UCCC).
Contract of Sale	The legal agreement outlining the terms and conditions of a property sale. Once signed by both parties, it becomes legally binding (subject to any cooling-off rights).
Conveyancer	A professional who manages the legal transfer of property ownership from seller to buyer.
Conveyancing	The legal process of transferring ownership of real estate.
Cooling-Off Period	A period during which a buyer can withdraw from a property purchase. In South Australia, this generally ends two clear business days after receiving the contract or Form 1, whichever occurs later.
Credit History	A record of your borrowing and repayment behaviour, used by lenders to assess your creditworthiness.
Debtor	A person who owes money to another party.
Deed	A formal legal document used to record an agreement or obligation.
Default	Failure to meet loan repayments or obligations by the due date. Continued default can lead to legal action or repossession.
Deposit	An upfront payment made by the buyer when contracts are exchanged, typically 10% of the purchase price.
Deposit Bond	An alternative to paying a cash deposit upfront. It acts as a guarantee instead of cash.
Depreciation	The reduction in value of an asset over time, often claimed as a tax deduction on investment properties.
Direct Debit	An arrangement where loan repayments are automatically deducted from your bank account.
Disbursements	Additional costs incurred by solicitors or conveyancers, such as government fees, searches, and registration charges.
Discharge Fees	Fees charged by a lender when closing or finalising a loan account.
Discharge of Mortgage	A document confirming that a mortgage has been fully repaid and removed from the property title.
Draw Down	The release of loan funds from the lender after settlement.
Early Repayment Fee	A fee charged by some lenders if a loan is paid out early.
Encumbrance	A claim, restriction, or liability attached to a property that may affect its use or transfer.
Equity	The portion of a property or asset that you own outright. Calculated as: $\text{Assets} - \text{Liabilities} = \text{Equity}$.
Exchange	The point at which signed contracts are exchanged and the sale becomes legally binding.
Financial Planner	A professional who provides advice on investments, insurance, superannuation, and financial goals.
First Home Owner Grant (FHOG)	A government scheme providing financial assistance to eligible first-home buyers. Grant amounts and eligibility rules change over time.

Term	Definition
Fittings	Items that can usually be removed from a property without causing damage, such as curtains or rugs.
Fixed Interest Rate	An interest rate that stays the same for a set period of time. Great when rates rise... less exciting when they fall.
Fixtures	Items attached to the property that would cause damage if removed, such as ovens, built-in cabinetry, or bathtubs.
Form 1 (Vendor's Statement)	A legal document in South Australia outlining important information about the property, including easements, zoning, and outgoings.
Formal Approval	Also known as unconditional approval. The lender has fully approved the loan and is ready to issue loan documents.
Government Fees / Charges	Government costs payable during settlement, such as stamp duty and registration fees.
Gross Income / Profit	Income before tax and deductions are taken out.
Guarantor	Someone who agrees to be responsible for another person's loan if they cannot repay it themselves.
Holding Deposit	A small refundable deposit showing the buyer's intention to proceed with the purchase.
Home and Contents Insurance	Insurance covering damage to the property and its contents, as well as certain liability claims.
Indemnity	Protection or compensation against loss or damage.
Instalment	A regular repayment made toward a loan.
Instrument	A formal legal document, such as a deed or transfer document.
Interest	The lender's charge for borrowing money. Unfortunately, they're very interested in it!
Joint Tenants	A type of ownership where two or more people own equal shares in a property.
Lease Agreement	A legal agreement between a landlord and tenant outlining rental terms.
Lender	A bank or financial institution that provides loan funds.
LMI (Lenders Mortgage Insurance)	Insurance protecting the lender if the borrower defaults. Usually required when borrowing more than 80% of a property's value.
Liability	A debt or financial obligation owed by a person or business.
Loan	Borrowed money that is repaid over time, usually with interest. Yes... we know you probably knew this one already.
LVR (Loan to Value Ratio)	The ratio between the loan amount and the property value.
Maturity	The date when a debt or investment must be fully repaid.
Memorandum of Transfer	A document used to transfer ownership of property from seller to buyer.
Mortgage	A loan secured against property. If repayments are not met, the lender may repossess the property.

Term	Definition
Mortgage Broker	A really cool person who compares loan options and helps find the most suitable lender for your needs — while doing most of the stressful paperwork and lender wrangling for you.
Negative Gearing	When the costs of owning an investment property exceed the income it generates, potentially providing tax benefits.
Net Income	Income remaining after tax and compulsory deductions.
Net Profit	Profit remaining after expenses have been deducted.
Off-the-Plan Purchase	Buying a property based on plans and designs before construction is completed.
Outgoings	Costs associated with selling a property, such as advertising or marketing expenses.
Principal	The original loan amount borrowed, excluding interest and fees.
Redraw Facility	A feature allowing borrowers to access extra repayments they have previously made into the loan.
Refinancing	Replacing an existing loan with a new one, often to secure a better rate or features.
Reserve Price	The minimum price a seller is willing to accept at auction.
Reverse Mortgage	A loan product allowing older homeowners to access equity in their property without selling it.
Search	An official check conducted to confirm ownership and identify any issues affecting the property.
Security	An asset offered to support a loan, usually the property being purchased.
Serviceability	An assessment of whether a borrower can comfortably meet loan repayments.
Settlement	The final stage of the property purchase when payment is completed, ownership changes hands, and you usually get the keys. Woo hoo indeed.
Split Loan	A loan divided into multiple portions, often combining fixed and variable interest rates.
Stamp Duty	A government tax paid when purchasing property. Sadly, no actual stamps are involved.
Term	The length of time over which a loan is to be repaid.
Third Party Security	Security provided by someone other than the borrower, often used to support a loan application.
Title Deed	A legal document showing ownership of a property.
Title Search	A search of public records to confirm ownership and identify any restrictions or claims on a property.
Unconditional Approval	See <i>Formal Approval</i> . The lender has fully approved the loan.
Unencumbered	A property free from mortgages, claims, or other liabilities.
Valuation	An independent assessment of a property's value conducted by a qualified valuer.
Variable Interest Rate	An interest rate that can move up or down over time.
Variation	A change made to the terms of an existing loan contract.
Vendor	The person selling the property.
Voluntary Repayments	Extra repayments made above the minimum required loan repayments.

