

Real Estate Terminology

What is a deed of trust (DOT)?

DOT's are similar to mortgages in that they serve as security for a loan by encumbering real estate. While a mortgage is between two parties (borrower and lender), a deed of trust involves three parties (borrower, lender and trustee). The trustee holds the property in trust as security for the payment of the debt. If the borrower defaults on the agreement, the trustee is legally authorized to sell the property.

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