

Mortgage Terms, Glossary, Acronyms & Dictionary		
THE MORTGAGE INDUSTRY IS FULL OF COMMONLY UNFAMILIAR TERMS. TIME TO UNDERSTAND THEM!		
Use the table below to learn more about mortgage acronyms and terms. In the first column you'll find the term or acronym and in the second column you'll find what it stands for. The third column begins the definition of the term/acronym. You may click on the term to delve deeper in the definition to expand your knowledge of mortgage terms and acronyms.		
TERM	FULL TERM	DEFINITION
1003	Loan Application	Form 1003, also known as, the Uniform Residential Loan Application,....
1040	Personal Income Tax Return	Form 1040 is the standard personal federal income tax return form. It....
AE	Account Executive	This is the person that is responsible for the relationship between two....
ALTA	American Land Title Association	A national trade association made up of members who search, review, and....
AMC	Appraisal Management Company	An Appraisal Management Company (AMC) works with a pool of independent....
APP	Application	The standard application form is the Uniform Residential Loan Application....
APR	Annual Percentage Rate	The amount a loan will cost the borrower over one year expressed in a....
ARES	American Real Estate Society	ARES is a global organization of real estate leaders. They aim to foster....
ARM	Adjustable Rate Mortgage	A type of mortgage that starts with a fixed interest rate but after a....
ASA	American Society of Appraisers	What once was The American Society of Technical Appraisers (ASTA) and The....
ASHI	American Society of Home Inspectors	ASHI was established in 1976 by a group of home inspectors in order to....
ATR	Ability To Repay	Ability to Repay is a standard implemented in 2010 by the Consumer....
AVM	Automated Valuation Model	The use of mathematical modeling to value properties by comparing the....
BFP	Bona Fide Purchaser	A legal term used to refer to a innocent party who purchases property....
BS	Bachelor of Science	An undergraduate degree awarded, by a university to a student, after the....
CAIVRS	Credit Alert Verification Reporting System	CAIVRS is a database, maintained by HUD, that provides information to....
CAM	Common Area Maintenance	The amount of additional rent charged to a tenant to maintain the common....
CBWR	Co-Borrower	A secondary applicant who shares the responsibility of the mortgage. A....
Closing Docs	Closing Docs	Signing the closing documents in front of a notary is one of the last steps....
CLTV	Combined Loan-To-Value	The total percentage of all of the loans on the property to the value of....
CO	Certificate of Occupancy	A document issued by the local government certifying that a building is in....
COE	Certificate of Eligibility	A certificate of eligibility is needed when applying for a VA loan. The COE....
CPL	Closing Protection Letter	A Closing Protection Letter is a contract between the lender and the title....
CR	Credit Report	A record of an individuals past borrowing and repaying. This includes....
Credit Score	Credit Score	A number between 300-850 used to indicate an individuals creditworthiness....
CTC	Clear To Close	Clear to close is one of the final stages before your loan is funded. CTC....
Disclosures	Disclosures	A series of documents disclosing terms of the loan that will be provided to....
DTI	Debt to Income	The ratio of the borrowers gross income to the debt owed. The expense....
FF	Funding Fee (VA)	A one time fee paid to the VA for the purchase of a loan. The amount of the....
FHA	Federal Housing Administration	A government agency that is responsible for setting standards for....
FICO Score	FICO Score	The most widely used credit score. The credit score is based solely off....
FMV	Fair Market Value	The amount that the property would sell for if put up for sale. This is....
FNMA	Federal National Mortgage Association (aka...	More commonly referred to as Fannie Mae. FNMA is a government-sponsored....
FPM	Flexible-Payment Mortgage	A flexible-payment mortgage is a type of ARM that allows the borrower to....
FRM	Fixed Rate Mortgage	A type of mortgage where the interest rate stays the same for the life of....
FSBO	For Sale By Owner	A FSBO (pronounced fizz boe) is a property that is "For Sale By Owner". In....
FTHB	First Time Home Buyer	An individual that has not previously had ownership of a house. an....

GFE	Good Faith Estimate	A document, that should be provided to a borrower within 3 business days of....
GRM	Gross Rent Multiplier	A way to quickly compare the value of income producing properties,....
HEL	Home Equity Loan	A type of loan that allows borrowers to use the equity of their home as....
HELOC	Home Equity Line of Credit	A revolving line of credit with an adjustable interest rate. The borrowers....
HOA	Home Owner Association	A homeowner association is an corporation formed by a real estate....
HOI	Homeowners Insurance	Homeowners insurance is a multiine property insurance policy for private....
HUD	Department of Housing and Urban Development	The Department of Housing an Urban Development was created in 1965 as a....
HUD1	HUD1	The statement that you receive, at closing, detailing all the costs and....
HVAC	Heating, Ventilation and Air Conditioning	This is a system used to control indoor air temperatures and conditions.....
IDTBS	Initial Disclosures To Be Signed	IDTBS stands for Initial Disclosures To Be Signed. The Initial Disclosures....
Initial Disclosures	Initial Disclosures	Initial disclosures are the preliminary disclosures that must be signed by....
IO	Interest Only	A type of ARM where the entire payment goes toward interest and none goes....
IP	Investment Property	A property that is purchased with the intention of using it as a source of....
IRRRL	Interest Rate Reduction Refinance Loan	An Interest Rate Reduction Refinance Loan is one of two options when....
LIBOR	London Interbank Offered Rate	Is the average interest rate as estimated by leading banks in London. This....
LO	Loan Officer	Employees of lenders or brokers who find borrowers, take applications,....
LTV	Loan To Value	The percentage of the mortgage to the purchase price or the appraised....
MBA	Mortgage Bankers Association of America -...	A national organization the represents the real estate finance industry in....
MBS	Mortgage Backed Security	A collection of mortgages sold to by the lender to individuals that the....
MIP	Mortgage Insurance Premium	MIP is insurance paid for by the borrower of FHA loans. It is similar to....
MLO	Mortgage Loan Originator	A MLO is a mortgage loan originator (also known as a loan officer). The MLO....
MLS	Multiple Listing Service	An online database available to brokers and real estate agents that has....
MPC	Master Planned Community	A large scale community that has is carefully planned far before its....
NMLS	Natiowide Mortgage Licensing System	The NMLS is the nationwide mortgage licensing system. It is a single....
NOO	Non Owner Occupied	An investment property that is not occupied by the mortgagor. Typically....
Note	Mortgage Note	The mortgage note is a 2 to 5 page document that outlines the loan details....
OBO	Or Best Offer	OBO is most commonly seen on advertisements of individuals selling goods....
OIRO	Offers In the Region Of	When selling an item offers within a reasonable price range will be....
PI	Principal and Interest	Principal is the outstanding balance of the loan. Interest is the amount,....
PITI	Principal, Interest, Taxes and Insurance	The components of the total monthly housing expense. Principle is the....
PMI	Private Mortgage Insurance	Private Mortgage Insurance (PMI) is paid by the borrower to protect the....
PR	Primary Residence	A primary residence is a property an individual calls home. I f an....
PR	Principal Reduction	Principal reduction is a program offered by Fannie Mae and Freddie Mac ...
Processing	Processing	Processing takes place after a loan officer receives and Compiles your file....
PTD	Prior To Doc	Prior to Doc (PTD) or sometimes referred to as Prior to Documents are....
PTF	Prior to Funding	Prior to Funding refers to conditions that come up after a underwriter....
QM	Qualified Mortgage	A Qualified Mortgage is a Loan that meets the standards of the Ability to....
REC	Real Estate Commission	A department or agency that oversees real estate license of real estate....
REO	Real Estate Owned	Property that is owned by a bank or financial institution. Result of....
REPC	Real Estate Purchase Contract	A REPC (pronounced REP C) is the Real Estate Purchase Contract. This....
RESPA	Real Estate Settlement Practices Act	A federal law passed in 1974 to protect the borrower and seller by....
RM	Relationship Manager	A Relationship Manager is responsible for ensuring positive and....

SFD	Single Family Detached	A free-standing residential building intended to be occupied by one family....
SP	Subject Property	A subject property is the property for which a borrower intends to get a....
SRP	Service Release Premium	The commission that is made by a bank or other financial institution when a....
SS	Social Security	Social Security or SS refers to a tax that is paid by workers. This money....
SSA	Social Security Administration	The Social Security Administration is a U.S. Federal Agency. Their....
SSN	Social Security Number	A Social Security number is a 9 digit number given to U.S. citizens as a....
TIL	Truth In Lending	A Federal law implemented in 1968 by the Federal Reserve. The law dictates....
UW	Underwriter	The underwriter is the person who examines the borrowers file and makes the....
UW	Underwriting	The process in which all of the information collected in processing about....
VA	Veteran Affairs	The VA is a cabinet-level agency that is dedicated to the well-being of....
VOD	Verification of Deposit	A document prepared by an individuals bank verifying the current balance of....
VOE	Verification of Employment	Form 1005 is to be filled out by the employer of the borrower to verify....
VVOE	Verbal Verification of Employment	The process of confirming a potential borrowers employment via verbal....
W2	Wage and Tax Statement	A tax form provided by an employer to an employee at the end of the tax....
YSP	Yield Spread Premium	Yield spread premium is the pricing associated with an interest rate. In....