

## GLOSSARY

TERM	DEFINITION
<b>ARREARS</b>	The total amount of past due payments owed to a lender from a borrower in mortgage payments or to a landlord from a tenant in rental payments
<b>ASSOCIATION DUES</b>	Amount charged, usually monthly, but can include one-time special assessments, for repairs, maintenance, upkeep, landscaping, property management relating to the public spaces of a condominium building or specific community.
<b>BACK-END RATIO (ALSO, DEBT-TO-INCOME RATIO)</b>	The total amount of past due payments owed to a lender from a borrower in mortgage payments or to a landlord from a tenant in rental payments
<b>BALLOON PAYMENT</b>	A large, lump sum payment due at the end of a mortgage period to pay off the balance.
<b>BALANCE</b>	The amount still owed on a mortgage.
<b>CASH-FOR-KEYS</b>	An alternative to foreclosure and eviction in which the owner receives a payment from the servicer, bank or lender in return for turning over keys and vacating the property voluntarily, leaving it in good condition
<b>CFPB</b>	Consumer Finance Protection Bureau - an agency of the United States government responsible for consumer protection in the financial sector. Publishes mortgage servicing regulations.
<b>CLOSING COSTS</b>	Various fees and costs involved in the transfer of ownership of real property, including things like loan origination fee, appraisal, survey, title insurance and other items. Most often, around 4% of the cost of the property. May be a factor in some settlements involving exchange of the property.
<b>CDBG</b>	Community Development Block Grant Program – a HUD program to assist state and local efforts to provide affordable housing
<b>CONVENTIONAL LOAN</b>	A mortgage loan backed by private lenders, not a government agency like FHA or VA.
<b>DEED-IN-LIEU</b>	The borrower voluntarily provides the deed and relinquishes ownership of a mortgaged property to preclude formal foreclosure. If the property value is less than the loan balance, a deed-in-lieu may not extinguish the total debt, resulting in a deficiency judgment.

<b>DEFICIENCY JUDGMENT</b>	A court decision finding a borrower still liable for a portion of a mortgage debt not paid off after a foreclosure sale, short sale or deed-in-lieu. Occurs when the value of the home is less than the amount owed on the mortgage.
<b>DOWN PAYMENT ASSISTANCE (DPA)</b>	Down Payment Assistance – programs that assist buyers to buy a home with a less than typical down payment under certain circumstances. In Ohio, DPA may be available from the Ohio Housing Finance Agency. May help a homeowner move to a more affordable home.
<b>DUAL TRACKING</b>	When the servicer/bank/lender moves forward with foreclosure while simultaneously working with the borrower to avoid foreclosure. Dual tracking is subject to restrictions under the CFPB mortgage servicing regulation.
<b>EQUAL CREDIT OPPORTUNITY ACT (ECOA)</b>	Equal Credit Opportunity Act – prohibits discrimination in lending practices.
<b>EQUITY</b>	The amount that the fair market value of the property exceeds the remaining balance (amount owed) of the mortgage. Can be negative if the value of the property has declined since the mortgage loan was first made.
<b>ESCROW, ESCROW ACCOUNT</b>	A portion of the borrower’s monthly mortgage payments placed in a special account held by the servicer/bank/lender and used to pay obligations on the property that occur throughout each year, such as property taxes or insurance.
<b>EVICTION</b>	The legal process that results in someone being expelled from a property by the force of law, usually a tenant in a rental property.
<b>FANNIE MAE (FNMA)</b>	A Government Sponsored Enterprise, now publicly traded, that buys loans, bundles them and sells participation in the bundles as securities (MBS or mortgaged backed securities). This provides additional capital to lenders to engage in additional lending. A sister enterprise to Freddie Mac.
<b>FAIR MARKET RENT (FMR)</b>	Fair Market Rent – a monthly rent amount determined by HUD that is used to set rents in public housing.
<b>FEDERAL HOUSING AUTHORITY (FHA)</b>	Federal Housing Authority – among other things, FHA provides mortgage insurance under prescribed conditions that protects lenders from losses resulting from a home mortgage default.
<b>FORBEARANCE</b>	A period of time during which the borrower is permitted to not make monthly payments. A forbearance is typically linked to a payment plan to recapture the unpaid amounts at a later time.

<b>FORECLOSURE</b>	The legal process of selling a property using the proceeds of the sale to repay some, or all of a mortgage or loan, together with any liens on the property. Specific processes and priority of repayment among mortgage lenders and other holders of liens are determined by state law.
<b>FREDDIE MAC (FEDERAL HOME LOAN MORTGAGE CORPORATION)</b>	A Government Sponsored Enterprise, now publicly traded, that buys loans in secondary markets, bundles them, and sells participation in the bundles as securities (MBS or Mortgage Backed Securities). This expands the secondary market in home mortgage loans making more funds available for additional home loans. A sister corporation to Fannie Mae.
<b>FRONT-END RATIO (ALSO, HOUSING RATIO)</b>	The total housing-related monthly payment obligations, including the loan repayment plus monthly amounts for payment of taxes, insurance, and homeowner association fees, for instance, as a percentage of the borrower's gross monthly income. Use to determine eligibility for a mortgage. A high ratio indicates the home may not be affordable for that borrower.
<b>GSE LOAN OR MORTGAGE</b>	A loan or mortgage purchase and now owned by a Government Sponsored Enterprise such as Fannie Mae or Freddie Mac
<b>GROSS INCOME</b>	Money regularly received from all sources before taxes and other deductions. Could include salary, investment income, alimony, social security, etc.
<b>HOA</b>	A Home Owners Association is a private association formed to manage the initial sale of homes and then provide maintenance to related common property in a residential neighborhood or condominium. Often created by the initial developer. HOA's typically charge the homeowner a monthly fee pursuant to legal obligations attached to the homeowner's property.
<b>HOME EQUITY LINE OF CREDIT (HELOC)</b>	Is effectively a revolving loan, like a credit card, that is secured by the equity a homeowner has in their home. A default of a HELOC could cause a foreclosure action, and at the conclusion of any foreclosure, the HELOC lender would be repaid before any equity would be returned to the homeowner.
<b>(OHIO) HOUSING FINANCE AGENCY</b>	Administers government programs relating to fair and affordable housing, including mortgage foreclosure prevention programs. <a href="http://www.Ohiohome.org/savethedream/default.aspx">www.Ohiohome.org/savethedream/default.aspx</a>
<b>HOUSING CHOICE VOUCHER PROGRAM (SECTION 8)</b>	A federal program administered locally by public housing agencies (PHAs) to assist low-income families with housing opportunities.

<b>HOUSING RATIO</b>	See, Front-end ratio
<b>IMMINENT DEFAULT</b>	When a borrower is current or only slightly behind in payments and experiencing a financial hardship that will prevent them from making the next payment. It may be a condition for eligibility for some foreclosure mitigation programs.
<b>JUDGMENT</b>	A court decision requiring a debtor repay a lender a specified amount. Judgments are recorded in a borrower's credit report.
<b>LIEN</b>	A legal claim against the value of a property as security for many kinds of debts, including loans but may also include nonpayment for services provided to the property. Liens typically must be removed to sell a property. Multiple liens on a property are repaid in order of their priority, established by law, out of the proceeds received in the foreclosure sale.
<b>LOAN ACCELERATION</b>	Mortgages (and other loans) often include contractual terms that allow the lender, in the event of the borrower's default, to require all remaining payments to be made immediately instead of in monthly installments.
<b>LOAN-TO-VALUE RATIO (LTV)</b>	Calculated by dividing the outstanding balance of a loan by the value of the home, determined by an accepted sales price or appraisal. A low LTV would indicate a low risk – where the home value is much more than the amount being borrowed and secured with a lien on the home.
<b>MEANS TEST</b>	A term in bankruptcy that determines whether a debtor has the ability to repay part of a debt by considering the debtor's income and other assets.
<b>MORTGAGE</b>	A debt secured by a legal claim on the value of a real estate property. A mortgage gives the lender the legal right to compel sale of the property to repay the debt by a legal process of foreclosure under certain circumstances.
<b>MORTGAGE (OR HOUSING) COUNSELING</b>	There are HUD-approved counselors throughout the U.S. trained to assist homeowners by providing information and assistance to manage or avoid foreclosure.
<b>MORTGAGE INSURANCE</b>	An insurance policy for the lender to cover potential losses if the borrower defaults and the value of the home is insufficient to repay the loan. The borrower typically pays the mortgage insurance premium (MIP) as a part of their monthly payments.
<b>NEGATIVE AMORTIZATION</b>	When monthly payments are less than the monthly interest accruing on the loan. The unpaid portion of the interest is added to the loan balance, making the loan amount increase over time.
<b>PRINCIPAL, INTEREST, TAXES, INSURANCE (PITI)</b>	PITI refers to the total amount of a typical monthly payment of a mortgage. The payment is apportioned to: pay interest accrued on the

	loan, pay down the principal, accrue over time to be used to pay annual property taxes, and accrue over time to be used to pay for property insurance.
<b>PRINCIPAL</b>	The amount of money owed at any given time under a mortgage or other loan arrangement. E.g. the total loan amount minus and payments made.
<b>PRINCIPAL REDUCTION ALTERNATIVE (PRA)</b>	One approach available under certain conditions in federal programs developed to assist homeowner borrowers during the Recession in which the lender agrees to lower the loan amount.
<b>PRIVATE MORTGAGE INSURANCE</b>	See, Mortgage insurance.
<b>PUBLIC HOUSING AGENCY (PHA)</b>	State or local governmental bodies that administer federal housing programs.
<b>REINSTATEMENT</b>	Bringing the mortgage loan back into compliance by the repayment of past due amounts.
<b>REPAYMENT PLAN</b>	An agreement between the lender and the borrower to repay past due amounts in specific ways which could include one or more lump sums payable on a prescribed schedule or an increase in the monthly payment amount for a set period of time.
<b>REQUEST FOR MORTGAGE ASSISTANCE (RMA)</b>	A form used for a homeowner's application to federal programs that offer loan modification programs.
<b>SECOND MORTGAGE</b>	An additional loan also secured by real estate property which is subordinate to another loan. The proceeds of a foreclosure sale are first applied to repay the first mortgage. The second mortgage is repaid only if the sale proceeds are more than the amount needed to repay the first mortgage.
<b>SERVICER</b>	A company that handles the administration of mortgage loans from beginning to end, including receipt and application of payments, escrow, payments of local property tax and insurance premiums, final payment and release, and foreclosures when necessary.
<b>SHORT SALE (ALSO, PRE-FORECLOSURE SALE)</b>	A procedure in which the borrower is allowed by the servicer/bank/lender to sell and convey clean title to a property for an amount less than the outstanding mortgage balance. Used to avoid foreclosure, the borrower may still be liable to repay the unpaid amount of the debt.
<b>SOFT SECOND MORTGAGE</b>	A second mortgage that is subsidized by a down payment assistance program. Payments on the soft second mortgage are, under certain conditions, deferred, and the full loan may be forgivable.

**WRIT OF POSSESSION**

The formal court order to evict a tenant or resident of a property that specifies a date and time for them to vacate and authorizes an official to compel their removal.