

Bridge Loan

Any temporary loan, having a maturity of one year or less, for the purpose of acquisition or construction of a dwelling intended to become the consumer's principal dwelling¹

Conventional Adjustable Amortizing Mortgage Loan

A conventional mortgage loan secured by 1 – 4 Family Residential Property that has...

- an adjustable interest rate,
- monthly payments that amortize (payments that include principal and interest), and *may* include a balloon payment at the end of a specified period of time.

Conventional Fixed Amortizing Mortgage Loan

A conventional mortgage loan secured by 1 – 4 Family Residential Property that...

- is amortizing (payments that include principal and interest)
- with a fixed interest rate,
- equal monthly payments that are established when the mortgage is created, and *may* include a balloon payment at the end of a specified period of time.

Deed in Lieu

Borrower has transferred the property to the company in lieu of foreclosure.

First Lien

A mortgage loan secured by 1 – 4 Family Residential Property that is in the first position relative to any additional liens on the property.

Foreclosure (Finalized)

A 1 – 4 Family Residential Property where the property has been acquired through foreclosure, a deed-in-lieu, or has been sold at a trustee sale. The foreclosure balance to be reported the unpaid principal balance due from the borrower at the time the property was acquired or sold at the trustee sale.

HELOC (Home Equity Line of Credit)

A revolving line of credit secured by 1 – 4 Family Residential Property used for non-business purposes, including lines of credit that are "frozen." Lines of credit with a zero balance should not be included.

¹ California Financial Code section 4970(d)

Junior Lien

A mortgage loan secured by 1 – 4 Family Residential Property that is not in the first position relative to any additional liens on the property.

Modification

A mortgage loan secured by 1 – 4 Family Residential Property that has been modified in some manner, including refinancing into a more affordable mortgage, changing one or more of the loan terms, such as interest rate reduction, reduction of the outstanding principal balance, extension of the loan term or adding delinquent interest to the unpaid principal balance. This category includes troubled debt restructures and any modifications made using HAMP guidelines.

Other Non-Conventional Mortgage Loan

A mortgage loan secured by 1 – 4 Family Residential Property with terms that may or may not be amortizing and include multiple features, which may include, but not be limited to interest-only loans or payment option ARM loans.

Interest-only Mortgage Loans

A nontraditional mortgage loan secured by 1 – 4 Family Residential Property in which, for a specified number of years (e.g., three or five years) the borrower is required to pay only the interest due on the loan during which time the rate may fluctuate or may be fixed. After the interest-only period, the rate may be fixed or fluctuate based on the prescribed index and payments include both principal and interest.²

Payment Option ARM

A mortgage loan secured by 1 – 4 Family Residential Property that allows the borrower to choose a monthly payment that may reduce principal, pay interest only, or result in negative amortization, in which some amount of unpaid interest is added to the principal balance of the loan and results in an increased amount owed.³

² Definition obtained from Interagency Guidance on Nontraditional Mortgage Product Risks, and Addendum to Credit Risk Management Guidance for Home Equity Lending, FDIC FIL-89-2006, October 5, 2006.

³ Definition provided in FFIEC Call Report 031/041 Instructions, obtained October 11, 2010.

Past Due 90 Days or More

A mortgage loan secured by 1 – 4 Family Residential Property where payments are past due (delinquent) by 90 days or more, including:

- Loans where the foreclosure process has been initiated, but your company has not yet acquired the property through foreclosure or the trustee sale has not yet occurred.
- Loans where the short-sale process has been approved, but not yet completed by the sale of the property.

Serviced

Providing for another company or entity the servicing of mortgage loans secured by 1 – 4 Family Residential Property including, but is not limited to, collecting principal, interest, and escrow payments from borrowers; paying taxes and insurance from escrowed funds; monitoring delinquencies; executing foreclosure if necessary; temporarily investing funds pending distribution; remitting fees to guarantors, trustees, and others providing services; and accounting for and remitting principal and interest payments to the holders of beneficial interests in the loans.

Short-Sale (Completed)

A sale of a mortgaged 1 – 4 Family Residential Property at a price that nets less than the total amount due on the mortgage. The short-sale balance to be reported is the unpaid principal balance due from the borrower on the loan at the time of the sale, not the proceeds from the sale.