

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 and are established when the mortgage is created, 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 fully amortizing
- 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.

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 title to the property has been acquired through foreclosure. The foreclosure balance is the amount due at the time title to the property was acquired.

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.

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, such as those in 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.¹

Payment Option ARM

A mortgage loan secured by 1 – 4 Family Residential Property that allows borrowers 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.²

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 institution has not yet acquired the title to the property.

- Loans where the short-sale process has been approved, but not yet completed by the sale of the property.

Servicing

Providing for another institution 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 financial assets.

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 requested is the amount due on the loan at the time of the sale, not the proceeds from the sale.

¹ 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.

² Definition provided in FFIEC Call Report 031/041 Instructions, obtained October 11, 2010.