

**As of October 3rd, many new terms will be introduced to our industry.**

**Here are a few terms that you will need to know:**



AIR – Adjustable Interest Rate

Amount Financed – The loan amount after payment of the upfront charges.

AP – Adjustable Payment

APR – Annual Percentage Rate; the borrower's costs of the loan expressed as a rate. This is not their interest rate.

Business Day – Closing Disclosure – All calendar days except Sundays and the legal public holidays such as New Year's Day, Martin Luther King, Jr.'s Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

Business Day – Loan Estimate – All calendar days on which the Creditor's offices are open to the public for carrying out substantially all of its business functions including processing of loan applications.

Business Day – Loan Estimate – Seven business day waiting period – All calendar days except Sundays and legal public holidays such as New Year's Day, Martin Luther King, Jr.'s Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

CD – Closing Disclosure, *\*same thing as ICD or Integrated Closing Disclosure*

CFPB – Consumer Financial Protection Bureau

Closing Date – The date of consummation for the Closing Disclosure (CD).

Closing Disclosure "New" – Replaces current HUD-1 and final TIL (Truth in Lending). This form is a statement of final loan terms and closing costs.

Consumer – Borrower/Buyer

Consummation – Consummation is not the same thing as closing or settlement.

Consummation occurs when the consumer becomes contractually obligated to the Creditor on the loan, not, for example, when the consumer becomes contractually obligated to a seller on a real estate transaction. The point in time when a consumer becomes contractually obligated to the Creditor on the loan depends on applicable State law

Date Issued – The date the disclosures (Loan Estimate (LE) and Closing Disclosure (CD)) are delivered to the consumer.

Disbursement Date – The date the amounts are to be disbursed to a consumer and seller in a purchase transaction or the date funds are to be paid to the consumer or a third party in a transaction that is not a purchase transaction.

Finance Charge – The dollar amount the loan will cost the consumer.

GFE – Good Faith Estimate

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ICD – Integrated Closing Disclosure, *\*same thing as CD or Closing Disclosure*

IMD – Integrated Mortgage Disclosure

LE – Loan Estimate

Loan Application – The submission of a consumer’s financial information for the purposes of obtaining an extension of credit, and consists of the submission of the consumer’s name; the consumer’s income; the consumer’s social security number to obtain a credit report; the property address; an estimate of the value of the property; and the mortgage loan amount sought.

Loan Estimate “New” – Replaces the current Good Faith Estimate (GFE) and initial Truth in Lending (TIL)

MIC # – Mortgage Insurance Case Number

MISMO – Mortgage Industry Standards Maintenance Organization. Sets standards of how to format data sent to another party for both residential and commercial property transactions in US Markets. By providing improved data consistency, MISMO aims to reduce costs and increase transparency while promoting confidence in mortgages as an asset class for investors.

MISMO Compliant – Software vendor developed platform using the MISMO data format standards to send data to other parties.

NMLSR ID – Nationwide Mortgage Licensing System and Registry Identification Number

OMB – Office of Management and Budget

Prepays – Items to be paid by the Consumer in advance of the first scheduled payment of the loan (Homeowner’s Insurance Premium, Mortgage Insurance Premium, Prepaid Interest, Property Taxes and a maximum of three additional items).

RESPA – Real Estate Settlement Procedures Act

TIL – Truth in Lending

TILA – Truth in Lending Act

TIP – Total Interest Percentage; the total amount of interest the borrower will pay over the loan term as a percentage of the loan amount.

Total of Payments – Total amount paid after all payments of principal, interest, mortgage insurance and loan costs as scheduled.

TRID – TILA RESPA Integrated Disclosure

Variations – Previously known as Tolerances

Written List of Providers – A written list of service providers provided to the consumer by the Creditor or Mortgage Broker for a settlement service provider that the consumer is permitted to shop for.