

ACRONYM	EXPLANATION
AMC	Appraisal management company; since lenders are prohibited by law from communicating directly with appraisers, we typically use an AMC as an intermediary
APR	Annual percentage rate; the <b>cost of securing financing</b> expressed as a percentage
ARM	Adjustable rate mortgage; common examples are 5/1, 7/1, and 10/1 ARMs
AUS	Automated underwriting system; Fannie Mae only accepts DU (Desktop Underwriter) and Freddie Mac only accepts LP (Loan Prospector) and USDA only accepts GUS (Guaranteed Underwriting System); FHA and VA accept <b>either DU or LP</b>
CLTV	LTV (loan-to-value) represents the percentage of equity being secured by the <b>1<sup>st</sup> mortgage</b> ; CLTV (combined loan-to-value) includes any secondary financing
HOI	Homeowner's insurance
LIBOR	London Interbank Offered Rate; this is the rate which is typically tied to an ARM and determines the movement of that rate
LLPA	Loan-Level Price Adjustments; these are increases to rate made by the agencies and are based on items like credit score, down payment, and occupancy
MI	Mortgage insurance; this acronym is tied to FHA loans

MIP/UFMIP	Mortgage insurance premium, sometimes called Upfront mortgage insurance premium; this is a percentage added to the loan amount at time of funding on <b>FHA loans</b> and is typically 1.75% of the loan amount
P&I	Principal and interest payment only
PITI	Principal and interest, taxes, and insurance payment
PITIA	Principal and interest, taxes, insurance, and assessments (HOA dues) payment
PMI	Private mortgage insurance; used on conventional loans and secured through companies like Radian, Essent, United Guaranty and others