

Glossary of Terms - Occupancy

Agency	Term	Definition
USDA	Bona Fide Occupancy	Applicants must agree to personally occupy the dwelling as a principal residence throughout the term of the loan. Bona fide occupancy in the home as the applicant's principal residence within 60 days after signing the security instruments is required. (per Occupying the Property [7 CFR 3555.151(c)])
Conventional	Investment Property	Real estate owned with the intent of supplementing income and not intended for owner occupancy.
Conventional	Occupancy	The use of a property as a full-time residence, either by the titleholder (owner-occupied) or by another party through a formal agreement (rental).
Conventional	Occupancy Inspection	A visual inspection of a mortgaged Property by the Mortgagee to determine if the mortgaged Property has become vacant or abandoned and to confirm the identity of any occupants.
Conventional	Principal Residence	he residence that the borrower intends to occupy.
Conventional	Second Home (Vacation Home, Weekend Home)	A residence other than the borrower's primary residence which the borrower intends to occupy for a portion of each year. The residence must be available to be occupied year-round.
FHA	Non-Occupying Borrower Transaction	Refers to a transaction involving two or more Borrowers in which one or more of the Borrower(s) will not occupy the Property as their Principal Residence.
FHA	Occupancy Follow-Up	An attempt to communicate with the Borrower via letter, telephone, or other method of communication, other than on-site inspection, to determine occupancy when the Mortgage remains in Default after the initial inspection and the Mortgagee has not determined the Borrower's occupancy status.
FHA	Occupancy Inspection	A visual inspection of a mortgaged Property by the Mortgagee to determine if the mortgaged Property has become vacant or abandoned and to confirm the identity of any occupants
FHA	Owner-Occupant Borrower	A Borrower residing in the Property secured by the FHA-insured Mortgage as a Principal Residence.

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FHA	Principal Residence	Refers to a dwelling where the Borrower maintains or will maintain their permanent place of abode, and which the Borrower typically occupies or will occupy for the majority of the calendar year. A person may have only one Principal Residence at any one time
FHA	Secondary Residence	Refers to a Structure that a Borrower occupies in addition to their Principal Residence, but less than a majority of the calendar year. A Secondary Residence does not include a Vacation Home
FHA	Vacation Home	Refers to a dwelling used primarily for recreational purposes and enjoyment and that is not a Principal or Secondary Residence.
VA	Intermittent Occupancy	The veteran need not maintain a physical presence at the property on a daily basis. However, occupancy “as the veteran’s home” implies that the home is located within reasonable proximity of the veteran’s place of employment
VA	Occupancy requirement	The Veteran’s intention to use the property as a home to be occupied by the Veteran (or other applicable VA occupancy requirement). A veteran living in a home purchased with a VA loan is transferred to a duty station overseas. The veteran rents out the home. He/she may refinance the VA loan with an IRRRL based on previous occupancy of the home.
VA	Reasonable time	Occupancy within a “reasonable time” means within 60 days after the loan closing. More than 60 days may be considered reasonable if both of the following conditions are met: <ul style="list-style-type: none"> • the veteran certifies that he or she will personally occupy the property as his or her home at a specific date after loan closing, and • there is a particular future event that will make it possible for the veteran to personally occupy the property as his or her home on a specific future date. Occupancy at a date beyond 12 months after loan closing generally cannot be considered reasonable by VA.
VA	The Certification	The veteran certifies that the occupancy requirement is met by checking the appropriate occupancy block and signing: <ul style="list-style-type: none"> • VA Form 26-1802a , HUD/VA Addendum to the Uniform Residential Loan Application, at the time of loan application (prior approval loans only), and • VA Form 26-1820 , Report and Certification of Loan Disbursement, at the time of loan closing (all loans).