

Mortgage Terms, Concepts and Definitions
Matching Exercise

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Match the Definition to the Answer Type and Term

1. The difference between what is owed on a property and what it is worth.		A. Risk
2. In case the borrower defaults on the loan, the insurance that covers over 80% LTV.		B. Dead Pledge
3. An insurance policy that protects owners and lenders against undiscovered defects in chain of title.		C. Riparian Rights
4. Where the transaction takes place between the borrower and mortgage banker/broker.		D. Real Estate
5. Chance of loss or default on a loan to a lender.		E. The Processor
6. Co-ownership of real property by husband and wife, with rights of survivorship.		F. Equity
7. Evidence of ownership.		G. Property Rights
8. Stage of the loan transaction when the deed and funds are exchanged.		H. Quit Claim Deed
9. The Latin words meaning mortgage.		I. Title Theory
10. Repayment of a debt in periodic installments of interest and principal.		J. Right of Rescission
11. Rights associated with ownership of waterfront property.		K. Private Mortgage Insurance (PMI)
12. Investors from the capital markets buy and pool loans on the secondary market where these loans are sold as _____.		L. Primary Mortgage Market

Match the Definition to the Answer Type and Term

13. The three-day cooling off period when refinancing a primary residence.		M. Title Insurance
14. A legal document that pledges property as security for the repayment of a loan.		N. Underwriting
15. Legal instrument that conveys ownership title to property upon acceptance by grantee.		O. Title
16. Legal instrument in which a borrower conveys legal title to a trustee as security for the repayment of a mortgage loan.		P. Amortization
17. The service provider that collects and disburses the funds at closing.		Q. Deed
18. Land and all the improvements permanently affixed to it.		R. Deed of Trust
19. Lenders who fund mortgage loans primarily through mortgage banker/brokers.		S. Fee Simple
20. The cycle of the loan where the loan's file is reviewed and approved.		T. Hypothecation
21. The person who orders credit report, verification of employment and gathers together the complete loan file.		U. Funding
22. Rights to own inventions, chattel and land are...		V. Mortgage
23. The greatest type of ownership of real property that is most comprehensive.		W. Wholesale Lenders
24. Pledging real property without giving up possession.		X. The Settlement Agent
25. To release claim or interest in a property with no warranties.		Y. Mortgage Backed Securities
26. The three-party legal theory whereby the mortgagor conveys legal title until the debt is paid.		Z. Tenancy by the Entirety