

Definitions

Fannie Mae	Federal National Mortgage Association, founded in 1938. The corporation's purpose is to expand the <u>secondary mortgage market</u> by <u>securitizing mortgages</u> in the form of <u>mortgage-backed securities</u> (MBS), ^[3] allowing lenders to reinvest their assets into more lending and in effect increasing the number of lenders in the mortgage market by reducing the reliance on locally-based <u>savings and loan associations</u>
Freddie Mac	Federal Home Loan Mortgage Corp. The FHLMC was created in 1970 to expand the <u>secondary market</u> for <u>mortgages</u> in the US. Along with other GSEs, Freddie Mac buys mortgages on the secondary market, pools them, and sells them as a <u>mortgage-backed security</u> to investors on the open market.
USDA-Rural Development (RD)	is an agency with the <u>United States Department of Agriculture</u> which runs programs intended to improve the economy and quality of life in <u>rural</u> America. This program has 100% financing available-see attached information sheet.
Deed Restrictions	Housing that is restricted for sale to persons meeting a certain criteria (living and working in Pitkin County, etc.) Also, has appreciation caps-meaning it can only go up by a determined % a year * *capital improvements can increase the amount you get back when you sell (see Housing Department)
PITI	Principal, Interest, Taxes, Insurance – the total payment of your home
HOA	Home Owners Association
Debt Ratios (DTI)	
Front end debt ratio	$PITI + HOA / \text{Total Monthly Gross Income}$
Back end / total debt ratio	$\text{Housing payment} + \text{all debts} / \text{Total Monthly Gross Income}$
Loan to Value	$\text{Loan Amount} / \text{purchase price}$
Credit Bureaus	Transunion, Equifax, Experian
Fico Score	Used as a general term for your median credit score