







loan closing	When all conditions have been met, the loan officer authorizes the recording of the trust deed or mortgage. The disbursement procedure of funds is similar to the closing of a real estate sales escrow. The borrower can expect to receive less than the amount of the loan, as title, recording, service, and other fees may be withheld, or can expect to deposit the cost of these items into the loan escrow. This process is sometimes called funding the loan.
loan commitment	Lender's contractual commitment to make a loan based on the appraisal and underwriting.
Loan Estimate	An estimate of a buyer's settlement charges and mortgage terms handed to the buyer on a standard form within three business days following the lender's receipt of the mortgage application. [See RPI Form 204-5]
loan level price adjustment	Adjusted interest rates or fees based on the risk of default a mortgage poses.
Loan Prospector (LP)	Freddie Mac's automated underwriting (AU) system.
loan-to-value ratio (LTV)	A ratio stating the outstanding mortgage balance as a percentage of the mortgaged property's appraised value.
Loan/Application Register (LAR)	The electronic form used to collect Home Mortgage Disclosure Act (HMDA) data.
lock-in clause	A promissory note provision limiting repayment to no more than the regularly scheduled installment amount, in contrast to an "or more" clause.
long-term investor	A buyer who purchases a property with the intent of renting it to tenants to produce a steady income flow.
long-term rate	An interest rate fixed for the duration of the mortgage.
loss mitigation	A lender strategy to lessen the amount of their loss due to a default on a mortgage.
lot line adjustment	When adjacent property owners move an existing property line.
lump sum option	A home equity conversion mortgage (HECM) payment option in which the homeowner receives one payment after closing.
luxury vs. necessity	Housing as a consumer good that enhances one's social status versus housing as a solution to one's basic need for shelter.
	Reprinted from <a href="#">firsttuesday</a> Journal — P.O. Box 5707, Riverside, CA 92517