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## Housing : Learn the Language of Foreclosure

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**Assumption:** When someone buys your home and takes over your mortgage when you're about to go into foreclosure.

**Deed-in-lieu (DIL):** This is when you agree to give ownership of your house to someone. This means you are free of all obligations to keep paying your mortgage. The new person then takes over your mortgage payments. This is also called an assumption.

**Forbearance:** You get a period of time to pay less than your monthly mortgage payment. Sometimes you can pay nothing at all. You have to prove that you'll be able to afford repayment at a future time.

**Lender:** The person who decides if you're eligible for a loan. Also called a mortgage broker.

**Loan modification:** Your mortgage company gives you a written agreement that changes the original terms of your loan. This makes your payments more affordable.

**Prime mortgage:** a loan for borrowers with stronger credit histories, usually with a credit score above 620.

**Reinstatement:** You can repay the amount you owe in one lump sum. This is sometimes combined with forbearance.

**Repayment Plan:** This combines the amount you owe from the past with your regular monthly payment. This lets you pay back your debt over time.

**Servicer:** The company that gave you your loan

**Short sale payoff:** You can sell your home before it goes to foreclosure. Your lender will count this as payback of your debt. Plus, you can sometimes make profit on the sale to help you buy a new home that you can actually afford.

**Sub-prime mortgage:** a loan for borrowers with weaker credit histories.

