

**FHA Single Family Housing Policy Handbook
Glossary**

Overtime and Bonus Income

Overtime and Bonus Income refers to income that the Borrower receives in addition to the Borrower's normal salary.

Owner-Occupant Borrower

An Owner-Occupant Borrower is a Borrower residing in the Property secured by the FHA-insured Mortgage as a Principal Residence.

Owner-Occupant Buyer

An Owner-Occupant Buyer is a buyer who intends to use the Property as their Principal Residence.

Property Assessed Clean Energy (PACE)

Property Assessed Clean Energy (PACE) refers to an alternative means of financing energy and other PACE-allowed improvements to residential properties using financing provided by private enterprises in conjunction with state and local governments. Generally, the repayment of the PACE obligation is collected in the same manner as a special assessment taxes is collected by the local government rather than paid directly by the Borrower to the party providing the PACE financing.

Generally, the PACE obligation is also secured in the same manner as a special assessment against the property. In the event of a sale, including a foreclosure sale, of the property with outstanding PACE financing, the obligation will continue with the property causing the new homeowner to be responsible for the payments on the outstanding PACE amount. In cases of foreclosure, priority collection of delinquent payments for the PACE assessment may be waived or relinquished.

Partial Claim

A Partial Claim is FHA's reimbursement of a Mortgagee advancement of funds on behalf of the Borrower in an amount necessary to assist in reinstating the Delinquent Mortgage under the FHA-HAMP Option.

Partial Payment

A Partial Payment is a payment of any amount less than the full amount due under the Mortgage at the time the payment is tendered, including late charges and amounts advanced by the Mortgagee on behalf of the Borrower (such as for the payment of taxes).

Partial Prepayment

A Partial Prepayment is a payment of part of the principal amount before the date on which the principal is due.

Partially Below-Grade Habitable Space

Partially Below-Grade Habitable Space refers to living area constructed partially below grade, but has the full utility of GLA.

Part-Time Employment

Part-Time Employment refers to employment that is not the Borrower's primary employment and is generally performed for less than 40 hours per week.