



Glossary of
HOUSING
TERMS



Glossary OF TERMS

This glossary defines words used by housing advocates in communications with the public. It is not a complete dictionary of housing terms, however we have identified, defined and compiled terms and acronyms that are commonly used in discussions about affordable housing.

Abandoned property- Property that is no longer being maintained by its owners and is either vacant or not lawfully occupied. Some jurisdictions limit the term to properties that have gone through a legal proceeding confirming their failure to pay back property taxes.

Abatement- Any set of measures designed to permanently eliminate lead-based paint, asbestos, or other hazards in accordance with federal standards. See also Lead-Based Paint Hazard.

Accessible Housing- Housing units that are designed and constructed to be useful to persons with physical impairments.

Accessory Dwelling Units (ADU)- A small, self-contained residential unit built on the same lot as an existing single-family home. (Because they are often used by extended family members, ADUs are also referred to as “in-law apartments” or “granny flats.”) ADUs may be built within a primary residence (such as in an attic or basement), attached to the primary residence (like a small duplex unit with a separate entrance), or detached from the primary residence (such as conversion of a detached garage). An ADU will be subordinate in size, location, and function to the primary residential unit (which is why ADUs are sometimes referred to as “secondary units” or “second units”). (From HousingPolicy.org Glossary of Terms.)

Advance Appropriation- An appropriation made to become available at least one fiscal year beyond the fiscal year for which the appropriation act is passed. Advance appropriations in FY 2004 appropriations acts will become available for programs in 2005 or beyond.

Affordability covenant- A legally binding clause to a deed that specifies that the property will remain affordable by setting certain terms and conditions related to its long-term use. An affordability covenant may restrict to whom a rental unit is rented and at what level or to whom and at what price a for-sale unit will be sold. These guidelines are typically put in place to preserve the affordability of homes financed with substantial government subsidies for future residents. (From HousingPolicy.org Glossary of Terms.)

Affordable Housing- Housing for which the occupant is paying no more than 30 percent of gross income for total housing costs, including rent, mortgage payments, condominium fees, utilities, taxes and insurance, as applicable for rental or owned housing units.

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Annual Action Plan- An annual strategic housing plan that is a requirement of the Con Plan. It describes activities to take place in the next 12 months and the resources available to carry them out. See also Consolidated Plan.

Anti-Deficiency Act- A federal law forbidding federal employees from spending more money than has been appropriated or spending money in advance of an appropriation.

Appropriation- A provision of law providing budget authority that enables an agency to incur obligations and to make payments out of the Treasury for specified purposes. Appropriations are the most common means of providing budget authority. Annual appropriations are provided in appropriations acts; most permanent appropriations are enacted in substantive law.

APR—Annual Progress Report – required by HUD on a yearly basis for any program receiving HUD funding.

Area Median Income (AMI)- is a statistic generated by the U.S. Department of Housing and Urban Development (HUD) for purposes of determining the eligibility of applicants for certain federal housing programs. HUD determines AMI on an annual basis for each metropolitan area and non-metropolitan county, making adjustments for household size and other factors. Different housing programs use different percentages of AMI – such as 30 percent of AMI or 80 percent of AMI – as maximum income limits for admission. Many state and localities have adopted HUD’s income limits for their own programs, or use a variation on the HUD limits – for example, 120 percent of AMI. (From HousingPolicy.org Glossary of Terms.)

Assisted Housing- Housing where the monthly costs to the tenant are subsidized by federal or other programs.

Authorization- Legislation granting authority for the Congressional consideration of appropriations for general or particular purposes. Although unauthorized appropriations may be subject to points of order, they are legally valid if enacted.

Below Market- a general term that refers to housing that rents or sells for less than prevailing market levels. In some cases, below-market housing is used synonymously with affordable housing. In other cases, below-market housing is targeted at moderate-income families with somewhat higher incomes than those served by federal affordable housing programs. Generally, housing can be offered at below-market levels only with a public subsidy or with a public concession such as density bonuses or reduced-cost publicly-owned land.

Below Market Interest Rate Mortgages- A mortgage that has a reduced interest rate which can subsequently increase your purchasing power.

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BMIR- Below Market Interest Rate.

Block Grants- Grants made by the federal government on a formula basis, usually to a state or local government.

Borrowing Authority- Authority to incur indebtedness for which the federal government is liable, which authority is granted in advance of the provision of appropriations to repay such debts. Borrowing authority may take the form of authority to borrow from the Treasury or authority to borrow from the public by means of the sale of federal agency obligations. Borrowing authority is not an appropriation since it provides a federal agency only with the authority to incur a debt, and not the authority to make payments from the Treasury under the debt. Appropriations are required to liquidate the borrowing authority.

Budget Authority- Legal authority to enter into obligations that will result in immediate or future outlays of federal funds.

Budget Enforcement Act- An expired 1990 act of Congress credited in part with creating a budget surplus by establishing limits on discretionary spending, maximum deficit amounts, pay-as-you-go rules for revenue and direct spending, new credit budgeting procedures and other changes in budget practices. The budget resolution process in the Second Session of the 108th Congress has been marked by wrangling over the re-establishment of pay-as-you-go rules and disagreement about whether such rules should apply to both spending and taxation or only to spending.

Budget Resolution- A concurrent resolution passed by both houses of Congress that does not require the signature of the president. The budget resolution sets forth various budget totals and functional allocations and may include reconciliation instructions to designated House or Senate committees.

Capacity- is a person's means for repaying debt.

Capital- is the money for down payments and closing costs.

Carolina Homeless Information Network (CHIN). An ICCHP-facilitated statewide HMIS collaborative designed to assist communities that have not yet been able to comply with the federal mandate for an HMIS system.

CDBG—Community Development Block Grant - Distributed by the Department of Housing and Urban Renewal in Washington, DC. Larger cities in North Carolina receive CDBG money directly, while the Division of Community Assistance in the NC Department of Commerce distributes funding to smaller cities.

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Chronically Homeless- A chronically homeless person is defined as an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four episodes of homelessness in the past three years.

Closing- A formal meeting where homeownership is transferred from the seller to the buyer. Also, known as a settlement, the meeting is typically attended by the buyer(s), the seller(s), their attorneys if they have them, bot real estate agents, a representative of the lender, and the closing agent. The purpose is to make sure the property is physically and legally ready to be transferred.

Closing Costs- Expenses in addition to the price of the property that are paid at closing, which generally include a loan origination fee, attorney's fee, taxes, an amount placed in escrow, and charges for obtaining title insurance and a survey.

Collateral- protects the lender if a person fails to repay the loan.

Colonias- Rural, mostly unincorporated communities located in California, Arizona, New Mexico and Texas along the U.S.-Mexico border. Colonias are characterized by high poverty rates and substandard living conditions. Colonias are defined primarily by what they lack, such as potable drinking water, water and wastewater systems, paved streets and standard mortgage financing.

Community and Housing Development Organization (CHDO)- "A federally defined type of nonprofit housing provider that must receive a minimum of 15 percent of all federal HOME Investment Partnership Funds." (HUD's Glossary of Terms.)

Community Development Corporation (CDC)- A nonprofit corporation whose activities and decisions are initiated, managed and controlled by its constituencies, and whose primary mission is to develop and improve low-income communities and neighborhoods through economic and related development. Community development corporations were enabled by Title VII Special Impact of the Economic Opportunity Act of 1964.

Community Development Financial Institution (CDFI)- A specialized financial institution that works in market niches that have not been adequately served by traditional financial institutions. CDFIs provide a wide range of financial products and services, including mortgage financing, commercial loans, financing for community facilities and financial services needed by low-income households. Some CDFIs also provide technical assistance. To be certified as a CDFI by the CDFI Fund of the Department of the Treasury, an institution must engage in community development, serve a targeted population, provide financing, have community representatives on its board and be a nongovernmental organization.

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Community Land Trust- Community land trusts are a form of shared equity homeownership designed to ensure that homes made affordable through public or philanthropic subsidies remain affordable over the long-term. Under the traditional community land trust model, a nonprofit community land trust is established to own the land on which homes are situated. The trust then sells the physical structures to home purchasers for an affordable price, along with a long-term lease on the land. When the home is sold, it must be sold an affordable price to a qualifying homebuyer. (From HousingPolicy.org Glossary of Terms.)

Congressional Budget Office (CBO)- An organization created by Congress that provides staff assistance to Congress on the federal budget. (HUD's Glossary of Terms.)

Consolidated Plan- The Consolidated Plan, or ConPlan, combines all of the planning, application and performance requirements previously required separately for Community Development Block Grants (CDBG), HOME, Emergency Shelter Grants (ESG), Housing Opportunities for People With AIDS (HOPWA) and programs such as HOME that require a Comprehensive Housing Affordability Strategy (CHAS).

Continuum of Care (CoC)- A strategic community-based plan that addresses homelessness and serves as an application to HUD for McKinney Homeless Assistance resources. See also McKinney or McKinney-Vento.

Cooperative- Organization owned by its members.

CRA- Community Reinvestment Act.

Credit History- shows how well a person has paid past debt.

Credit Report- A record of your debts and payments compiled by credit bureaus. Credit bureaus gather this information from credit card companies, banks, department stores, and other firms.

Credit Union- Not-for-profit financial institution typically formed by employees of a company, a labor union, or a religious group and operated as a cooperative. Credit unions may offer a full range of financial services and pay higher rates on deposits and charge lower rates on loans than commercial banks. Federally chartered credit unions are regulated and insured by the National Credit Union Administration.

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Demand-side policies- Are policies that address housing affordability challenges by increasing individuals' purchasing power. For example, the federal government provides Section 8 housing choice vouchers to individual households to enable them to afford the costs of private-market rental homes. Supply-side policies, by contrast, seek to directly expand the supply of affordable homes – usually through subsidies to enable developers to build or rehabilitate affordable homes. (Housingpolicy.org Glossary of terms)

Development Subsidy- occurs when the construction, acquisition or rehabilitation of a building is subsidized and some amount of rent or operating assistance is available to assure the housing is affordable to low-income households. (Housingpolicy.org Glossary of terms)

Disabled Individual- A person with a physical, mental, developmental or emotional impairment that is expected to be of indefinite duration, that substantially impedes his or her ability to live independently, and that is of such a nature that the ability could be improved by more suitable housing conditions.

Discharge Planning Work Group- A workgroup of the ICCHP. The DPWG is drafting a statewide discharge policy strategy aimed at reducing the number of persons discharged from public funded systems (e.g., state psychiatric hospitals, jails, prisons, foster care) into homelessness.

Discretionary Spending- Budget authority, other than appropriated entitlements, and ensuing outlays provided in annual appropriations acts. The Budget Resolution sets limits or caps on discretionary budget authority and outlays.

Down Payment- A portion of the buyer's own funds put towards purchase of a home. Down payments may come from buyers' savings accounts, checking accounts, stocks and bonds, life insurance policies, and gifts.

Doubled Up- A situation in which persons are living with relatives or friends on a temporary basis for economic reasons, and they have a host/guest relationship. These persons are not on a lease or mortgage and could be asked to leave at any time. This does not include legal arrangements such as foster care.

Earmarks- Appropriations that are dedicated for a specific, particular purpose. The funding of the Community Development Fund typically has earmarks as part of the Economic Development Initiative.

Escrow Account- An account where a portion of your mortgage payment is held to cover real estate taxes, homeowner's insurance, and mortgage insurance (if applicable).

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Employer-Assisted Housing- Employer assisted housing is housing assistance provided by employers for their workers or the broader community. A growing number of employers are extending employer assisted housing benefits to their workers by providing grants or loans to assist with downpayments (for homebuyers) or security deposits (for renters), offering homeownership education and counseling, and investing in the development of affordable homes in the community. (from Housingpolicy.org glossary of terms)

ESG—Emergency Shelter Grant- federal dollars funded through the McKinney-Vento Act. These dollars are a block grant and are administered by the Office of Economic Opportunity within the NC Department of Health and Human Services. The funds may be used for operating expenses, services and homelessness prevention.

Existing Homeowner- An owner-occupant who holds legal title to residential property and used as his/her principal residence.

Extremely Low Income- Household income below 30 percent of area median, as defined by HUD.

Fair Market Rent- HUD's estimate of the actual market rent for a modest apartment in the conventional marketplace. Fair market rents include utility costs (except for telephones). Every year HUD develops and publishes FMRs for every MSA and apartment type. FMRs are currently established at the 40th percentile rent, the top of the range that renters pay for 40 percent of the apartments being surveyed, with the exception of some high-cost jurisdictions, where it is set at the 50th percentile.

FDIC—Federal Deposit Insurance Corporation- Federal agency established in 1933 that guarantees (within limits) funds on deposit in member banks and thrift institutions and performs other functions such as making loans to or buying assets from member institutions to facilitate mergers or prevent failures.

Federal Home Loan Mortgage Corporation—(Freddie Mac)- Publicly chartered enterprise that buys qualifying residential mortgages from lenders, packages them into new securities backed by those pooled mortgages, provides certain guarantees, and then resells the securities on the open market. Like Fannie Mae, the corporation's activity has helped to create an enormous secondary market, which provides more funds for mortgage lending and allows investors to buy high-yielding securities backed up by implied federal guarantees. The corporation was established in 1970.

Federal Housing Administration (FHA)- Federally sponsored agency that insures lenders against loss on residential mortgages. It was founded in 1934 in response to the Great Depression to execute the provisions of the National Housing Act. FHA is a division of HUD.

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Federal Housing Administration (FHA) Insurance- Predominant vehicle by which the federal government stimulates new housing production. When a mortgage is FHA-insured, the federal government promises to buy it from the lender at full value if there is any default.

Federal Housing Finance Board (FHFB)- Federal agency created by Congress in 1989 to assume oversight of the Federal Home Loan Bank System from the dismantled Federal Home Loan Bank Board.

Federal National Mortgage Association (Fannie Mae)- Publicly owned, government-sponsored corporation established in 1938 to purchase both government-backed and conventional mortgages from lenders and securitize them. Its objective is to increase the affordability of home mortgage funds for low-, moderate- and middle-income home buyers. Fannie Mae is a Congressionally chartered, shareholder-owned company and the largest source of home mortgage funds in the United States. Because of its closeness to the federal government, which is perceived to back the obligations of Fannie Mae with an implicit guarantee, its securities are considered second in safety only to those of the United States Treasury.

Federal Reserve Board (FRB)- Governing board of the Federal Reserve System. Its seven members are appointed by the President of the United States, subject to Senate confirmation and serve 14-year terms. The Board establishes Federal Reserve System policies on such key matters as reserve requirements and other bank regulations, sets the discount rates and tightens or loosens the availability of credit in the economy.

Federal Reserve System- System established by the Federal Reserve Act of 1913 to regulate the U.S. monetary and banking system. The Federal Reserve System (“the Fed”) consists of 12 regional Federal Reserve Banks, their 24 branches and all national and state banks that are part of the system. National banks are stockholders of the Federal Reserve Bank in their region. The Federal Reserve System’s main functions are to regulate the national money supply, set reserve requirements for member banks, supervise the printing of currency at the mint, act as clearinghouse for the transfer of funds throughout the banking system, and examine member banks’ compliance with Federal Reserve regulations

Federal Savings And Loan Association- Federally chartered institution with a primary responsibility to collect people’s savings deposits and to provide mortgage loans for residential housing. Federal Saving and Loans may be owned either by stockholders, who can trade their shares on stock exchanges, or by depositors, in which case the associations are considered mutual organizations. Federal Savings and Loans are members of the Federal Home Loan Bank System. After deregulation, S&Ls expanded into non-housing related financial services such as discount stock brokerage, financial planning, credit cards and consumer loans.

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Financial Institution- An organization that collects funds from the public to place in financial assets such as stocks, bonds, money market instruments, bank deposits or loans. Depository institutions (banks, saving and loans, saving banks, credit unions) pay interest on deposits and invest to the deposit money mostly in loans. Nondepository institutions (insurance companies, pension plans) collect money by selling insurance policies or receiving employer contributions and pay it out for legitimate claims or for retirement benefits. Increasingly, many institutions are performing both depository and nondepository functions.

Fiscal Year- The accounting period for the budget. The fiscal year for the federal government begins on October 1 and ends the next September 30. The fiscal year is designated by the calendar year in which it ends; for example, fiscal year 2010 begins on October 1, 2009, and ends on September 30, 2010.

FMHA- Farmers Home Administration, now called Rural Development and part of USDA.

FMR- Fair Market Rent – How much HUD is willing to pay for a rental unit, which is just below the average rent for a region (actually calculated at the 40th percentile). Fair Market Rents include the cost of utilities (excluding telephone), ranges and refrigerators and all maintenance, management and other services that would be required to be paid in order to rent privately owned, decent, safe and sanitary rental housing of a modest nature with suitable amenities in a given market area. Landlords within an urban setting may feel that the fair market rent is too low, because the region would include rural areas surrounding the urban area, and the average in those communities might be lower, which would pull down the regional average. The fair market rent is set by HUD and published in the Federal Register.

Foreclosure- Process by which a homeowner who has not made timely payments of principal and interest on a mortgage loses title to the home. The holder of the mortgage, whether it be a bank, a savings and loan, or an individual must go to court to seize the property, which may then be sold to satisfy the claims of the mortgage. The repossession of a manufactured home is not considered a foreclosure unless the title has been converted to real estate (original title comes from the NCDMV).

Foreclosure Prevention- Assistance provided to help struggling homeowners avoid a foreclosure and possibly retain their home. Foreclosure prevention programs often include counseling and financial assistance. (from the Housingpolicy.org Glossary of Terms).

FY- Fiscal Year.

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Gaps Analysis- A community's analysis of its homeless service delivery system — what housing and services are available, what's needed and what the gaps are in that system. The gaps analysis is usually completed by the Continuum of Care and is part of the annual competitive application for federal HUD dollars.

Green Building- refers to a set of building design and construction practices that seek to reduce a building's environmental impacts by improving energy efficiency and indoor air quality, reducing water use and consumption, choosing sustainable building materials, and situating the home in a manner that takes advantage of sunlight and other natural amenities. (from Housingpolicy.org Glossary of Terms).

Government National Mortgage Association (Ginnie Mae-Agency Of HUD)- Ginnie Mae guarantees payment on mortgage-backed, pass-through securities, which represent pools of residential mortgages insured or guaranteed by the FHA, the Veterans Administration or the Rural Housing Service, which has taken over some of the functions of the Farmer's Home Administration.

Government Sponsored Enterprise (GSE)- An enterprise established by the federal government but privately owned and operated. These enterprises are excluded from the budget totals because they are classified as private entities. However, financial information concerning them is included in the budget. Fannie Mae and Freddie Mac are GSEs, as are the Federal Home Loan Banks. Because of its closeness to the federal government, which is perceived to back the obligations of Fannie Mae with an implicit guarantee, its securities are considered second in safety only to those of the United States Treasury.

Guaranteed Loan- Loan in which a private lender is assured repayment by the federal government of part or all of the principal or interest, or both, in the event of a default by the borrower. Unlike an insured loan, no insurance fund exists and no insurance premiums are paid.

HAMFI- HUD Adjusted Family Median Incomes are estimated incomes for a family of four. They vary by family size and by metropolitan area or by non-metropolitan county. The income for the non-metropolitan part of the state is used instead of the non-metropolitan county, where the state income is higher. The income figures are adjusted for high-rent and low-income areas. The income figures were based on the same period of time and same metropolitan area definitions as were used in the 1990 Census.

Harm Reduction Model- A model of services better known in Europe. The Harm Reduction Model focuses on minimizing damage that occurs to individuals while they are homeless so that when their circumstances change it is easier to make a transition back into the mainstream. This model is particularly used with persons who are in active addiction, or who have a mental illness with symptoms that lead an individual away from treatment. Many street outreach programs are harm reduction projects.

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HECM- Home Equity Conversion Mortgage.

HMIS- Homeless Management Information System — A system communities use to determine an unduplicated count of persons being served within the homeless service network. HMIS can also be used to provide aggregate information about homeless persons and homeless services to assist in policy development. The system can also be used to facilitate streamlined case management and information & referral between agencies working with the same program participant(s). HMIS is a congressional mandate that has no designated funding source, though communities may choose to use service dollars available from HUD to pay for their HMIS.

HOME- Established by Congress in 1990, this federal program is designed to expand the supply of decent affordable housing for low- and very low-income families and individuals. HOME funds are provided each year by HUD to states and localities, which determine how the funds are spent. HOME funds may be used for: tenant-based rental assistance; assistance to homebuyers; property acquisition; new construction; rehabilitation; site improvements; demolition; relocation; and administrative costs. (from Housingpolicy.org)

HOPE VI- Is a federal program designed to revitalize distressed public housing through demolition and reconstruction. HOPE VI grants are made to public housing authorities based on a competition administered by HUD. Many HOPE VI developments include households with a mix of incomes and provide supportive services.

Home Mortgage Disclosure Act (HMDA)- Legislation requiring “most financial institutions and mortgage lenders that make mortgage loans home improvement loans, or home refinance loans to collect and disclose information about their lending practices.” (HUD’s Glossary of Terms.)

Homeless—The HUD definition is:

- (a) An individual or family which lacks a fixed, regular and adequate nighttime residence; or
- (b) An individual or family which has a primary nighttime residence that is:
 - (1) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters and transitional housing for persons with mental illness).
 - (2) An institution that provides a temporary residence for individuals intended to be institutionalized.
 - (3) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.
 - (4) The term does not include any individual imprisoned or otherwise detained pursuant to an Act of Congress or a State law.

The Departments of Education and Health and Human Services include being doubled-up in their definition of homelessness. HUD only includes double-ups in the case of families fleeing domestic violence.

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HOPWA- Housing Opportunities for Persons with AIDS. These dollars are administered through the NCAIDS Care Office. They are competitively awarded to regional consortia to provide housing assistance to persons who are HIV+ or who have AIDS.

Homeowner's Insurance- An insurance policy that includes personal liability insurance in case someone is injured on the property, personal property coverage for loss of and damage to personal property due to theft or other events, and dwelling coverage to protect the house against fire, theft, weather damage and other hazards. If the home you want to buy is located near water, you may be able to get flood insurance as part of your homeowner's protection. Flood insurance may be required in some areas. Check with your real estate professional or lender for further information. Lenders may require payment of the first year's premium at or before closing. Lenders may add the insurance cost to monthly mortgage payments and keep this portion of payment in an escrow account. Lenders pay the insurance bill out of escrow when premium notices from the insurance company are received.

Household- a loosely defined term that can vary depending on project management, and refers to family members and others who live under the same roof.

Housing Costs- The costs of occupying housing. Calculated on a monthly basis, housing costs for renters include "contract rent, utilities, property insurance, mobile home park fee." For owners, monthly housing costs are "the sum of monthly payments for all mortgages or installment loans or contracts, except reverse annuity mortgages and home equity lines of credit. Costs also include real estate taxes (including taxes on manufactured/mobile homes, and manufactured or mobile home sites if the site is owned), property insurance, homeowner association fees, cooperative or condominium fees, mobile home park fees, land rent, utilities."

Housing Choice Voucher Program (Section 8)- a federally funded housing assistance program administered by local Public Housing Agencies (PHAs) or other administering agencies in which very low-income households receive vouchers to help cover housing expenses. See also *Section 8 Vouchers*.

Housing Finance Agency- State agency responsible for financing housing and administering assisted housing programs.

Housing First, Housing Plus- A new model of homeless services that involves moving persons directly from the streets and placing them into permanent housing accompanied by intensive services. Initially a research project, this model has been shown to be very effective with chronically homeless persons and cost-neutral to communities. This model has also been shown to work well with homeless families and with homeless young adults.

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Housing Problems- Households with housing problems include those that lack complete plumbing or kitchen facilities, are overcrowded (i.e., with more than one person per room), and/or pay more than 30 percent of gross income for total housing expenses.

Housing Starts- Indicator of residential construction activity monitored by the Department of Commerce. Housing starts represent the start of construction of a house or apartment building, which means the digging of the foundation. Other categories are housing permits, housing completions and new home sales.

HUD- United States Department of Housing and Urban Development.

ICCHP—Interagency Council for Coordinating Homeless Programs (NC)- This council has been appointed by the Governor since 1992. The Council is to advise the Governor and the Secretary of the Department of Health and Human Services on issues of homelessness. The Council's members include representatives from various state agencies as well as state legislators, homeless service providers, formerly homeless persons, local government representatives and advocates. The Council is currently developing the NC 10-Year Plan to End Homelessness.

ICH—The U.S. Interagency Council on Homelessness- The federal Interagency Council coordinates the efforts of its 20 federal member agencies. The ICH was re-energized under the current administration and is challenging states and communities to develop 10-year plans to end homelessness. The ICH has also focused specific attention on discharge planning as homelessness prevention as well as Housing First, Housing Plus as a successful program model for working with chronically homeless persons.

IHA- Indian Housing Authority.

Inclusionary zone- A requirement or incentive to reserve a specific percentage of units in new residential developments for moderate-income households. (from Housingpolicy.org Glossary of Terms)

In-kind Services- When program participants, or residents, of Agency A receive services from Agency B, and Agency B is not charging Agency A to provide the services, those services are called In-Kind Services. The value of those services can be used as matching resources for some federal and community grants. In-kind services may also be provided by individual volunteers.

Inspector General- HUD official appointed by the President who is “responsible for conducting audits and investigations of HUD’s programs and operations.” (HUD’s Glossary of Terms.)

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Insured Loan- Loan in which a private lender is assured repayment by the federal government of part or all of the principal or interest, or both, and for which the borrower pays insurance premiums.

Key Program- provides rent/operating assistance for persons with disabilities living in Housing Credit properties.

Lead-Based Paint Hazard- Any condition that causes exposure to lead from lead-contaminated dust, lead-contaminated soil, lead-contaminated paint that is deteriorated or present in accessible surfaces, friction surfaces or impact surfaces that would result in adverse human health effects. See also *Abatement*.

Leveraging Funds- If a grant, say from HUD, is used to partially fund a project or program, the remaining dollars used to fund that project or program are called leveraged funds.

Leveraging- The maximization of the effect of federal assistance for a project by obtaining additional project funding from nonfederal sources.

LIHPP—Low-Income Housing Preservation Program- In 1990, Congress enacted a federal preservation program designed to preserve federally assisted housing as affordable housing for low- and moderate-income households by providing financial incentives to owners and financing purchases by nonprofits and tenant organizations. Currently, owners must give 150 days advance notice of prepayment. While the Title VI Low-Income Housing Preservation and Resident Homeownership Act (“LIHPRHA”) has not been repealed, Congress short-funded the program beginning in 1996 and zero-funded the program in FY ‘98, and this trend has continued up to the present, limiting its funding to replacement vouchers. For more information see: HUD Housing Programs: Tenants’ Rights and 1998 Supplement, Sec. 15.3.1.

LIHTC—(Low-Income Housing Tax Credit)- A federal tax credit awarded to developers of multifamily or senior housing by the Housing Finance Agency. Credits are sold to developers and the receipts used reduce the development costs of the project.

Loan Management Set Aside (LMSA)- A form of Section 8 used to support properties that need assistance, either to alleviate resident rent hardship or to prevent high vacancy and potential default. Originally created in 1976, LMSA has been allocated annually thereafter.

Loan Origination Fee- A fee sometimes called a “point” or “points” that covers the lender’s administrative costs of processing the loan. Often expressed as a percentage of the loan, the fee varies across lenders. Generally, the buyer pays the fee.

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Low Income- As applied to most housing programs, household income below 80 percent of metropolitan area median, as defined by HUD, is classified as low income. See also *EXTREMELY LOW INCOME*, *VERY LOW INCOME*.

Low-Income Households- Households whose incomes do not exceed 80 percent of the median income for the area as determined by HUD. See also *Median Income*.

Manufactured Home- A housing type that is wholly or substantially built in a factory and then delivered to the building site for final assembly and installation. [1].

Mark-To-Market- The process of reducing above-market rents to market levels. In ordinary usage, this means HUD recognizing defaults on FHA-insured mortgages, paying the mortgage claims, and restructuring the remaining available debt service into a new mortgage.

Market Rate Rental Housing- privately owned housing that rents at whatever the owner or landlord deems reasonable, which is usually dictated by the market or local economy, and varies by location.

Matching Funds- These are leveraged funds that are required for certain grants. It is not uncommon for a grant to require 20 percent to 25 percent matching funds.

McKinney or McKinney-Vento- The federal funds for homeless programs. The McKinney-Vento act was passed in 1987. Funding is administered through five federal departments. Some funding goes through states, but most of it, especially the HUD funding, goes directly to local communities through nationally competitive grant applications.

Median Income- That income level at which an equal number of families/households have incomes above the level as below. The median income is based on a distribution of the incomes of all families/households including those with no income.

Metropolitan Statistical Area (MSA)- The basic census unit for defining urban areas and rental markets.

Mixed- Income- A type of development that includes families at various income levels. Mixed-income developments are intended to promote deconcentration of poverty and give lower-income households access to improved amenities. (from Housingpolicy.org Glossary of Terms)

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Mixed Use- A type of development that combines various uses, such as office, commercial, institutional, and residential, in a single building or on a single site in an integrated development project with significant functional interrelationships and a coherent physical design. (from Housingpolicy.org Glossary of Terms)

Moderate Housing Problem- As used in this Guide and by HUD, moderate problems consist of cost burden above 30 percent but not over 50 percent of income, occupancy of housing with moderate physical problems, or overcrowding (more than one person per room).

Moderate-Income Households- Households whose incomes are between 81 percent and 95 percent of the median income for the area. see also Median Income

Mortgage Banker- Company, or individual, that originates mortgage loans, sells them to other investors, services the monthly payments, keeps related records and acts as escrow agent to disperse funds for taxes and insurance. A mortgage banker's income derives from origination and servicing fees, profits on the resale of loans and the spread between mortgage yields and the interest paid on borrowings while a particular mortgage is held before resale.

Mortgage Credit Certificate- is a federal tax credit authorized by Congress to assist home buyers with moderate and low incomes.

Mortgage Insurance- Generally, if down payment is less than 20% of the purchase price of the home, mortgage insurance is required. Mortgage insurance is issued by a private company or by a government agency such as the Federal Housing Administration. Lenders may require payment of the first year's premium at closing, but there are mortgage insurance products that do not require a lump-sum payment at closing.

Mortgage Interest Deduction- Federal tax deduction for mortgage interest paid in a taxable year. Interest on a mortgage to acquire, construct or substantially improve a residence is deductible for indebtedness of up to \$1 million.

Mortgage- Debt instrument by which the borrower (mortgagor) gives the lender (mortgagee) a lien on property as security for the repayment of a loan. The borrower has use of the property, and the lien is removed when the obligation is fully paid. A mortgage normally involves real estate and is commonly used to purchase a house.

Move In Costs- additional costs that must be paid before moving into housing, and can include such fees as security and utility deposits.

MRB- Mortgage Revenue Bond.

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MSA- Metropolitan Statistical Area- A region dominated by one or more urban areas. Can contain more than one county.

NAEH- National Alliance to End Homelessness. A national advocacy group that has been the driving advocates force behind the 10-year plans to end homelessness.

NAMI- National Alliance for the Mentally Ill. A national advocates group with a state chapter and local chapters throughout our state.

NCCEH- North Carolina Coalition to End Homelessness. A NC advocacy and public education organization that has been championing the NC Plan to End Homelessness.

NCH- National Coalition for the Homeless. Another national homeless advocacy organization that has been very supportive of North Carolina, participating in almost all of our homeless conferences.

NCHFA—North Carolina Housing Finance Agency. A quasi-governmental agency that administers some federal dollars, the state's Housing Trust Fund, mortgage bond program, and both federal and state tax credit projects.

NIMBY—Not In My Back Yard. The opposition that many affordable housing projects face when siting a development. This energy intensifies if the persons to live in the development have any disability, special needs, or criminal history.

NOFA—Notice of Funding Availability. An announcement that funders send out to let communities know about available funds. The NOFA includes the application and other information that communities need to know about how to apply for funds. Federal NOFAs are published in the Federal Register.

Obligation- An order placed, contract awarded, service received or similar transaction that will require payment.

OEO—Office of Economic Opportunity, within the NC Department of Health and Human Services. The Office of Economic Opportunity administers the federal pot of money called Emergency Shelter Grants (ESG).

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Office Of Thrift Supervision (OTS)- Agency of the U.S. Treasury Department created by the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). The OTS replaced the disbanded Federal Home Loan Bank Board and assumed regulatory responsibility for the nation's saving and loan industry. The legislation empowered OTS to institute new regulations, charter new federal savings and loan association and federal saving banks, and supervise all savings institutions and their holding companies.

Outlays- Payments made (usually through the issuance of checks or disbursement of cash) to liquidate obligations. Outlays during a fiscal year may be for payment of obligations incurred in the previous year or in the same year.

PATH—Projects for Assistance in the Transition from Homelessness – another funding stream of the McKinney-Vento Act targeting assistance to homeless persons. These dollars are administered by the Division of Mental Health within the NC Department of Health and Human Services. Grantees have been area mental health programs.

Payment Standard- The amount used to determine how much rent a housing authority will pay monthly to subsidize a voucher holder, expressed as a percentage of the Fair Market Rent. The payment standard must be at least 80 percent of the FMR.

Performance Funding System- A system developed by HUD for analyzing costs of operating public housing developments, used as the basis for calculating the need for operating subsidies.

PHA—Public Housing Authority

Physical Problems- According to the definitions used for the 2001 American Housing Survey, “a unit has severe physical problems if it has any of the following five problems: Plumbing. Lacking hot or cold piped water or a flush toilet, or lacking both bathtub and shower, all inside the structure (and for the exclusive use of the unit, unless there are two or more full bathrooms). Heating. Having been uncomfortably cold last winter for 24 hours or more because the heating equipment broke down, and it broke down at least three times last winter for at least 6 hours each time. Electric. Having no electricity, or all of the following three electric problems: exposed wiring, a room with no working wall outlet, and three blown fuses or tripped circuit breakers in the last 90 days. Hallways. Having all of the following four problems in public areas: no working light fixtures, loose or missing steps, loose or missing railings, and no working elevator. Upkeep. Having any five of the following six maintenance problems: (1) water leaks from the outside, such as from the roof, basement, windows, or doors; (2) leaks from inside structure such as pipes or plumbing fixtures; (3) holes in the floors; (4) holes or open cracks in the walls or ceilings; (5) more than 8 inches by 11 inches of peeling paint or broken plaster; or (6) signs of rats in the last 90 days.”

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Physical Problems Cont.- A housing unit has moderate physical problems “if it has any of the following five problems, but none of the severe problems: Plumbing. On at least three occasions during the last three months, all the flush toilets were broken down at the same time for six hours or more.... Heating. Having unvented gas, oil, or kerosene heaters as the primary heating equipment. Kitchen. Lacking a kitchen sink, refrigerator, or cooking equipment (stove, burners, or microwave oven) inside the structure for the exclusive use of the unit. Hallways. Having any three of the four problems [considered severe physical problems under Hallways]. Upkeep. Having any three or four of the six problems listed [considered severe physical problems under Upkeep].”

PIT—Point-In-Time Count. A community’s effort to determine how many people are homeless on a given night. The Point-in-Time Count usually includes, at a minimum, the number of persons who are staying in residential programs on that night but frequently also includes some attempt at a street count. Since the count is done on one night, there is a guarantee of no duplication.

Portfolio Re-Engineering—Another term for mark-to-market, intended to recognize that the issues involved are not purely financial but also involve repositioning the properties, rethinking their regulatory structure and reducing HUD’s workload.

Prepayment Penalty—A fee that may be levied for repayment of a loan before it falls due.

Preservation- The act of saving housing from losing its affordability or the prevention of building from being destroyed.

Project Based Rental Assistance (PBRA)- program where rental assistance is tied to a particular building, or particular units within a larger development, that is owned and operated by private for profit or non-profit entities.

Property Based Vouchers- These housing assistance vouchers provide rental assistance to qualified households living within a housing complex. All qualified renters within that complex would pay only 30 percent of their income for housing and utility costs. The voucher would cover the remaining housing expenses.

Public Housing Agencies (PHAs)- organizations that contract with the US Dept. of Housing and Urban Development to administer the Housing Choice Voucher Program (Section 8) at the state or local level. Some of these agencies are also *Public Housing Authorities*.

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Public Housing Authorities- organizations created by state law to provide subsidized housing and own and operate public housing units. Within broad federal rules PHAs have flexibility to operate their programs to best meet local needs. Examples of this flexibility include whether the PHA will establish preferences for certain populations, how they set their payment standards, etc. Policies and procedures must be documented in the PHA Administrative Plan.

Public Housing Plan (PHA Plan)- A 5-year comprehensive document that describes a Public Housing Agency's overall mission for serving low-income and very low-income families and the activities that will be undertaken to meet the housing needs of these households.

Qualified Allocation Plan (QAP)- An annual strategic housing plan describing how the Low-Income Housing tax Program will be utilized to meet the housing needs and priorities of the state. See also *LIHTC*.

Real Estate Settlement Procedures Act (RESPA)- As defined by HUD, "a consumer protection statute first passed in 1974. The purposes of RESPA are (1) to help consumers become better shoppers for settlement services and (2) to eliminate kickbacks and referral fees that unnecessarily increase the costs of certain settlement services." HUD enforces RESPA. HUD's efforts to update RESPA have met with concern and controversy in Congress and are currently stalled.

Reconciliation Bill- A bill containing changes in law recommended by House or Senate committees pursuant to reconciliation instructions in a budget resolution.

Redlining- A discriminatory and illegal practice in which financial institutions deny mortgages and other types of financing to residents of predominantly poor or minority neighborhoods, without regard to individual creditworthiness. (from Housingpolicy.org Glossary of Terms).

Rental Application- a form or forms that landlords require prospective tenants to complete to provide information about the tenant's income, credit history, rental history, and criminal background.

Rental Assistance- A subsidy covering the difference between Fair Market Rent and 30 percent of an eligible household's income. See also *Fair Market Rent*.

Rezoning- The process and action of reclassifying a parcel, parcels or geographic area from one zone classification to a new zone classification. Some localities have expanded the supply of housing by rezoning land from industrial use to residential use. (from Housingpolicy.org Glossary of Terms)

RMC- Resident Management Corporation.

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Rural- As used in this Resource Book, areas that are not urbanized. The Census Bureau defines an urbanized area as “an incorporated place and adjacent densely settled (1.6 or more people per acre) surrounding area that together have a minimum population of 50,000.”

S+C—Shelter Plus Care- This is a specific program that is part of the HUD McKinney-Vento funds. It is rental assistance for persons with disabilities. The rental assistance allows individuals to live in permanent housing, and the match for the rental assistance is provided in services to the residents. In NC these funds have primarily been used to assist homeless persons with mental illness or homeless persons who are HIV positive.

Safe Haven- A facility that provides shelter and services to hard-to-reach homeless persons with severe mental illness who are on the street and have been unable or unwilling to participate in supportive services. Safe Havens usually follow a “harm reduction” model of services.

Savings and Loan Association- Depository financial institution, federally or state chartered, that obtains the bulk of its deposits from consumers and holds the majority of its assets as home mortgage loans. In 1989, responding to a massive wave of insolvencies caused by mismanagement, corruption and economic factors, Congress passed a savings and loan “bailout bill” that revamped the regulatory structure of the industry under a newly created agency, the Office of Thrift Supervision.

Savings Bank- Depository financial institution that primarily accepts consumer deposits and makes home mortgage loans. Historically, savings banks were of the mutual (depositor-owned) form and chartered in only 16 states; the majority of savings banks were located in the New England states, New York and New Jersey.

Second Mortgage- An additional mortgage that has a lien (legal claim) position subordinate to the first mortgage. A second mortgage often represents the difference between the price of the house and first mortgage plus the down payment. When offered through affordable housing programs, this is sometimes referred to as a ‘soft second’ mortgage.

Section 8 Vouchers- These are vouchers that provide rental assistance. A household with a voucher usually has to pay only 30 percent of their income for rental and utilities. The voucher covers the remaining housing costs. This program is funded by HUD and usually administered by local housing authorities. The average waiting list, nationally, is two years.

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Severe Housing Problems- As used by HUD in defining priorities, severe housing problems are homelessness, displacement, housing cost burden above 50 percent of income, occupancy of housing with serious physical problems. Data on severe housing problems drawn from the American Housing Survey measures only cost burden and physical problems.

Shelter- Housing, usually with services, for homeless persons. Emergency Shelter is usually thought to last for 6 months or less, although among the chronically homeless population, there are some persons who reside in “emergency shelter” for years.

Shared Housing- a living situation in which housing costs are shared between roommate(s).

Special Needs- The primary populations include the elderly, persons with severe mental illness, the developmentally disabled, the physically disabled, persons with alcohol and/or drug addiction, and persons with AIDS/HIV.

SPMI—Severe and Persistent Mental Illness. Persons who have a mental health diagnosis that meets the criteria for disability. For the most part, but not exclusively, these are psychotic mental illnesses. These are mental illnesses that significantly interfere with an individual’s ability to negotiate daily living functions.

SRO—Single Room Occupancy. Permanent housing, usually in efficiency apartments. Similar to old style boarding houses, though usually with services available. (Bathrooms and kitchen facilities may or may not be shared.) Is frequently a successful housing model for single persons.

SSDI—Social Security Disability Insurance.

SSI—Supplemental Security Income. Monthly financial payments to persons with disabilities. Currently, the benefit is \$674 per month. For most persons on SSI, this is their only source of income and thus, severely limits housing options.

Subsidized Housing—Housing that has financial support to make it more affordable to lower income households. That financial subsidy may come in the form of funds to off-set development or pre-development costs, or assistance to pay for rental or operating subsidies.

Subsidy-A financial incentive provided in the form of a direct payment or tax relief to the housing developer, property owner, or individual renter.

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Substandard Housing- Housing units that lack complete plumbing, kitchen facilities, or have at least five basic maintenance problems, as defined by the US Bureau of Census.

SuperNOFA- HUD's yearly Notice of Funding Availability, announcing the annual competitive funds available for programs serving homeless persons. These funds include Shelter Plus Care (rental assistance for persons with disabilities), Supportive Housing (permanent or transitional housing development for families or persons with disabilities) and SRO Moderate Rehab (rental assistance to assist with financing renovation of facilities to be used for single room occupancy units). North Carolina drew down roughly \$11 M in these funds last year.

Supply-side Policies- seek to increase the supply of affordable homes. Government agencies may either add to the housing stock directly, such as by building public housing, or may provide incentives for private developers to produce more homes – for example, through the low-income housing tax credit. Efforts to reduce regulatory barriers to the development or rehabilitation of housing also operate on the supply-side of the equation; such efforts promote housing affordability by freeing the market to better respond to increases in housing demand. (from Housingpolicy.org, Glossary of Terms)

Supported or Supportive Housing- Permanent housing with services. The type of services depends on the needs of the residents. Services may be short term, sporadic or ongoing indefinitely. The housing is usually “affordable,” or intended to serve persons who are on an SSI income – which is \$674/month.

Supportive Services- Services such as case management, medical or psychological counseling and supervision, child care, transportation and job training provided for the purpose of facilitating the independence of residents.

TA- Technical Assistance.

Temporary Assistance For Needy Families (TANF)- Block grant to states administered under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which established a new welfare system. The TANF block grant replaced Aid to Families with Dependent Children (AFDC). The chief feature of TANF was the abolition of a federal entitlement to cash assistance. TANF was due for reauthorization in 2003, but as of early April 2004, such reauthorization had yet to be enacted.

Tenant Based Vouchers- These are housing vouchers that travel with the household. A household with a tenant-based voucher can use that voucher in any qualified rental property with a willing landlord.

Title- A legal document evidencing a person's right to or ownership of a property.

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Title Insurance- Insurance that protects the lender (lender's policy) or the buy (owner's policy) against losses arising from defects in the title not listed in the title report or abstract.

Title Search- A check of the public records to ensure that the seller is the legal owner of the property and to identify any liens or claims against the property.

Transitional Housing- Usually thought of as temporary supported housing – housing with services – where individuals or families live for between six months and two years. During that time they receive intensive case management services that prepare the household for independent living.

US Department of Housing and Urban Development (HUD)- The federal agency which administers the majority of federal housing programs and which develops national housing policy.

Very Low Income- Household income below 50 percent of area median, as defined by HUD.

Voucher- A government payment to, or on behalf of, a household, to be used solely to pay a portion of the household's housing costs in the private market. Vouchers are considered tenant-based assistance because they are not typically connected to a particular property or unit (although they may be "project-based" in some cases) but are issued to a tenant.

Worst-Case Housing Problems—Unsubsidized very low-income renter households with severe housing problems. HUD is required to submit a periodic report to Congress on worst-case housing problems.

Zoning Codes- Local codes regulating the use and development of property. Zoning ordinances typically divide a community into land use districts or "zones," represented on zoning maps, and specify the allowable uses within each of those zones. For example, some communities divide land into industrial zones, commercial zones, and one or more residential zones. Some zones also may permit a mix of uses. Zoning codes establish development standards for each zone, such as minimum lot sizes, maximum heights of structures, building setbacks, and yard sizes. Overly rigid zoning codes that don't allow for multifamily homes or higher density development may present obstacles to affordable homes. (from Housingpolicy.org, Glossary of Terms)