ACRONYMS

AHP	Affordable Housing Program (Federal Home Loan Bank of Atlanta)
ALF	Assisted Living Facility
AMI	Area Median Income
CCTC(P)	Community Contribution Tax Credit (Program)
CDBG	Community Development Block Grant
CDBG-DR	Community Development Block Grant-Disaster Recovery
CHDO	Community Housing Development Organization
FCLF	Florida Community Loan Fund
FHFC	Florida Housing Finance Corporation (or "Florida Housing")
FSS	Family Self-Sufficiency Program
FTHB	First-Time Homebuyer Program
FY	Fiscal Year
HCV	Housing Choice Voucher (also known as a "Section 8 Voucher")
HFA	Housing Finance Agency
HOME	HOME Investment Partnerships Program
HUD	U.S. Department of Housing and Urban Development
IDA	Individual Development Account
LHAP	Local Housing Assistance Plan
LIHTC	Low Income Housing Tax Credits (or "Housing Credits")

LTV	Loan-to-Value Ratio
MMRB	Multifamily Mortgage Revenue Bond Program
NOFA	Notice of Funding Availability
NSP	Neighborhood Stabilization Program
PBRA	Project-Based Rental Assistance (acronym generally used for HOME and Section 8)
PBV	Project-Based Voucher
PHA	Public Housing Authority
PJ	Participating Jurisdiction
PLP	Predevelopment Loan Program
PRA	Project Rental Assistance (acronym generally used for Section 202 and Section 811)
RA	Rental Assistance
RFA	Request for Applications
SAIL	State Apartment Incentive Loan Program
SHIP	State Housing Initiatives Partnership Program
SPRAC	Senior Preservation Rental Assistance Contract
TA	Technical Assistance
TBRA	Tenant-Based Rental Assistance
TBV	Tenant-Based Voucher
USDA	U.S. Department of Agriculture
WAP	Weatherization Assistance Program

GLOSSARY OF TERMS

Affordable Housing

The rule of thumb used by the federal government is that housing should cost no more than 30 percent of a household's gross income. Housing costs include rent or mortgage payments, property taxes (for homeowners), renter's or homeowner's insurance, and utility costs. Many, though not all, federal, state, and local funding programs require affordable housing providers to use this standard when setting rents or purchase prices for their units. Depending on the program, the rent or purchase price of a unit may be set at 30 percent of a specific income level (e.g. 50 percent of Area Median Income), or at 30 percent of the applicant household's income.

One example of a program that does not have a specific definition of affordability is the Community Development Block Grant (CDBG). In practice, many CDBG grantees use the 30-percent standard.

Affordability Period

The period during which a subsidized owner-occupied or rental unit must be kept affordable to households at designated income levels. Affordability periods vary widely among subsidy programs, generally ranging from 15 to 50 years. This period is sometimes also referred to as a "compliance period".

Amortizing Loan

A loan where the principal of the loan is paid down over the life of the loan (that is, amortized) according to an amortization schedule, typically through equal payments.

Area Median Income (AMI)

The median household or family income in a designated geographic area, usually a metropolitan area or a county. Every year, the U.S. Department of Housing and Urban Development (HUD) calculates "Median Family Incomes" for designated geographic areas around the country, using data from the U.S. Census Bureau and the Consumer Price Index. State and local housing programs generally use HUD's Median Family Income calculations for their own definitions of Area Median Income.

Note that in any given year, HUD's Median Family Incomes are different than median family incomes and median household incomes calculated by the Census Bureau, due to differences in calculation methods.

Deferred-Payment Loan

A loan to a homebuyer or affordable housing developer that does not have to be repaid until a later date, when or if certain conditions are met. For example, if a homebuyer receives a deferred-payment loan for down payment assistance or mortgage principal reduction, he or she may have to pay back all or part of the loan if he or she sells the home during the affordability period (see Recapture). Depending on the program, deferred-payment loans may be forgivable under certain circumstances.

Extremely Low-Income (ELI) Household

A household with an income up to 30 percent of the Area Median Income (AMI).

Forgivable Loan

A loan to a homebuyer or affordable housing developer for which repayment is not required if certain conditions are met. For example, in some homebuyer subsidy programs, the homebuyer is assisted with a loan that is forgiven if he or she lives in the home for a certain minimum amount of time.

Gap Financing

Gap financing generally refers to a grant or loan that covers the difference between the cost of developing and operating an affordable housing project, and the funding sources that the developer has already obtained or is likely to obtain.

Guarantee

In the affordable housing field, a guarantee usually refers to a pledge from a funding agency to repay a mortgage or other loan if the borrower (an income-qualified homebuyer or affordable housing developer) defaults. Loan guarantees encourage private lenders, such as banks, to make loans to individuals and organizations who would otherwise be considered too risky.

Joint Venture

A legal entity created by two or more organizations to undertake a specific project, sharing the benefits and risks according to a specified agreement. In affordable housing, a joint venture generally refers to a development project undertaken by two or more organizations working in partnership. The parties of a joint venture may be an inexperienced and experienced housing developer, a housing developer and a social service agency, or other configuration. A joint venture may consist of nonprofit organizations, for-profits, or both.

Loan-to-Value (LTV) Ratio

The ratio of a mortgage loan for a homebuyer or rental housing developer to the total value of the property. Some funding programs have a maximum loan-to-value ratio used to determine the maximum amount of subsidy to award to an applicant.

Low-Income (LI) Household

The most commonly used definition of a low-income household is one whose annual income is no more than 80 percent of Area Median Income (AMI). The entries in this Guide use this definition of low-income unless otherwise stated. One program that uses a different definition is the Community Development Block Grant. Under CDBG regulations, a low-income household is one whose income is up to 50 percent of AMI.

Moderate-Income Household

Under Florida Statutes, a moderate-income household does not exceed 120 percent of the Area Median Income (AMI). Under the CDBG and Neighborhood Stabilization Programs (NSP), a moderate-income household has an income greater than 50 percent of AMI but no more than 80 percent of AMI. Some programs, such as those administered by the United States Department of Agriculture's Rural Housing Service (USDA RHS), have their own definitions of moderate-income.

Non-Amortizing Loan

A loan in which payments on the principal are not made on a regular basis. As a result, the value of principal does not decrease at all over the life of the loan. The principal is then paid as a lump sum at the maturity of the loan. Examples of non-amortizing loans include balloon mortgages and deferred interest programs.

Participating Jurisdiction

Any State or unit of local government that has been designated by HUD to administer a HOME Investments Partnerships program grant.

Recapture

A recapture provision is one way to ensure that a subsidy for an owner-occupied home remains available for future low-income homebuyers. A recapture provision is triggered if a low-income homeowner who benefited from a subsidy chooses to sell the house during the affordability period. Depending on the specific program guidelines, the homeowner may have to pay back all or part of the original subsidy using proceeds from selling the house. The entity that administers the program can reinvest these recaptured funds to help future homebuyers.

The term "recapture" can also refer to a funding agency requiring a beneficiary (a public or private entity or an individual) to pay back funds, if the beneficiary used them for inappropriate activities, failed to spend them by an agreed-upon deadline, or otherwise failed to comply with the program.

Resale Requirement

If an affordable home sold to an income-qualified homebuyer has a resale requirement, the homeowner is legally required by a deed restriction or land covenant to sell the home to another income-qualified household at an affordable price (when/if the first homeowner chooses to sell.)

Very Low-Income (VLI) Household

A household with an income up to 50 percent of the (Area Median Income).