

Glossary

- A -

Accessibility. All new construction of covered multifamily buildings must include certain features of accessible and adaptable design. Units covered are all those in buildings with four or more units and one or more elevators, and all ground floor units in buildings without elevators.

Accessible Route. A path that is free of obstructions, wide enough to allow wheelchair passage, and safe for and usable by people with disabilities.

Affirmative Fair Housing Marketing Plan (AFHMP). Plan required of housing developers to ensure that residents of municipalities of relatively high concentrations of minority and disabled populations are apprised of the availability of housing units. This applies to rental or homebuyer projects containing five or more HOME assisted housing units.

Alteration. Any change in a facility or its permanent fixtures or equipment.

Analysis of Impediments (AI). A review of impediments to fair housing choice in the public and private sector. It involves:

- A comprehensive review of a state or entitlement jurisdiction's laws, regulations, and administrative policies, procedures, and practices
- An assessment of how those laws, etc. affect the location, availability, and accessibility of housing
- An assessment of conditions, both public and private, affecting fair housing choice for all protected classes
- An assessment of the availability of affordable, accessible housing in a range of unit sizes.

Area Median Income (AMI). Household income level in which 50 percent of all area incomes fall above and 50 percent fall below that level. HUD establishes area median income levels for MSAs on an annual basis.

- B -

Borrower. A person who has been approved to receive a loan and is then obligated to repay it and any additional fees according to the loan terms.

- C -

Census Tracts. Small, relatively permanent statistical subdivisions of a county. Census tracts are delineated for most metropolitan areas and other densely populated counties by local census statistical area committees following Census Bureau guidelines.

Certification. A written assertion, based on supporting evidence, that must be kept available for inspection by HUD, by the Inspector General of HUD, and by the public. The assertion is deemed to be accurate unless HUD determines otherwise, after inspecting the evidence and providing due notice and opportunity for comment.

Closing Costs. Customary costs above and beyond the sale price of a property that must be paid to cover the transfer of ownership at closing; these costs generally vary by geographic location and are typically detailed to the borrower after submission of a loan application.

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. The primary difference between CHDO and other nonprofits is the level of low-income resident participation on the Board of Directors.

Community Development Block Grant Program (CDBG). Authorized by the Housing and Community Development Act of 1974 replacing several community development categorical grant programs. CDBG provides eligible metropolitan cities and urban counties (called "entitlement communities") with annual direct grants that they can use to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate-income persons.

Conciliation. Informal negotiations among an aggrieved person, the respondent, and other entities to resolve issues raised by a complaint or by the investigation of the complaint.

Conciliation Agreement. A written agreement resolving the issues in the conciliation.

Consolidated Plan (or the "**Plan**"). The document that is submitted to HUD that serves as the planning document of the jurisdiction and an application for funding under any of the Community Planning and Development formula grant programs (CDBG, ESG, HOME, or ADDI), which is prepared in accordance with the process prescribed in this part.

Conventional Loan. A private sector loan, one that is not guaranteed or insured by the U.S. government.

Cost Burden. The extent to which gross housing costs, including utility costs, exceed 30 percent of gross income, based on data available from the U.S. Census Bureau.

Credit History. History of an individual's debt payment; lenders use this information to gauge a potential borrower's ability to repay a loan.

Credit Report. A record that lists all past and present debts and the timeliness of their repayment; it documents an individual's credit history.

- D -

Discriminate and Discrimination. To segregate, separate, exclude or treat any person unequally only because of race, color, religion, national origin or ancestry, sex, age, or handicap.

Discriminatory Housing Practice. An act prohibited by federal, state or local laws, ordinances, rules and regulations.

Down Payment. The portion of a home's purchase price that is paid in cash and is not part of the mortgage loan.

Dwelling. Any building, structure or portion thereof which is occupied as a residence by one or more families, and any vacant land which is offered for sale or lease for the construction or location thereon of any such building, structure or portion thereof.

- E -

Elderly Person. An individual who is at least 62 years of age.

Emergency Shelter Grant (ESG). A federal grant program designed to help improve the quality of existing emergency shelters for the homeless, to make available additional shelters, to meet the costs of operating shelters, to provide essential social services to homeless individuals, and to help prevent homelessness.

Entitlement. An underlying formula governing the allocation of Block Grant funds to eligible recipients. Entitlement grants are provided to larger urban cities (i.e., population greater than 50,000) and larger urban counties (greater than 200,000).

- F -

Facility. All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock or other real or personal property or interest in the property.

Fair Housing Act. Legislation first enacted in 1968 and expanded by amendments in 1974 and 1988, which provides the Secretary with investigation and enforcement responsibilities for fair housing practices. Prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap, or familial status.

Familial Status. Families with children under the age of eighteen. This includes children living with legal custodians or an adult designated to care for the children; pregnant women; and, people in the process of securing custody of children such as adoption.

Family. All persons living in the same household who are related by birth, marriage or adoption.

Fannie Mae. A federally chartered, stockholder owned corporation which supports the secondary market for both conventional mortgages and mortgages insured by the FHA and guaranteed by VA.

Federal Housing Administration (FHA). An insuring entity established by legislation, administered by the Assistant Secretary for Housing, who is responsible for the department's various mortgage insurance programs.

Federal Regulation. Each federal department and agency that is empowered to extend federal financial assistance to any program or activity by way of grants or loans is authorized to effect provisions of various Acts by issuing regulations or rules.

Freddie Mac. A federally chartered stockholder owned corporation which supports the secondary market for conventional mortgages.

- H -

Handicap. Any condition or characteristic that renders a person an individual with handicaps.

HOME. Provides funds to local governments and states for new construction, rehabilitation, acquisition of standard housing, assistance to homebuyers, and tenant-based rental assistance.

Home Mortgage Disclosure Act (HMDA). The Home Mortgage Disclosure Act of 1975, as amended in 1989, requires 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.

Home Purchase Loan. Any loan secured by and made for the purpose of purchasing a dwelling.

Household. All the persons who occupy a housing unit. The occupants may be a single family, one person living alone, two or more families living together, or any group of related or unrelated persons who share living arrangements.

Housing Units. Actual housing units comprised of all single-family and multifamily residential units.

- I -

Impediments to Fair Housing Choice. Impediments are:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.

Insurance. Protection against a specific loss over a period of time that is secured by the payment of a regularly scheduled premium.

Interest. A fee charged for the use of money.

Interest Rate. The amount of interest charged on a monthly loan payment; usually expressed as a percentage.

- J -

Jurisdiction. A state or unit of general local government.

- L -

Long Island Housing Partnership, Inc. (LIHP). Not-for-profit developer of affordable housing. LIHP provides Technical Assistance to community based not-for-profits and assists for-profit developers to create affordable rental and ownership opportunities.

Long Island Housing Services, Inc. (LIHS). Non-profit that provides a wide range of fair housing services to Long Island residents, including mortgage counseling, landlord tenant mediation, discrimination testing, and similar activities.

Low- to Moderate-Income Census Tract. The median income of all residents in a census tract is 80 percent or less of the MSA's area median income.

Low- to Moderate-Income Persons. Persons living in households where the family income is between 0 to 80 percent of the area's median income, as determined by HUD with adjustments for smaller and larger families.

Low-Income Family. Family whose income does not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

Metropolitan Statistical Area (MSA). A metropolitan statistical area or a primary metropolitan statistical area, as defined by the U.S. Office of Management and Budget.

Middle-High Income Census Tract. Census tract whose residents earn 81 percent or more of the area median income.

Middle-Income Family. Family whose income is between 80 percent and 95 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 95 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

Migration. The movement of persons from one country, state, region or area to settle in another.

Minority and Middle-High Income Census Tract. Residents of minority background comprise 51 percent or more of a census tract's population and the median income of all residents in that census tract is 81 percent or more of the MSA's area median income.

Minority Census Tract. Residents of minority background comprise 51 percent or more of a census tract's population.

Minority-Majority. Racial and/or ethnic minorities comprise more than 50 percent of an area's population.

Moderate-Income Family. Family whose income does not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

Mortgage. A lien on the property that secures the promise to repay a loan.

Mortgage Application. The first step in the official loan approval process; this form is used to record important information about the potential borrower necessary to the underwriting process.

Mortgage Applications Denied. All home purchase loan applications rejected by a lender.

Mortgage Banker. A company that originates loans and resells them to secondary mortgage lenders such as Fannie Mae or Freddie Mac.

Mortgage Broker. A firm that originates and processes loans for a number of lenders.

Mortgage Insurance. A policy that protects lenders against some or most of the losses that can occur when a borrower defaults on a mortgage loan; mortgage insurance is required primarily for borrowers with a down payment of less than 20% of the home's purchase price.

Mortgages Originated. All home purchase loans approved and accepted by a lender. This includes the process of preparing, submitting, and evaluating the loan application; generally includes a credit check, verification of employment, and a property appraisal.

Multi-Family Dwellings. Properties that consist primarily of rental housing with five or more dwelling units such as apartments or town houses.

- N -

National Origin. HUD uses this term to capture discrimination against Hispanics, Asians, East Indians and immigrant groups.

Natural Increase. Population increase attributed to the number of births over deaths.

- O -

Offer. Indication by a potential buyer of a willingness to purchase a home at a specific price; generally put forth in writing.

Origination Fee. The charge for originating a loan; is usually calculated in the form of points and paid at closing.

- P -

Person with a Disability. A person who is determined to:

- (1) Have a physical, mental or emotional impairment that:
 - (i) Is expected to be of long-continued and indefinite duration;
 - (ii) Substantially impedes his or her ability to live independently; and
 - (iii) Is of such a nature that the ability could be improved by more suitable housing conditions; or
- (2) Have a developmental disability, as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001 6007); or
- (3) Be the surviving member or members of any family that had been living in an assisted unit with the deceased member of the family who had a disability at the time of his or her death.

Predatory Lending. Lending which contains fraud, excessive fees, hidden costs, unnecessary insurance, and other deceptive practices.

Principal. The amount borrowed from a lender; doesn't include interest or additional fees.

Privileges. All the legal benefits of living in the United States, such as the freedom to sell land, draft a will, or obtain a divorce.

Protected Class. Under fair housing law, defined as race, color, religion, sex, familial status, national origin or handicap.

- R -

Refinancing. Paying off one loan by obtaining another; refinancing is generally done to secure better loan terms (like a lower interest rate).

- S -

Single-Family Dwellings. Generally, dwellings that consist of four or fewer units.

Subprime Lending. Lending practice where borrowers with poor credit history are charged higher interest rates – also referred to as risk-based pricing.

Substantially Equivalent. Determination made by HUD that a state law or local municipal ordinance is substantially equivalent to the federal Fair Housing Act.

- T -

Total Personal Income. Includes the earnings (wages and salaries, other labor income, and proprietor's income); dividends, interest and rent; and transfer payments received by all residents.

- U -

Unit of General Local Government. A city, town, township, county, parish, village, or other general purpose political subdivision of a state; an urban county; and a consortium of such political subdivisions recognized by HUD in accordance with the CDBG program or the HOME program.

Universal Design. A type of building design that uses accessible features as basic elements of design.

Urban County. Area comprised of the unincorporated part of a county and participating cities, which collectively have a population in excess of 200,000 persons.

Visitability. A design concept, which for very little or no additional cost, enables persons with disabilities to visit relatives, friends and neighbors in their homes within the community.

Note: While some of these terms have universal application, others are defined solely as they apply to this document – local application only.