



FEDERAL HOME LOAN BANK
OF INDIANAPOLIS

Building Partnerships. Serving Communities.

Definitions & Acronyms



Advance – Loans FHLBI makes to its members (banks, credit unions, and insurance companies).

AHAC – Affordable Housing Advisory Council - comprised of 12 housing and community economic development representatives from Indiana and Michigan that advise the FHLBI Board of Directors on the district's housing needs.

AHC – Affordable Housing Committee of FHLBI Board

AHP – Affordable Housing Program - an FHLBI competitive grant program providing up to \$500,000 in subsidy for the acquisition, rehabilitation or new construction of affordable rental or for rehabilitation of owner-occupied or for-sale single family housing.

AMI - HUD's area median income (AMI) guidelines are the standard used to qualify homebuyers or renters for all FHLBI programs and other programs as well. The most current charts for all states can be accessed at www.huduser.org. Click on Datasets, Income Limits and then select the year and state.

Board – FHLBI Board of Directors

CDBG - Community Development Block Grant- Title 1 of the Housing and Community Development Act of 1974 replaced eight former categorical grant and loan programs with a system of unified block grants, under which communities of over 50,000 people are entitled to receive funding directly from HUD, while other communities may apply for discretionary funding. Its purpose is to encourage more broadly conceived community development projects and expand housing opportunities for low- and moderate-income persons.

CDFI - Community Development Financial Institution- An array of diverse institutions that lend to low-income and, increasingly, middle-income persons, Native American reservations and community development projects. Included are community development banks, credit unions, loan funds and micro-loan funds.

CFI - Community Financial Institution - Currently defined as an institution having average assets less than \$1.04 Billion and regulated by the FDIC.

CHDO – Community Housing Development Organization - A specific kind of not-for-profit organization dedicated to the development of affordable housing. In Indiana, *IHCDA* administers CHDO certifications. In Michigan, *MSHDA* administers the state CHDO designations, though “participating jurisdictions” can also grant CHDO certification.

CICA – Community Investment Cash Advance

CID – FHLBI's Community Investment Department

CIP – Community Investment Program - an FHLBI discounted advance for community economic development purposes.

Empowerment – Programs or services that assist residents to move toward better economic opportunities; i.e. daycare services, homeownership counseling, education and training

FHFA – Federal Housing Finance Agency – FHLBI regulator

FHLBI – Federal Home Loan Bank of Indianapolis

FHLMC - Federal Home Loan Mortgage Corporation (“Freddie Mac”). A private corporation authorized by Congress, whose primary purpose is to establish a secondary market for conventional home loans. Its money is generated by the sale of participation certificates secured by pools of conventional mortgage loans.

FNMA - Federal National Mortgage Association (“Fannie Mae”) A congressionally chartered private corporation (since 1938) that provides a secondary market for FHA, VA and conventional loans. Fannie Mae is the nation's largest private investor in American home mortgages.



FEDERAL HOME LOAN BANK
OF INDIANAPOLIS

Building Partnerships. Serving Communities.

Definitions & Acronyms



First-time homebuyer - An individual who meets any of the following criteria:

- 1) An individual and his or her spouse who has had no ownership in a principal residence during a three-year period ending on the date of the purchase of the property.
- 2) An individual who is a displaced homemaker and has only owned a home with a spouse.
- 3) A single parent who has only owned a home with a former spouse while married.
- 4) An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
- 5) An individual who has only owned a property that was not in compliance with state, local, or model building codes, or other applicable codes, and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.

Foreclosure - A legal procedure by which mortgaged property is sold, upon default, in order to satisfy a debt. Foreclosures generally are governed by state law, and rules may vary between states. For purposes of AHP, foreclosures include circumstances in which the owner has received a notice of default, a notice of trustee sale or notice of foreclosure sale, or that the property has been taken as "real estate owned" by the lender.

HOME Investment Partnership Program— federal housing development funding available through states and local units of government

Homebuyer Education - Educational programs providing potential homebuyers with the information they need to successfully purchase and own a home using AHP, HOP, or NSA.

Homeless Household - As defined or amended by HUD, a household made up of one or more

individuals, other than individuals imprisoned or otherwise detained pursuant to state or federal law, that:

- 1) Lacks a fixed, regular and adequate nighttime residence, or
- 2) Has a primary nighttime residence that is:
 - a) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill); or
 - b) An institution that provides a temporary residence for individuals intended to be institutionalized; or
 - c) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

OR

Individuals at imminent risk of homelessness or where a family or unaccompanied youth is living unstably. Imminent risk includes situations where a person must leave his or her current housing within the next 14 days with no other place to go and no resources or support networks to obtain housing.

Instability includes families with children and unaccompanied youth who:

- 1) are defined as homeless under other federal programs (such as the Department of Education's Education for Homeless Children and Youth program),
- 2) Have lived for a long period without living independently in permanent housing,
- 3) Have moved frequently, and
- 4) Will continue to experience instability because of disability, history of domestic violence or abuse, or multiple barriers to employment.

HOP – Homeownership Opportunities Program – FHLBI set-aside.



FEDERAL HOME LOAN BANK
OF INDIANAPOLIS

Building Partnerships. Serving Communities.

Definitions & Acronyms



Implementation Plan – Annual plan adopted by FHLBI Board to allocate and administer affordable housing funds.

IHCDA – Indiana Housing and Community Development Authority - A state-operated bank that finances residential mortgages and the development of rental housing. In addition, IHCDA administers the Low Income Housing Tax Credit and HOME Investment Partnership Programs in Indiana.
(<http://www.in.gov/ihcda/>)

LISC - Local Initiatives Support Corporation. LISC is a national not-for-profit organization that invests in the revitalization of urban and rural communities by channeling private resources from corporations, foundations and individuals to local community development corporations (CDCs) which are engaged in the development of affordable housing, vital community facilities and job-creating commercial projects.

LIHTC – Low Income Housing Tax Credit Program - An investment vehicle created by the federal Tax Reform Act of 1986. Tax credits permit investors in affordable rental housing (corporations, banks and individuals) to claim a credit against their tax liability for a period of 10 years. Tax credits are competitively allocated to for-profit and not-for-profit developers of affordable rental housing. Many projects use both LIHTC and AHP as funding sources.

Member(s) or Member Bank(s) – Used interchangeably to mean those banks or financial institutions that belong to the FHLBI. Being a member gives a financial institution the opportunity to borrow from the FHLBI and participate in the AHP, CIP and CICA programs.

MSHDA – Michigan State Housing Development Authority - Established to provide affordable housing to those with lower incomes. Provides financing directly to borrowers or through a network of private lending institutions. Administers the Low Income

Housing Tax Credit and HOME Investment Partnership Programs in Michigan.
(<http://www.michigan.gov/mshda>)

NIP – Neighborhood Impact Program – FHLBI set-aside - an FHLBI matching grant program to assist eligible homeowners with necessary rehabilitation.

NMTC - New Markets Tax Credit - Established within the Community Renewal Tax Relief Act of 2000, NMTC is intended to spur investment into a range of privately managed investment vehicles that make loans and equity investments to support community development.

NOI – Notification of Intent (to apply for an AHP competitive grant)

NSA – Neighborhood Stabilization Assistance – FHLBI set-aside - An FHLBI program that provides funds for down payment and closing cost assistance for houses assisted with federal Neighborhood Stabilization Program (NSP) funds ending December 31, 2012.

QAP - Qualified Allocation Plan, a state-adopted plan for the allocation of Low Income Housing Tax Credits (LIHTC).

Retention Requirements - Requirement that a project's units be provided to and remain occupied by qualified households for the duration of the compliance period (i.e., 15 years for rental projects and five years for owner-occupied projects). Members must ensure a recorded deed restriction or legally enforceable mechanism addressing retention requirement is in place.

Reservation - This means a specific number of units have been committed or set aside for targeted individuals, such as individuals with special needs or first-time homebuyers.



FEDERAL HOME LOAN BANK
OF INDIANAPOLIS

Building Partnerships. Serving Communities.

Definitions & Acronyms



Set-asides – Also referred to as Homeownership Initiatives - Up to 35% of FHLBI's annual AHP allocation

Shelter Project – Projects in which beds are provided as units. Typically, a single unit is counted as the number of beds occupied by unrelated individuals.

SHP - Supportive Housing Program - A federal program, authorized by Title VI of the Stewart B. McKinney Homeless Assistance Act of 1987, that provides financial assistance toward the development and operating cost of transitional housing for the homeless and permanent housing for the homeless and disabled. Grants may only be used to provide long-term housing opportunities.

Special Needs Housing - Housing in which at least 20 percent of the units are reserved for occupancy by households wherein at least one member is living with a mental, physical, or developmental disability, or a chronic mental condition.

Sponsor – Defined at 12 CFR § 1291.1 – A not-for-profit or for-profit organization or public entity that:

1. Has an ownership interest (including any partnership interest) in a rental project; or
2. Is integrally involved in a homeownership project, by exercising control over the planning, development or management of the project or by qualifying borrowers and providing or arranging financing for the owners of the units.

Sponsorship by a not-for-profit organization or government entity - Project sponsorship by a not-for-profit organization, a state or political subdivision of a state, a state housing agency, a local housing authority, a Native American Tribe, an Alaskan Native Village, or the government entity for Native Hawaiian Home Lands are considered in awarding points.

Other entities, including for-profits, may sponsor an application and receive AHP funding but cannot receive points for such sponsorship.

SRO - Single Room Occupancy - SRO building types contain efficiency-sized units for occupancy by one person.

Targeting – The allocation of income levels of the individuals that will occupy the housing. For example, to receive the maximum points in *targeting*, an AHP rental project must have 60 percent of its units *targeted* for individuals that are 50 percent or below median income.

Webinar – On-line meeting using toll-free conference call and shared computer screen viewing, primarily used for training purposes.

Note: For additional definitions and more detailed descriptions, please refer to Attachment A of the FHLBI Implementation Plan.