Glossary
Affordable Housing - Housing is considered to be affordable when a household can afford to buy the home without spending more than 30 percent of their gross household income on direct housing costs.

Brownfield Redevelopment – Brownfield redevelopment refers to the process of taking a piece of property that is contaminated with one or more hazardous substances, remediating the contamination, and returning the property to productive use and future development.

Buydown Mortgage - A temporary buydown is a mortgage on which an initial lump sum payment is made by any party to reduce a borrower's monthly payments during the first few years of a mortgage.

Closing Costs – Expenses (over and above the price of the property) incurred by buyers and sellers in transferring ownership of a property. Closing costs normally include an origination fee, an attorney’s fee, taxes, an amount placed in escrow and charges for obtaining title insurance and a survey. Closing costs percentage will vary according to the area of the country; lenders or real estate agent often provide estimates of closing costs to prospective homebuyers.

Community Land Trust - A community land trust (CLT) is a private nonprofit community organization that safeguards land in order to provide affordable housing opportunities. CLTs buy and hold land permanently, preventing market factors from causing prices to rise. CLTs build and sell affordably priced homes to families with limited incomes— the CLT keeps the price of homes affordable by separating the price of the house from the cost of the land. When a family decides to sell a CLT home, the home is resold at an affordable price to another homebuyer with a limited income.
(Source: www.cltnetwork.org)

Credit Report - A report of an individual’s credit history prepared by a credit bureau and used by a lender in determining a loan applicant’s creditworthiness.

Credit Score - Numerical score showing risk of default on loan.

Deed-in-Lieu - A deed given by a mortgagor to the mortgagee to satisfy a debt and avoid foreclosure. Also called a voluntary conveyance.

Deed-restricted Housing – Deed-restricted housing refers to instances where a legal document (the deed restriction) has been included in the land records for a property by the developer or the municipality. The deed restriction places limitations or restrictions on real estate, such as restrictions on the use of the property, and, in the case of workforce and affordable housing, restrictions on income and other characteristics of individuals and families who can purchase the property.

Downpayment – The part of the purchase price of a property that the buyer pays in cash and does not finance with a mortgage.

Employer-Assisted Housing - Employer-assisted housing is a benefit offered by an employer to help meet the housing needs of its employees. Employer-assisted housing has also been described as a variety of housing benefits employers can offer to help their workforce afford homes.

Exurban – Exurban areas are newly developing areas lying beyond the suburbs.

Foreclosure - The legal process by which a borrower in default under a mortgage is deprived of his or her interest in the mortgaged property. This usually involves a forced sale of the property at public auction with the proceeds of the sale being applied to the mortgage debt.

Foreclosure Intervention - Advice and actions that lead to alternatives to foreclosure, whether through loan forgiveness or modification, short sale, bringing loan current or other options. When seeking foreclosure intervention assistance, consumers should always consult HUD-approved counseling agencies and strictly avoid companies demanding advance payment for “guaranteed” loan workouts.
Foreclosure Prevention Counseling - Foreclosure counselors provide advice and services to help homeowners avoid foreclosure. Counselors review your mortgage and finances with you, discuss your options and help you find a solution that is best for you.

G

Grant – An employer-assisted housing grant is a one-time grant of funds from the employer to the employee in order to assist the employee with downpayment and closing costs.

I

Inclusionary zoning - Inclusionary zoning is a policy tool that ties the production of affordable homes to the production of new market-rate housing by requiring or providing incentives to encourage developers to reserve a share of units in new residential developments for low- or moderate-income households. (Source: www.nhc.org/iz-supplements.html)

L

Land Banking – Land Banking for workforce housing development refers to the process of reserving or setting aside land for the future development of workforce and affordable housing.

Loan – an employer-assisted housing loan is a loan provided by the employer to the employee to assist with the employee with a home purchase. Employer-assisted housing loans are typically used for downpayments and closing costs. The loans are typically secured by a lien on the property.

M

Matched Savings - With a matched savings plan, employee savings, up to a specified dollar amount, are matched by the employer at a stipulated ratio (1-to-1, for example), and placed in a fund that can only be used for the purchase of a home. The concept of an employer-matched savings plan is similar to employer matches provided for retirement plans such as 401Ks where the employer matches the amount invested by the employee up to a set level.

P

Place-based employer - A place-based employer is an employer, such as a university or hospital, with a large physical investment in the neighborhood such that they cannot easily move to another location.

S

Shared Equity - Shared equity represents a unique approach to affordable homeownership. Under this approach, a state or local government provides funding to help a family purchase a home. In return for this investment, the government entity shares in the benefits of any home price appreciation that may occur. The public’s share of the home’s appreciation may be used in two ways: it can either be returned to the government in the form of a cash payment that can be used to help another family or it can stay with the home, reducing the cost of that home for the next family. (Source: www.nhc.org/shared_equity_suite.html)

Streamlined permitting - Streamlined permitting, or expedited permitting, as it is also known, refers to a process whereby a community processes building permit applications, subdivision applications and land development applications faster for certain categories of use, such as for workforce and affordable housing. Streamlined permitting is designed to help reduce the cost of the housing units constructed.

W

Workforce Housing - Workforce housing is housing that is affordable to workers and close to their jobs. It is ownership and rental homes in a community that can be reasonably afforded by a moderate- to middle-income, critical workforce and located in acceptable proximity to workforce centers. The most common definition of workforce housing comes from the Urban Land Institute, which defines workforce housing as “housing that is affordable to households earning 60 to 120 percent of the area median income.” (Source: www.uli.org)

Z

Zoning - Zoning is a device of land use regulation used by local governments to segregate the use of land in the community and prevent incompatible land use, such as industrial uses in a residential area.