



## **Glossary – Government Agencies**

### Federal Agencies and Housing Finance Programs

#### **Consumer Financial Protection Bureau (CFPB)**

The Consumer Financial Protection Bureau (CFPB) is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. They aim to make consumer financial markets work for consumers, responsible providers, and the economy as a whole. Protect consumers from unfair, deceptive, or abusive practices and take action against companies that break the law. Educate people with the information, steps, and tools that they need to make smart financial decisions.

#### **Community Development Financial Institutions Fund (CDFI Fund)**

The Community Development Financial Institutions Fund (CDFI Fund) plays an important role in generating economic growth and opportunity in some of our nation's most distressed communities. By offering tailored resources and innovative programs that invest federal dollars alongside private sector capital, the CDFI Fund serves mission-driven financial institutions that take a market-based approach to supporting economically disadvantaged communities. These mission-driven organizations are encouraged to apply for CDFI Certification and participate in CDFI Fund programs that inject new sources of capital into neighborhoods that lack access to financing.

#### **Federal Housing Administration (FHA)**

The Federal Housing Administration, generally known as "FHA", provides mortgage insurance on loans made by FHA-approved lenders throughout the United States and its territories. FHA insures mortgages on single family and multifamily homes including manufactured homes and hospitals. It is the largest insurer of mortgages in the world, insuring over 34 million properties since its inception in 1934. FHA mortgage insurance provides lenders with protection against losses as the result of homeowners defaulting on their mortgage loans. The lenders bear less risk because FHA will pay a claim to the lender in the event of a homeowner's default. Loans must meet certain requirements established by FHA to qualify for insurance.

#### **The Federal Housing Finance Agency (FHFA)**

The FHFA was established by the Housing and Economic Recovery Act of 2008 (HERA) and is responsible for the effective supervision, regulation, and housing mission oversight of Fannie Mae, Freddie Mac (the Enterprises) and the Federal Home Loan Bank System, which includes the 11 Federal Home Loan Banks (FHLBanks) and the Office of Finance. Since 2008, FHFA has also served as conservator of Fannie Mae and Freddie Mac.

## **Department of Housing and Urban Development (HUD)**

The Department of Housing and Urban Development is the principal Federal agency responsible for programs concerned with the Nation's housing needs, fair housing opportunities, and improvement and development of the Nation's communities.

### U.S. Department of Housing and Urban Development (HUD) Programs:

#### **Rental Assistance Demonstration Program RAD**

The Rental Assistance Demonstration was created in order to give public housing authorities (PHAs) a powerful tool to preserve and improve public housing properties and address the \$26 billion dollar nationwide backlog of deferred maintenance. RAD also gives owners of three HUD "legacy" program (Rent Supplement, Rental Assistance Payment, and Section 8 Moderate Rehabilitation) the opportunity to enter into long-term contracts that facilitate the financing of improvements.

#### **Moving to Work (MTW)**

Moving to Work (MTW) is a demonstration program for public housing authorities (PHAs) that provides them the opportunity to design and test innovative, locally-designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. MTW gives PHAs exemptions from many existing public housing and voucher rules and more flexibility with how they use their Federal funds. MTW PHAs are expected to use the opportunities presented by MTW to inform HUD about ways to better address local community needs.

The Office of Public Housing Investments (OPHI), within the Office of Public and Indian Housing (PIH) at HUD headquarters, oversees the MTW Demonstration.

### HUD Community Planning and Development (CPD) Programs:

#### **Community Development Block Grant (CDBG)**

One of the longest-running programs of the U.S. Department of Housing and Urban Development, the CDBG program funds local community development activities such as affordable housing, anti-poverty programs, and infrastructure development. CDBG, like other block grant programs, differ from categorical grants, made for specific purposes, in that they are subject to less federal oversight and are largely used at the discretion of the state and local governments and their subgrantees.

#### *Entitlement Communities*

The CDBG entitlement program allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

### *State Administered CDBG*

Also known as the Small Cities CDBG program, States award grants to smaller units of general local government that carry out community development activities. Annually, each State develops funding priorities and criteria for selecting projects.

### *Section 108 Loan Guarantee Program*

CDBG entitlement communities are eligible to apply for assistance through the section 108 loan guarantee program. CDBG non-entitlement communities may also apply, provided their State agrees to pledge the CDBG funds necessary to secure the loan. Applicants may receive a loan guarantee directly or designate another public entity, such as an industrial development authority, to carry out their Section 108 assisted project.

### **Continuum of Care Program (CoC)**

The CoC Program is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

The Office of Special Needs Assistance Programs (SNAPS) offers grants through a competitive process for new construction; acquisition, rehabilitation, or leasing of buildings to provide transitional or permanent housing; rental assistance; payment of operating costs; supportive services; re-housing services; payment of administrative costs; and grants for technical assistance.

### **Emergency Solutions Grant (ESG)**

The ESG program provides funding to:

- (1) engage homeless individuals and families living on the street;
- (2) improve the number and quality of emergency shelters for homeless individuals and families;
- (3) help operate these shelters;
- (4) provide essential services to shelter residents,
- (5) rapidly re-house homeless individuals and families, and
- (6) prevent families/individuals from becoming homeless.

### HOME Investment Partnerships program (HOME)

The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

HOME funds are awarded annually as formula grants to participating jurisdictions (PJs). The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

#### *Community Housing Development Organizations (CHDOs)*

A Community Housing Development Organization (CHDO) is a private nonprofit, community-based, service organization that has, or intends to obtain, staff with the capacity to develop affordable housing for the community it serves.

The HOME Program guarantees CHDOs funds. At least 15 percent of a HOME participating jurisdiction's (PJ's) annual allocation must be set aside for affordable housing activities to be undertaken by CHDOs. These set-aside funds must be invested in eligible housing.

#### **Housing Opportunities for Persons with Aids (HOPWA)**

The Housing Opportunities for Persons with AIDS (HOPWA) Program is the only Federal program dedicated to the housing needs of people living with HIV/AIDS. Under the HOPWA Program, HUD makes grants to local communities, States, and nonprofit organizations for projects that benefit low-income persons living with HIV/AIDS and their families.

#### **Housing Trust Fund (HTF)**

The Housing Trust Fund (HTF) provides funding to construct, rehabilitate and preserve permanent rental and homeownership housing, primarily for extremely low-income families. At least 80 percent of the funds must be used for the production, preservation, rehabilitation, or operation of rental housing. Up to 10 percent can be used for the following homeownership activities for first-time homebuyers: production, preservation, and rehabilitation; down payment assistance, closing cost assistance, and assistance for interest rate buy-downs.

#### **Rural Housing Stability Assistance Program**

Provides re-housing and help for individuals moving from emergency or transitional shelters to permanent housing, or improves the housing situations of individuals and families who are homeless or in the worst housing situations in the geographic area; stabilizes the housing of individuals and families who are in imminent danger of losing housing; and improves the ability of the lowest-income residents of the community to afford stable housing.

#### HUD Federal Housing Administration (FHA) Programs:

#### **Emergency Capital Repairs Program**

This program provides grants for substantial capital repairs to eligible multifamily projects with elderly tenants that are needed to rehabilitate, modernize, or retrofit aging structures, common areas, or individual dwelling units. The capital repair needs must relate to items that present an immediate threat to the health, safety, and quality of life of the tenants. The intent of these grants is to provide one-time assistance for emergency items that could not be

absorbed within the project's operating budget, and where the tenants' continued occupancy in the immediate future would be called into question by a delay in initiating the proposed cure.

**Mark-to-Market Program**

Preserves long-term low-income housing affordability by restructuring FHA-insured or HUD-held mortgages for eligible multifamily housing projects.

**Mortgage Insurance for Cooperative Housing (Section 213)**

Federal mortgage insurance to finance cooperative housing projects.

**Mortgage Insurance for Manufactured Home Parks (Section 207)**

Federal mortgage insurance to finance construction or rehabilitation of manufactured home parks.

**Mortgage Insurance for Purchase or Refinance of Existing Multifamily Rental Housing (Sections 207 and 223(f))**

Federal mortgage insurance under Section 207 of the National Housing Act pursuant to Section 223(f) of the National Housing Act for the purchase or refinancing of existing apartment projects; to refinance an existing cooperative housing project; or for the purchase and conversion of an existing rental project to cooperative housing.

**Mortgage Insurance for Rental Housing for the Elderly (Section 231)**

Federal mortgage insurance to finance the construction or rehabilitation of multifamily rental housing for the elderly and/or persons with disabilities.

**Mortgage Insurance for Rental Housing for Urban Renewal and Concentrated Development Areas (Section 220)**

FHA mortgage insurance is issued to finance mortgages for housing in urban renewal areas, areas in which concentrated revitalization activities have been undertaken by local government, or to alter, repair, or improve housing in those areas.

**Mortgage Insurance for Supplemental Loans for Multifamily Projects (Section 241)**

Federal mortgage loan insurance to finance improvements and additions to, and equipment for, multifamily rental housing and healthcare facilities.

**Multifamily Housing Service Coordinators**

Provides assistance to elderly individuals and persons with disabilities living in federally assisted multifamily housing to obtain needed supportive services.

**Multifamily Mortgage Risk-Sharing Programs (Sections 542(b) and 542(c))**

Two multifamily mortgage credit programs under which Fannie Mae, Freddie Mac, and state and local housing finance agencies share the risk and the mortgage insurance premium on multifamily housing.

### **Multifamily Rental Housing for Moderate-Income Families (Section 221(d)(3) and (4))**

Mortgage insurance to finance rental or cooperative multifamily housing for moderate-income households, including projects designated for the elderly. Section 221(d)(3) and (4) are HUD's major insurance programs for new construction or substantially rehabilitated multifamily rental housing.

### **Single Family Housing Programs**

Federal mortgage insurance to finance homeownership and the construction and financing of housing. Homebuyers may obtain FHA-insured mortgages from HUD-approved lenders to purchase homes (including condominium units) with low down payments. By insuring commercial lenders against loss, HUD encourages them to invest capital in the home mortgage market. HUD insures loans made by private financial institutions a portion of the sales price with terms for up to 30 years. The loan may finance homes in both urban and rural areas. The maximum mortgage amounts are at least \$271,050 in all areas, with higher limits in areas with higher median house prices up to a maximum of \$729,750 for one-unit homes through December 31, 2013. Higher limits also exist for two- to four-family properties. The loan limits change annually, based on home price estimates. The limits are benchmarked to the loan limits of the Government-Sponsored Enterprises, Fannie Mae and Freddie Mac. The mortgagee collects from the borrower an up-front mortgage insurance premium payment, which may be financed, at the time of loan closing, as well as annual premiums that are not financed, but included in the regular mortgage payment.

### **Supportive Housing for Persons with Disabilities Section 811**

Through the Section 811 Supportive Housing for Persons with Disabilities program, HUD provides funding to develop and subsidize rental housing with the availability of supportive services for very low- and extremely low-income adults with disabilities. The newly reformed Section 811 program is authorized to operate in two ways: (1) the traditional way, by providing interest-free capital advances and operating subsidies to nonprofit developers of affordable housing for persons with disabilities; and (2) providing project rental assistance to state housing agencies. The assistance to the state housing agencies can be applied to new or existing multifamily housing complexes funded through different sources, such as Federal Low-Income Housing Tax Credits, Federal HOME funds, and other state, Federal, and local programs.

### **Supportive Housing for the Elderly Program Section 202**

The Section 202 program provides capital advances (no interest loans that are forgiven as long as affordability requirements are met for 40 years) and Project Rental Assistance Contracts (PRACs) for the construction or substantial rehabilitation and operation of residential projects and related facilities for the elderly. Housing financed under this program may include appropriate support services for elderly persons who are frail or at risk of being institutionalized.

HUD Public Housing Programs:

### **Choice Neighborhoods**

A competitive grant program to transform neighborhoods of poverty into vibrant, mixed-income neighborhoods.

### **Homeownership Voucher Program**

Public housing agencies (PHAs) may elect to administer the Homeownership Voucher Program as a component of the broader Section 8 Housing Choice Voucher program, where eligible participants use the monthly housing assistance payment (HAP) provided by the voucher to help pay the homeownership expenses for a housing unit that they purchase in accordance with HUD regulations, rather than the traditional application of the voucher toward rent payments.

### **Section 8 Housing Choice Voucher Program**

The housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects.

Housing choice vouchers are administered locally by public housing agencies (PHAs). The PHAs receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program.

### **Section 8 Project Based Rental Assistance**

Rental assistance for eligible families who live in specific housing developments or units. Project-based vouchers are a component of a public housing agencies (PHAs) housing choice voucher program. A PHA can attach up to 20 percent of its voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set-aside a portion of the units in an existing development.