Glossary of HUD-Related Terms and Programs

Activities of Daily Living (ADLs)
ADLs are the daily activities an individual performs for self-care including eating, bathing, grooming, dressing and home management activities. Some individuals may be able to perform these activities on their own but may require some minor assistance.

Adjusted Annual Income
Annual (gross) income reduced by deductions (or allowances) for dependents, elderly households, medical expenses, disability assistance expenses, and child care. This figure is used to determine the share of rent and the offset amount of subsidy for each resident/applicant family. Annual income is used to determine eligibility for assisted housing, while adjusted income is used to determine tenant rent payments. (See Certification)

Affordable Housing
Typically, housing for which the occupant(s) is/are paying no more than 30% of his or her income for gross housing costs, including utilities. It must be noted that some jurisdictions may define affordable housing based on other, locally determined criteria.

Aging-in-Place
A philosophy whereby seniors are afforded the ability to remain in their independent residence for as long as possible with access to needed supports and services to maintain their independence.

American Association of Homes and Services for the Aging (AAHSA)
A national association for non-profit aging service providers, AAHSA currently represents over 5,000 not-for-profit facilities providing elderly housing and other living arrangements for the elderly.

Americans with Disabilities Act (ADA)
Federal law that prohibits discrimination against individuals with physical handicaps, including hiring practices and design of buildings intended to serve the public.

Appropriations
An authorization by an Act of Congress to incur obligations for specified purposes and to make disbursements from the Treasury.

Assisted Housing
As opposed to assisted living, and sometimes thought synonymous with public housing, assisted housing refers to the stock of privately owned and/or operated housing projects. Most assisted housing for the elderly falls under the following programs: Section 202, Section 221(d)(3), Section 236, Section 231 or Section 232.

The term “assisted” refers to the portfolio of HUD facilities having either FHA-mortgage insurance, or a federal mortgage interest subsidy to help to keep rents affordable to low- or very-low income persons. The projects receive project-based rental assistance.
**Assisted Living Conversion Program (ALCP)**
Refers to Section 202 owners interested in converting facilities or portions of facilities (no less than 5 units) to licensed assisted living. The grant program would cover facility modification and upgrades, including creating of office, common areas and/or dining/kitchen facilities needed to operate the program, but the services component must be paid for by other (non-HUD) funds.

**At-risk Elderly Person**
This is an individual 62 years of age or older who is unable to perform one or two ADLs.

**Authorization**
Specific authority in the form of a law that is necessary before a program can be carried out and funds can be appropriated.

**Automatic Annual Adjustment Factor (AAF)**
A guaranteed automatic rent increase based on a predetermined calculation regardless of actual funds needed to operate the project and pay debt service. Section 202/8 projects and some insured or non-insured Section 8 new construction or substantial rehabilitation projects that received fund reservations in the 1970s receive this benefit. This practice was stopped by Notice in 1995, which limited increases to the local OCAF if the current rents were at or below Fair Market Rents.

**Basic Rent (Section 236)**
One of four possible rent variables used to determine individual tenant rent payments in Section 236 projects. Basic rent is the operating costs of the project, including the mortgage payments at 1% interest and the utility costs for the dwelling unit paid by the owner. (See also, Fair Market Rent, Section 236 Market Rent, and Adjusted Annual Income.)

**Budget Authority**
Authority provided by law to enter into obligations that will result in immediate or future outlays of federal funds.

**Capital Advance**
Created in 1990 by the Cranston-Gonzales Act, this HUD program assists private, nonprofit corporations to finance the acquisition, construction or rehabilitation of housing for the elderly (Section 202/PRAC) or disabled (Section 811/PRAC). It has a 40-year term and does not have to be paid back, provided the project continues to serve the low-income population for which it was initially intended.

**Certificates**
Section 8 housing assistance payment program administered by local Public Housing Authorities (PHAs). Housing certificates are issued primarily to very low-income families and a limited number of low-income families with a limit on the amount based on local Fair Market Rents (FMRs). Certificates are also issued to families currently living in projects with project-based subsidies where an owner is opting out of participation in the program.
Certification also “Recertification”
The documentation and verification process required of HUD managers in order to determine initial income and eligibility during the application process. The “initial certification” is used for applicants/new tenants to establish the amount of rental assistance subsidy which the applicant or tenant is eligible to receive. Recertification is required at least once each year or if the household has any significant income changes.

Residents receiving federal rental assistance usually pay 30% of their annual adjusted income, and the rental assistance payment (i.e. Section 8 or PRAC) makes up the difference between the resident payment and the unit rent level.

Community Development Block Grant (CDBG)
Created under the Housing and Community Development Act of 1974, this program provides grant funds to local and state governments to develop viable urban communities by providing decent housing with a suitable living environment and expanding economic opportunities to assist low- and moderate-income residents.

Community Service Coordination
Community service coordination is an approach by service coordinators (SCs) which recognizes the need to deliver services to seniors, persons with disabilities and low-income families who reside in affordable rental and resident-owned housing not located in housing developments. SCs who serve these populations are usually based in a housing development agency or a government housing agency or nonprofit/governmental community based service agency.

Congregate Housing
Apartments or cottages in which residents pay a monthly fee that includes rent, utilities, one to three congregate meals daily; one or more of housekeeping/chore services; 24-hour emergency response; and essential transportation. Personal care services are individually contracted between residents and private vendors.

Congregate Housing Services Program (CHSP)
Begun in 1981, CHSP is a program designed to provide meals, expanded services and funding for retrofit and certain modernization activities in housing projects for the frail elderly and non-elderly disabled. Congress renews CHSP existing grantees annually. New competitive grants have not been funded by 1995.

Consolidated Plan
A requisite for the Community Development Block Grant (CDBG), the Consolidated Plan is a revolving 5-year plan identifying community needs and funding expenditure priorities that is conducted at the state and/or local level in consultation with local residents and agencies. The goal of the Consolidated Plan is to coordinate the use and distribution of various federal funds allocated to a specific jurisdiction. (See also Community Development Block Grant)
Cranston-Gonzalez Act
See National Affordable Housing Act of 1990

Deep Subsidy
Programs narrowly targeted to serve those most in need, such as the later Section 202 programs, serving very low-income persons (as opposed to low-income persons or a mix of income groups). This kind of targeting required a deeper level of assistance for eligible applicants than programs that serve people who have greater income and need less federal financial assistance.

Department of Housing and Urban Development (HUD)
Part of the President’s Cabinet-level Administration, HUD has responsibility for all federal housing policies and programs. Senior housing projects have been developed under a number of programs (e.g. Sections 202, 221 and 236). The Section 202/PRAC Supportive Housing for the Elderly is the only program currently funding new construction.

Disabled Family
A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.

Elderly Household
A household comprised of one or more persons at least one of whom is 62 years of age or more at the time of initial occupancy.

Elderly Housing
A class of facilities which are exempt from the familial status provisions of the Fair Housing Amendments Act and is not to be confused with the statutory term of “Housing for Older Persons.” Elderly housing is a loose term indicating intended target group for which the sponsor developed the housing.

Elderly Person
HUD defines an elderly person as an individual who is at least 62 years of age.

Enhanced Vouchers
Vouchers given to low-income residents who elect to remain living at a property that was previously a Section 8 project-based property. This occurs when a for-profit owner elects to not renew an expiring project-based rental assistance contract and convert the property to market rate, oftentimes raising the rent beyond the means of the current low-income tenants. A tenant-based voucher is given to the resident to remain at the current location and enhanced vouchers are issued to make up the difference between previously subsidized and new market rent levels.
Enterprise Zones (EZ)
Designated areas for which governments provide special incentives to encourage job creation and entrepreneurship in distressed inner cities and rural areas. Enterprise zones were authorized at the Federal level by the Housing and Community Development Act of 1987.

Excess Rental Income (or Excess Rents) (in Section 236 Projects)
A HUD term applied to Section 236 projects. Excess income or excess rent refers to the amount paid by residents which is more than the Section 236 basic rent but less than the market rent.

Extremely Low (or very low) Income
A household whose income is no higher than 30% of the area median income – the Quality Work and Housing Responsibility Act (QWHRA) of 1998 (implemented in April 2000) requires that no less than 40% of new Section 8 assisted unit leases each year is to be targeted to extremely low income families.

Fair Housing Act and Fair Housing Amendments Act (FHAA)
FHA is a national policy to protect against violations of housing rights. It prohibits discrimination in housing and lending based on race, color, religion, sex, national origin, handicap or familial status (including children under 18 living with their parents or legal custodians; pregnant women and people securing custody of children under 18). Some states include three additional protected classes to the above; age, sexual orientation and marital status.

For further and specific reference, visit HUD’s website, www.hud.gov/fairhousing.

Fair Housing and Equal Opportunity (FHEO)
The Department of Housing and Urban Development’s (HUD) Office of Fair Housing and Equal Opportunity (FHEO). The Assistant Secretary for FHEO supervises HUD’s housing and community development activities to promote fair housing and equal opportunity for all, regardless of race, religion, sex or national origin. He or she also promotes equal opportunity for disabled people and families with children.

Fair Market Rents (FMR)
Primarily used to determine payment standard amounts for the Housing Choice Voucher (HCV) program, to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment (HAP) contracts in the Moderate Rehabilitation Single Room Occupancy program, and to serve as a rent ceiling in the HOME rental assistance program.
**Familial Status**
Familial status means one or more individuals (who have not attained the age of 18 years) being domiciled with: a parent or other person having legal custody of such individual(s); or the designee of such parent or other person having such custody. Also applies to any person who is pregnant or is in the process of securing legal custody of any individual who has not attained the age of 18 years. (see *Fair Housing Amendments Act*)

**Family Self-Sufficiency Program (FSS)**
Promotes the development of local strategies to coordinate public and private resources that help *Housing Choice Voucher (HCV)* program participants and *public housing* tenants obtain employment that will enable participating families to achieve economic independence. The Family Self-Sufficiency (FSS) program is administered by *public housing agencies (PHAs)* with the help of program coordinating committees (PCCs).

**Farmers Home Administration (FmHA)**
The Farmers Home Administration is the part of the U.S. Department of Agriculture whose purpose is to administer loans, grants and related assistance for housing and community facilities for low-income rural persons and their communities. Many FmHA programs come under these *Section 515* projects.

Within the last few years, *Rural housing* programs, such as *Section 515*, were placed under the jurisdiction of the *Rural Housing Service (RHS)*, but the name and acronym of Farmers Home is still well-known.

**Federal Housing Administration (FHA)**
A division of the *Department of Housing and Urban Development (HUD)*, FHA’s main purpose is to issue mortgage insurance on mortgages made by private lenders.

**Federal Housing Administration (FHA) Mortgage**
A mortgage made by a private lender according to the underwriting guidelines of FHA, which then issues insurance to protect the lender from default by the borrower.

**Federal Preferences**
With the *Quality Work Housing Responsibility Act (QWHRA)* of 1998, the requirement to recognize the three main federal preferences (for person(s) who are: homeless/living in substandard housing; paying more than half of their income for rent; involuntarily displaced) was permanently eliminated. Owners still have the option to use any one or combination of the three.

**Federal Register**
Published by the Office of the Federal Register, National Archives and Records Administration (NARA), the Federal Register is the official daily publication for rules, proposed rules, and notices of federal agencies and organizations, as well as executive orders and other presidential documents.
Flexible Subsidy
The Flexible Subsidy (or Flex Sub) program was designed to maintain the use of the property for low- and moderate-income people. It provides assistance for troubled multifamily projects, as well as capital improvements for both troubled and stable projects. While there are properties with Flex-sub loans or grants, from 1998-2000 grants were made to Section 202 projects only and no awards have been made under this program since 2001.

Frail Elderly Person
This is an individual 62 years of age or older who is unable to perform at least three ADLs.

Health Insurance Portability and Accountability Act of 1996 (HIPAA)
HIPAA covers three areas: insurance portability, fraud enforcement and administration simplification. The oversight of HIPAA comes from the Office for Civil Rights, Department of Health and Human Services.

Home Program (HOME Investment Partnerships Program)
Provides formula grants to states and localities that communities use — often in partnership with local nonprofit groups — to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership, or to provide direct rental assistance to low-income people.

Homeownership Voucher Assistance
Help for voucher families buying homes. A public housing agency (PHA), at its option, may provide monthly assistance to families that have been admitted to the Section 8 Housing Choice Voucher program in accordance with HUD regulations, that meet certain criteria, and that are purchasing homes in an amount that would otherwise have been provided to that family as tenant-based voucher assistance.

Household
One or more persons occupying a housing unit.

Housing Assistance Payment (HAP) Program/Contracts
The payment made by the Section 8 contract administrator to the owner of an assisted unit provided in the contract. This includes either the difference between the gross rent and the total tenant payment or the difference between a payment standard and 30% of the family’s monthly adjusted income (voucher program).
Housing Choice Voucher Program (HCV)
A tenant-based voucher assistance program that provides rental subsidies for standard-quality units that are chosen by the tenant in the private market. The following is a short list of key features:

- Targeting and Eligibility. Seventy-five percent of newly available vouchers at a public housing agency (PHA) must go to families with incomes below 30% of the area median income. In general, eligibility for the new vouchers is limited to:
  - Very low-income families;
  - Low-income families previously assisted under the public housing, Section 23, or Section 8 project-based housing programs;
  - Low-income families that are non-purchasing tenants of certain homeownership programs;
  - Low-income tenants displaced from certain Section 221 and 236 projects; or
  - Low-income families that meet PHA-specified eligibility criteria

Housing for Older Persons
The term “Housing for Older Persons” is a legal one used for the purpose of claiming an exemption from the familial status provisions of the Fair Housing Amendments Act. The three categories include HUD Secretary designated state or federally assisted elderly housing programs; housing exclusively for persons 62 or older; and, 55 and over (depending on the housing assistance program).

Housing Opportunities for Persons With AIDS (HOPWA)
HUD program that provides housing assistance and supportive services to low-income people with HIV/AIDS and their families. HOPWA funds may also be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services.

Income Targeting
With the Quality Work and Housing Responsibility Act (QWHRA) of 1998, (as implemented in April 2000), it is required that no less than 40% of new Section 8 assisted unit leases each year are to be targeted to extremely low income families.

Independent Housing for the Elderly
Communities that provide a secure residential environment for elderly individuals who do not need or want the higher levels of care and supervision found in sub-acute care facilities, such as nursing homes. The elderly residents of housing communities have their own apartments, each providing maximum privacy and independence.

Interest Reduction Subsidies
The monthly payments or discounts made by HUD on behalf of Section 236 and Below-Market Interest Rates (BMIR) projects to reduce the debt service payments and, as a result, the rents necessary to sustain project operation.
Interim Rule
When an interim rule is published, it is in effect until comments are taken in and a final rule is published. A *proposed rule*, on the other hand, is suggestive language up for comment that is not effective until interim or final language is published.

Layered Subsidy
Refers to programs/projects that have more than one type of assistance, for example a 221(d)(3) mortgage insurance program and a *Section 8* rental assistance subsidy.

From a Congressional and administrative point of view, subsidy layering can be problematic when funding for project development or programming comes from more than one source and may have overlapping or contradictory use restrictions. Developers must be vigilant in subsidy layering so that total project/programming finances do not exceed total project need.

Live-in Aide
A person who resides with one or more *elderly or disabled persons* who is determined to be essential to the care and well-being of the person(s); she/he is not obligated for their support; and would not be living in the unit except to provide the necessary supportive services.

Loan Management Set Aside (LMSA) Program
The goal of the LMSA program was to provide assistance to existing *HUD* insured or *HUD*-held projects with immediate or potentially serious financial difficulties. *HUD* enters into *Housing Assistance Payment (HAP)* contracts directly with the owners of the projects. By attaching *Section 8* assistance to the projects, defaults under the *FHA insurance program* can be minimized and, therefore, outlays can be reduced.

Logic Model
A diagram or document that describes the key relationships among program elements and the results. Therefore, the measurements of success are defined and identified.

Low Income
A *household* whose income does not exceed 80% of the median income for the area, as determined by *HUD*, with adjustments for smaller or larger families. *HUD* may establish income ceilings higher or lower than 80% of the median for the area median 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.
Low-Income Housing Preservation and Resident Homeownership Act (LIHPRH)
LIHPRH was established as a permanent, comprehensive preservation program for the new development or substantial rehabilitation of multifamily dwellings to house low-income and moderate-income residents. Owners receive an interest rate reduction on their mortgage loans in return for making the rental-housing units available to low- and moderate-income residents through the term of a 20-year mortgage. After 20 years, for-profit owners can pay the balance of the mortgage.

There has been no funding for this program since 1995.

Low Income Housing Tax Credit (LIHTC)
A tax incentive intended to increase the availability of low-income housing. The program provides an income tax credit to owners of newly constructed or substantially rehabilitated low-income rental housing projects.

Managed Care
A concept in which an organization negotiates with a limited or select group of health care and other providers of service for preferred or set charges for services and care. Managed care emphasizes prevention, risk/reward sharing and appropriate utilization of services based on consumer and community needs for an outcome of maximum health and well-being at lower overall costs.

Market Rate Rent
The prevailing monthly cost for rental housing. It is set by the landlord without restrictions.

Median Income
This is a statistical number set at the level where half of all households have income above it and half below it. The HUD Regional Economist calculates and publishes this median income data annually in the Federal Register.

Minimum Rent
A minimum amount residents of HUD housing are required to pay per month. Currently, the policy for public housing allows for a minimum of up to $50 to be set by the local PHA. In assisted housing, a determination was made that all persons would pay a $25 minimum, unless they fall under one of the exemptions including head of household, spouse or co-head being over the age of 62 or disabled. (See also, Total Tenant Payment (TTP))

Moderate Income
Households whose incomes are between 8% and 95% of the median income for the area, as determined by HUD, with adjustments for smaller or larger families.
Moderate Rehabilitation
The purpose of the Moderate Rehabilitation program, administered by Public Housing was to upgrade substandard rental housing and to provide rental subsidies for low-income families that occupy the rehabilitated units. This program is inactive, but facilities still exist which were funded under this program.

Monthly Insurance Premium (MIP)
For properties that have FHA insurance, borrowers pay a monthly insurance premium as part of the monthly mortgage payment to the mortgagee, which in turn forwards that insurance premium to HUD to create a reserve fund. This fund is used to pay a mortgagee should a default occur and the mortgagee exercises its option to assign the mortgage to the department and request reimbursement of the outstanding mortgage principal.

Mortgage Insurance Programs
FHA Mortgage Insurance is a credit enhancement tool that insures mortgage lenders against default. A mortgagee must be approved for participation in the mortgage insurance programs. The mortgagee files an application with the HUD office for mortgage insurance on behalf of a for-profit or nonprofit borrower, or mortgagor. In exchange for the insurance, a mortgagee can offer a reduced interest rate to the borrower. The owners of properties insured through an FHA mortgage insurance program are responsible for maintaining the habitability of the property and adhering to prescribed HUD requirements. Mortgage insurance programs are most often used to finance elderly housing include Section 221(d)(3) Below Market Interest Rate and Section 236.

Multifamily Housing, Office of
The Office of Multifamily Housing administers a variety of HUD financing programs such as the 202 elderly housing program, the 811 program for the disabled, the 236 and 221(d)(3) mortgage financing programs and the Project-based Section 8 subsidy program. The Deputy Assistant Secretary for Multifamily Housing is responsible for the production and management of multifamily housing communities that are built privately owned and insured under the National Housing Act or assisted with Section 8 or PRAC funds.

National Affordable Housing Act of 1990
Also known as the “The Cranston-Gonzalez Act.” It changed Section 202 from a direct loan to a capital advance program with a 40 year term, created a new subsidy known as the project rental assistance contract (PRAC), and restricted eligibility for 202/PRAC’s to households in which the head of the household or spouse is at least 62 (creating an 811/PRAC program for person with disabilities.)

National Affordable Housing Management Association (NAHMA)
NAHMA is a national organization that advocates on behalf of multifamily property owners and managers. NAHMA’s mission is to support legislative and regulatory policy that promotes the development and preservation of decent and safe affordable housing.
National Association of Housing and Redevelopment Officials (NAHRO)
NAHRO is a national organization that advocates for the provision of adequate and affordable housing and strong, viable communities for all Americans—particularly those with low- and moderate-incomes. Their members administer HUD programs such as Public Housing, Section 8, CDBG and HOME.

National Council of State Housing Agencies (NCSHA)
NCSHA is a national organization that advocates on behalf of state housing finance agencies (HFAs). NCSHA’s members are the HFAs of every state as well as affiliate member companies that work in the affordable housing field.

Naturally Occurring Retirement Community (NORC)
A naturally occurring retirement community, or NORC, is a community of a large concentration of older adults, be it a senior housing complex or neighborhood where older adults have chosen to remain as they have aged. Some NORCs have simply evolved, complete with nearby grocery stores, pharmacies, recreation and social services. Other NORCs have benefited from a more planned approach that integrates older adult housing with transportation, medical services, shopping, recreation, and in-home services.

The major benefit of a NORC is the access it gives older persons to an integrated continuum of care that they need to age in place successfully in the neighborhood in which they live, however "neighborhood" is defined. While NORCs are not new, what is innovative is the trend toward public/private partnerships that is developing to build capacity for the kinds of communities that sustain quality of life, well being, dignity, and independence.

New Construction and Substantial Rehabilitation
Authority for the various Section 8 new construction and substantial rehabilitation programs was repealed by the Housing and Urban-Rural Recovery Act of 1983, except in connection with the old Section 202 direct loan program (for elderly and handicapped) and projects in the pipeline.

Nonprofit Housing
Nonprofit housing is developed by nonprofit corporations with a community board of directors and mission. Most housing developed by nonprofit housing developers is affordable with rents or prices below market-rate. Income generated from the housing is put back into the mission of the organization, rather than being distributed to stockholders or individual investors as would be the case in for-profit housing.

Notice of Funding Availability (NOFA)
NOFA’s are HUD announcements posted in the Federal Register announcing the availability and funding amounts for several HUD programs.
Olmstead Decision
A July 1999 Supreme Court decision that challenges federal, state and local governments to develop more opportunities for individuals with disabilities through more accessible systems of cost-effective community-based services. The Olmstead decision interpreted Title II of the Americans with Disabilities Act (ADA) and its implementing regulation, requiring states to administer their services, programs and activities “in the most integrated setting appropriate to the needs of qualified individuals with disabilities.”

Medicaid can be an important resource to assist states in meeting these goals. However, the scope of the ADA and the Olmstead decision are not limited to Medicaid beneficiaries or to services financed by the Medicaid program. The ADA and the Olmstead decision apply to all qualified individuals with disabilities regardless of age.

Operating Subsidies
Payments authorized by the U.S. Housing Act of 1937 for operating costs of low-rent public housing projects to assure the low-income character of the projects involved.

Outcome
A change in attitudes, behaviors, knowledge, skills, status or levels of functioning expected as a result of programs or services.

Outcome Measure
Used to measure the success of a system or program. Outcome measures should be easily understood; quantifiably measurable, meaning that the data can be collected, analyzed and reported.

Performance measure
An indicator to determine whether services or programs are reaching the desired results.

Person(s) with Disabilities
Includes the term “disabled person” and means a person who: (a) has a disability as defined in Section 23 of the Social Security Act; (b) has a physical, mental, or emotional impairment that (1) is expected to be of long-continued and indefinite duration; (2) substantially impedes his or her ability to live independently; and (3) is of such a nature that such ability could be improved by more suitable housing conditions; OR (c) has a developmental disability.

“Pipeline”
Projects “in the pipeline” are currently in the process somewhere between application and final funding. This term also refers to specific projects where proposals were submitted under authority of one program and do not reach final closing until after that program has expired and/or a new program has begun. “Pipeline” projects may assume a slightly different nature than projects that are clearly within one specific program.
**Portfolio Reengineering/Mark to Market**
A concept with the general intent to make individual facilities less or non-reliant on federal forms of assistance or subsidy. For *FHA-insured* properties with rents in excess of comparable rents in their area, the owner must elect to either opt out or mark rents down to meet those comparables.

**Prepayment**
Several of *HUD*’s multifamily *mortgage insurance programs* provide subsidies to projects so that units will be affordable by *low- and moderate-income* families. These programs include the *Section 221(d)(3) Below Market Interest Rate (BMIR)* program, the *Section 236 program*, and, when combined with *Section 8* or rent supplement assistance, the *Section 221(d)(3) Market Rate* program. Regulations applicable to these programs generally provide that the mortgage may be prepaid during the first 20 years of the mortgage with *HUD*’s consent and, after that, without *HUD*’s consent.

**Pre- or Post- (1990) Universe**
This terminology is used only when referring to *Section 8* and *PRAC* projects. These “universes” are the result of legislation passed in 1990 that divided *Section 8* programs based on the original *HAP* contract date. Those *HAP contracts* effective before October 1, 1990 are considered “pre-universe” and those effective on or after October 1, 1990 are considered “post-universe.”

*Pre-universe* rules limit the admission of *low-income* tenants to 25 percent of the units under contract at the specified date. However, no project-by-project limitation on admissions has been imposed.

*Post-universe* rules limit new admissions to only *very low-income* applicants, unless *HUD* approves an exception.

**Project Based Rental Assistance**
Payments made to owners of private housing on behalf of qualified *low- and very low-income* tenants, generally through project-based *Section 8* or *PRAC*.

**Project Rental Assistance Contract (PRAC)**
The *PRAC* is the contract entered into by the owner and *HUD* setting forth the rights and duties of the parties with respect to the project and the payments under the *PRAC*. *PRACs* operate very similarly to *Section 8*. The 1995 Rescission Act changed the term of the subsidy from 20 years to 5 years. (see *Section 202/PRAC*)

**Property Disposition (PD)**
The purpose of the PD program is to provide *Section 8* assistance in connection with the disposition of *HUD-owned multifamily projects*, in order to maintain the amount of decent, safe, and sanitary housing affordable by *low-income* families and to minimize displacement. This program is open only to those projects already in decent, safe, and sanitary condition, and to those needing *moderate rehabilitation*. 
Proposed Rule
A proposed rule is suggestive language up for comment that is not effective until final language is published. On the other hand, when an interim rule is published, it is in effect until comments are taken in and a final rule is published.

Public Housing
Public housing is housing owned and operated by the local public housing authority (PHA) to provide affordable shelter for low-income families comprised of citizens or eligible immigrants. Public housing serves mostly very low-income tenants who pay no more than 30% of their adjusted income for rent.

Public Housing Authority (PHA)
An entity that owns and manages low income housing.

Public Housing Operating Fund
The annual subsidy to public housing agencies (PHAs) for operations and management. HUD provides operating subsidies to PHAs to help them meet operating and management expenses.

Reasonable Accommodation
“A reasonable accommodation is any modification or adjustment to a job or the work environment that will enable a qualified applicant or employee with a disability to participate in the application process or to perform essential job functions. Reasonable accommodation also includes adjustments to assure that a qualified individual with a disability has rights and privileges in employment equal to those of employees without disabilities.” (U.S. Department of Justice)

Recertification
The documentation and verification process required to be performed with adult residents on the lease by HUD managers at least annually. (See also Certification.)

Rental Subsidy
Housing assistance payment usually equal to the difference between the tenants’ share of the rent and the rent charged by the owner.

The tenant rent contribution is generally the highest of: a) 30% of adjusted monthly income; b) 10% of the person’s monthly income; or c) the welfare assistance payment adjusted for or designated as housing cost.

Rent Supplement Program
Supplemental payments to owners of private housing on behalf of qualified low-income tenants, authorized by Section 101 of the Housing and Urban Development Act of 1965. A fixed amount that does not change over the years was allocated as available. At the discretion of the owner, it can be spread thinly to assist greater numbers of residents or applied in greater amounts, which results in assisting fewer residents. New contracts are not available and have been replaced generally by the Section 8 program. There are less than 200 projects nationwide remaining with Rent Supplement Assistance.
Rescission
Administration request for Congressional action to withdraw budget authority that would otherwise become available to continue to be available.

Residual Receipts
Amounts received by the project through subsidy payments that total more than the cost of operating the project during any fiscal year. These amounts historically are the property of HUD. Certain projects are required to routinely turn these back to HUD for redistribution to other programs. Some project types keep these amounts in separate accounts and may be authorized to access them for HUD approved expenditures which may include funding for CNA’s, service coordinators, or benefits to the tenants, etc.

Reserves for Replacement / Replacement Reserve
A fund into which a specified deposit is made each month by the owner and from which withdrawals are used to pay for capital improvements during the life of the property.

Resident Opportunity and Self-Sufficiency (ROSS) Program
This program works to promote the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources, for supportive services and resident empowerment activities. These services should enable participating families to increase earned income, reduce or eliminate the need for welfare assistance, make progress toward achieving economic independence and housing self sufficiency, or, in the case of elderly or disabled residents, help improve living conditions and enable residents to age-in-place.

In the past, the ROSS grant has included programs such as ROSS-Family & Homeownership and ROSS-Elderly/Persons with Disabilities. Currently, these programs have been combined into one ROSS-Service Coordinators program.

The ROSS program also funds the Public Housing Family Self-Sufficiency (PH FSS) program. This funding is provided on a competitive basis for PHAs (ONLY) to hire an FSS program coordinator for one year.

Rural Housing
Rural housing programs, such as Section 515, that were placed under the jurisdiction of the Rural Housing Service (RHS). The name and acronym of Farmers Home may be better associated with these programs. The housing is found in areas that typically have a population between 1-10,000 and are defined as an area not part of or associated with an urban area.

Rural Housing Service
Formerly the Farmers Home Administration (FmHA), the RHS is the part of the U.S. Department of Agriculture, which administers loans, grants and related assistance for housing and community facilities for low-income rural persons and their communities.
Section 3 Program
Fosters local economic development, job opportunities, and self-sufficiency. Section 3 of the Housing and Urban Development Act of 1968 promotes local economic development, neighborhood economic improvement, job training and opportunities, and individual self-sufficiency. Section 3 requires that recipients of certain HUD assistance (PHAs, nonprofit organizations, and state and local governments depending upon the assistance), to the greatest extent feasible, provide job training and employment, and contracting opportunities for low- and very low-income residents in connection with projects and activities undertaken with the HUD assistance.

Section 8
Section 8 is a rental assistance subsidy. The subsidy may be paid either directly to the owners as a project-based rental assistance subsidy or to the program participant/tenant as a tenant-based rental assistance subsidy.

Section 202 (1959-1969)
Loans for the construction or rehabilitation of housing for the elderly and handicapped, authorized by the Housing Act of 1959. This program has been modified several times of the years. It was originally designed as a direct loan for the construction/development of housing for the elderly. These are sometimes referred to as “old 202” projects. In 1964, the program was amended to add physically handicapped. The program was suspended in 1969, with the creation of the Section 236 program.

Section 202, Direct Loans for Housing for the Elderly or Handicapped (1974-1990)
In 1974, the Section 202 program was revived, revised to include Section 8 funds for 100 percent of project units, and extended to cover chronically mentally ill persons.

Section 202/8
This program provides loans for the construction or rehabilitation of housing for the elderly (and handicapped/disabled) which is linked with a Section 8 HAP contract. The loan was a 40-year loan with a 20-year rental subsidy attached when the contract is signed.

Section 202/PRAC (Also known as Supportive Housing for the Elderly)
This program provides federal financial assistance to private nonprofit organizations for the purpose of providing supportive housing for the elderly, to finance site acquisition, the construction, reconstruction or rehabilitation of structures for housing for the elderly. The Section 202 Program was modified by Congress in 1990 to provide housing assistance for the elderly only. Projects may provide the necessary services for the occupants from a range of services which may include, but are not limited to, meals, health, continuing education, welfare, counseling, homemaking, recreational, informational and transportation services.
Section 221 (d) (3)
A mortgage insurance program available to nonprofit and profit motivated mortgagors for the financing of construction or rehabilitation of rental or cooperative structures for housing for low- and moderate-income families. Facilities may be designed for occupancy wholly or partially for the elderly, and the mobility impaired of any age.

In return for the mortgage insurance, owners are to make these rental-housing units available to low- and moderate-income residents through the term of a 40-year mortgage.

Section 231
Program that provides federal mortgage insurance to finance the construction or rehabilitation of rental housing for the elderly or handicapped established in 1959. Section 231 communities usually consist of a mix of units. At least 50% of the units must be set-aside for elderly families, and disabled families are to receive a preference for the remainder of the units. This program is no longer in use, but projects financed under this program exist today and are obligated by the contract terms agreed at the time.

Section 232
Program which authorizes the Federal Housing Administration (FHA) to insure mortgages for up to 90 percent of value for the new construction or substantial rehabilitation of nursing homes, board and care homes, and assisted living facilities, as well as combinations of these types of projects. Facilities must serve 20 or more patients who require skilled nursing care and related medical services or need minimum, continuous care by skilled personnel.

Section 236
Began in 1969, this was a program linking mortgage insurance and mortgage interest reduction, and sometimes operating subsidies, to create housing opportunities for lower income households. The program was designed to assist private owners to build and operate rental housing, which may be wholly or partially for the elderly with usually 10% of the units designated for persons with mobility impairments. (see also, “prepayment”)

The Section 236 program was eliminated in 1973 and there are less than 350 projects remaining nation-wide with insurance under this program.

Section 236 Market Rent
One of four possible rent variables used to determine individual tenant rent payments - for Section 236 projects only. Section 236 market rent is budget-based and determined using the mortgage payments at the market interest rate, the mortgage insurance premiums paid by the owner, and the owner’s share of utility costs paid for the unit. (See also, Basic Rent, Fair Market Rent, and Adjusted Annual Income.)
Section 515
Created as part of the Housing Act of 1949, this program provides 50-year, one-percent mortgage loans for the construction of moderate- and low-income rural family housing. The elderly occupy approximately 40 percent of Section 515 units. The Rural Housing Service (RHS) under the U.S. Department of Agriculture (USDA), formerly known as the Farmers Home Administration (FmHA), administers this program.

Section 811 – Supportive Housing for Persons with Disabilities (also known as 811/PRAC)
The purpose of the Section 811 program is to enable persons with disabilities to live with dignity and independence within their communities by expanding the supply of housing that provides supportive services which address the individual health, mental health and other needs of the residents and is designed to accommodate these special needs. Direct federal capital advances are provided to assist private, nonprofit corporations to finance the acquisition, with or without rehabilitation (group homes), the construction or rehabilitation of housing, and may include real property acquisition, site improvement, conversion, demolition, relocation, and other expenses of supportive housing for persons with disabilities. The disability categories are Chronic Mental Illness (CMI), Developmental Disability (DD), and Physical Disability. Funding for the Section 811 program is made through a competitive process once a year.

Service Coordination
Service coordination in affordable housing settings is the activity of linking a resident to needed benefits, programs and supportive or medical services that may be provided by community service providers or agencies. Service coordination can also entail linking a resident to needed federal, state and/or local benefits to which the resident may be entitled. Additionally, the term may cover case management in which the service coordinator assesses service needs of the residents to determine their potential eligibility for public services. Service coordinators do not duplicate existing case management systems available in the community. However, in areas where those case management systems are limited or do not exist, the service coordinator may perform these activities.

State Housing Finance Agencies (HFAs)
HFAs are state-chartered authorities established to help meet the affordable housing needs of the residents of their states. Although they vary widely in characteristics such as their relationship to state government, most HFAs are independent entities that operate under the direction of a board of directors appointed by each state’s governor. They administer a wide range of affordable housing and community development programs.
Subsidized Housing
A generic term covering all federal, state or local government programs that reduce the cost of housing for low- and moderate-income residents. Housing can be subsidized in numerous ways—giving tenants a rent voucher, helping homebuyers with down payment assistance, reducing the interest on a mortgage, providing deferred loans to help developers acquire and develop property, giving tax credits to encourage investment in low- and moderate-income housing, authorizing tax-exempt bond authority to finance the housing, providing ongoing assistance to reduce the operating costs of housing and others. Public housing, project-based Section 8, Section 8 vouchers, tax credits and the State Housing Trust Fund are all examples of subsidized housing. Subsidized housing can range from apartments for families to senior housing high-rises. Subsidized simply means that rents are reduced because of a particular government program. It has nothing to do with the quality, location or type of housing.

Supportive Housing
Housing, including housing units and group quarters that have a supportive environment and includes a planned service component.

Tenant Assistance Payment
The monthly amount HUD pays toward the tenant’s rent and utility cost includes the Rent Supplement, RAP and Section 8 regular monthly payments.

Tenant-Based Rental Assistance
Payments made to qualified low- and very-low income persons which is not tied to a facility, but is portable (stays with the qualified person) in the form of a Section 8 certificate or voucher.

Total Tenant Payment (TTP)
The term often used in contract and rent adjustment language referring to the amount which a resident pays based on 30% of annual adjusted income. In cases where utilities are not covered in project expenses, and tenant has extremely low adjusted income; the TTP may be a negative amount. A negative TTP results in the project paying a certain amount to the resident for the specific purpose of helping to pay utilities. (See also, Minimum Rent)

Utility Allowance
An amount used when calculating the payment required by the tenant under certain Section 8 programs when the cost of utilities is not included in the contract rent.

Very Low-Income
Households whose incomes do not exceed 50% of the median area income for the area, as determined by HUD, with adjustments for smaller and larger families and for areas with unusually high or low incomes.
The HUD website provides several glossaries on various HUD terms. Below is a list of some of the glossaries to reference for further information regarding the various HUD programs.


http://www.huduser.org/glossary/glossary.html

http://www.hud.gov/offices/cpd/library/glossary/

http://www.huduser.org/publications/affhsg/worstcase/appendixb.html