

FY 2023 Capital Magnet Fund Glossary

The following terms and definitions are provided for reference.

Term	Definition
Acquisition Financing	Refers to financing any activities associated with obtaining control of the real estate site.
Act	Act, as defined in 12 CFR 1807.104, means the Housing and Economic Recovery Act of 2008, as amended, Public Law 110-289, Section 1131.
Affiliate	Affiliate, as defined in 12 CFR 1807.104, means any entity that Controls, is Controlled by, or is under common control with, an entity.
Affordability Period	For each Project, the period beginning on the date when the Project achieves Initial Occupancy and consisting of the full ten (10) consecutive years thereafter, during which period the Recipient must ensure the affordability requirements, as set forth in the CMF Regulations and in this Assistance Agreement, are met, or such other period as may be established in writing by the CDFI Fund.
Affordable Housing	Affordable Housing, as defined in 12 CFR 1807.104, means housing that meets the requirements set forth in 12 CFR 1807, Subpart D.
Affordable Housing Activities	Affordable Housing Activities, as defined in 12 CFR 1807.104, means the Development, Preservation, Rehabilitation, and/or Purchase of Affordable Housing.
Affordable Housing Developer/Manager	A Nonprofit Organization whose primary mission is the construction, development, redevelopment, preservation or management of affordable housing. The Affordable Housing Developer may own the housing that is developed; may own it in part, such as a limited partnership; may sell the homeownership housing it develops once completed; or may sell but continue to manage the housing if rental housing.
Affordable Housing Fund	Affordable Housing Fund, as defined in 12 CFR 1807.104, means a revolving loan, grant or investment fund that is: 1) Managed by Recipient; and 2) Uses its capital to finance Affordable Housing Activities.
Announcement Date	The date on which the CDFI Fund announces the Recipients of CMF Awards under the applicable Notice of Funds Availability (NOFA), as indicated on the signature page of the Assistance Agreement.
Applicant	Applicant, as defined in 12 CFR 1807.104, means any entity submitting an application for a CMF Award.
Application	Application means the CDFI Fund’s Capital Magnet Fund application form, including any written or verbal information submitted by the Applicant in connection therewith and any attachments, appendices, and/or written or verbal supplements thereto, submitted by the Recipient to the CDFI Fund, in response to the applicable NOFA. For this round, this includes the SF-424 Mandatory Form that must be submitted in Grants.gov and the online application that must be submitted via the CDFI Fund’s Award Management Information System (AMIS).
Appropriate Federal Banking Agency	Appropriate Federal Banking Agency, as defined in 12 CFR 1807.104, has the same meaning as in section 3 of the Federal Deposit Insurance Act, 12 U.S.C. 1813(q),

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	and includes, with respect to Insured Credit Unions, the National Credit Union Administration.
Appropriate State Agency	Appropriate State Agency, as defined in 12 CFR 1807.104, means an agency or instrumentality of a State that regulates and/or insures the member accounts of a State-insured credit union.
Areas of Economic Distress	<p>Areas of Economic Distress means census tracts identified by the CDFI Fund: (a) where at least 20 percent of households that are Very Low-Income spend more than half of their income on housing; or (b) that are designated Qualified Opportunity Zones under 26 U.S. Code Section 1400Z-1; or (c) that are Low-Income Housing Tax Credit Qualified Census Tracts; or (d) where greater than 20 percent of households have incomes below the poverty rate and the rental vacancy rate is at least 10 percent; or (e) where greater than 20 percent of the households have incomes below the poverty rate and the homeownership vacancy rate is at least 10 percent; or (f) are Underserved Rural Areas as defined in the CMF Regulations.</p> <p>The CDFI Fund publishes a dataset on its website for each funding round indicating which census tracts are designated as Areas of Economic Distress under CMF Application Materials.</p>
Assistance Agreement	Assistance Agreement, as defined in 12 CFR 1807.104, means a formal, written agreement between the CDFI Fund and a Recipient, which agreement specifies the terms and conditions of assistance under this part.
Authorized Representative	Authorized Representative is an employee or an officer that has the authority to legally bind and make representations on behalf of the Applicant; consultants working on behalf of the Applicant cannot be designated as Authorized Representatives. Authorized Representatives for an organization should be designated as Authorized Representatives in AMIS.
Bridge Loans	A short-term interim loan that is available for use until permanent financing is secured or an existing financial obligation is removed. Such loans “bridge” the interim period until permanent financing is put in place.
Capital Magnet Fund (CMF)	Capital Magnet Fund (or CMF), as defined in 12 CFR 1807.104, means the program authorized by the Act and implemented under 12 CFR Part 1807.
Capital Magnet Fund (CMF) Interim Regulations	“Capital Magnet Fund Interim Regulations” or “CMF Interim Regulations” shall mean the regulations set forth in 12 CFR Part 1807.
Certified Community Development Financial Institution (or Certified CDFI)	Certified Community Development Financial Institution (or certified CDFI), as defined in 12 CFR 1807.104, means an entity that has been determined by the CDFI Fund to meet the certification requirements set forth in 12 CFR 1805.201.
CMF Award	CMF Award, as defined in 12 CFR 1807.104, means the financial assistance in the form of a grant made by the CDFI Fund to a Recipient pursuant to 12 CFR Part 1807.
Committed	Committed, as defined in 12 CFR 1807.104, means that the Recipient is able to demonstrate, in written form and substance that is acceptable to the CDFI Fund, a commitment for use of CMF Award, as set forth in 12 CFR 1807.501.

Term	Definition
Community Development Financial Institutions Fund (or CDFI Fund)	Community Development Financial Institutions Fund (or CDFI Fund), as defined in 12 CFR 1807.104, means the Community Development Financial Institutions Fund, the U.S. Department of the Treasury, established pursuant to the Community Development Banking and Financial Institutions Act of 1994, as amended, 12 U.S.C. 4701 et seq.
Community Service Facility	Community Service Facility, as defined in 12 CFR 1807.104, means the physical structure in which service programs for residents or service programs for the broader community (including, but not limited to, health care, childcare, educational programs including literacy and after school programs, job training, food and nutrition services, cultural programs, and/or social services) operate that, In Conjunction With Affordable Housing Activities, implements a Concerted Strategy to stabilize or revitalize a Low-Income Area or Underserved Rural Area.
Concerted Strategy	Concerted Strategy, as defined in 12 CFR 1807.104, means a formal planning document that evidences the connection between Affordable Housing Activities and Economic Development Activities. Such documents include, but are not limited to, a comprehensive, consolidated, or redevelopment plan, or some other local or regional planning document adopted or approved by the jurisdiction.
Construction Financing	Refers to financing of construction period costs associated with a project's Development, Rehabilitation, and Preservation.
Consortium	A Consortium is comprised of a group of at least two, and no more than five, eligible, and unaffiliated CDFIs or nonprofit affordable housing developers/managers, applying for a CMF Award under this NOFA. The purpose of the Consortium must be to finance and support Affordable Housing, and Economic Development Activities, if applicable.
Consortium Approach	The Consortium Approach is the manner in which members of a Consortium apply for a CMF Award under this NOFA, wherein member Applications are evaluated both individually and as a Consortium.
Control	Control, as defined in 12 CFR 1807.104, means: (1) Ownership, control, or power to vote 25 percent or more of the outstanding shares of any class of Voting Securities of any company, directly or indirectly or acting through one or more other persons; (2) Control in any manner over the election of a majority of the directors, trustees, or general partners (or individuals exercising similar functions) of any company; or (3) The power to exercise, directly or indirectly, a controlling influence over the management, credit or investment decisions, or policies of any company.
Depository Institution Holding Company	Depository Institution Holding Company, as defined in 12 CFR 1807.104, means a bank holding company or a savings and loan holding company as each are defined in the Federal Deposit Insurance Act, 12 U.S.C. 1813(w).
Development	Development, as defined in 12 CFR 1807.104, means any combination of the following Project activities: land acquisition, demolition of existing facilities, and construction of new facilities, which may include site improvement, utilities development and rehabilitation of utilities, necessary infrastructure, utility services, conversion, and other related activities resulting in Affordable Housing.
Direct Administrative Expenses	Direct Administrative Expenses, as defined in 12 CFR 1807.104, means direct costs incurred by the Recipient, related to the financing of the Project as described in 2 CFR 200.413 of the Uniform Administrative Requirements.

Term	Definition
Economic Development Activity	Economic Development Activity, as defined in 12 CFR 1807.104, means the development, preservation, acquisition and/or rehabilitation of Community Service Facilities and/or other physical structures in which neighborhood-based businesses operate which, In Conjunction With Affordable Housing Activities, implements a Concerted Strategy to stabilize or revitalize a Low-Income Area or Underserved Rural Area.
Effective Date	Effective Date, as defined in 12 CFR 1807.104, means the date that the Assistance Agreement is effective; such date is determined by the CDFI Fund after the Recipient has returned an executed, original Assistance Agreement, along with all required supporting documentation, including the opinion of counsel, if required.
Eligible Activities	A CMF Award must support or finance activities that attract private capital for and increase investment in following Eligible Activities: (i) the Development, Preservation, Rehabilitation, or Purchase of Affordable Housing for primarily Low-, Very Low-, and Extremely Low-Income Families; and (ii) Economic Development Activities. CMF Awards may only be used as follows: (i) to provide Loan Loss Reserves; (ii) to capitalize a Revolving Loan Fund; (iii) to capitalize an Affordable Housing Fund; (iv) to capitalize a fund to support Economic Development Activities; (v) for Risk-Sharing Loans; or (vi) to provide Loan Guarantees.
Eligible-Income	<p>Eligible-Income, as defined in 12 CFR 1807.104, means:</p> <p>(1) Having, in the case of owner-occupied Housing units, annual income not in excess of 120 percent of the area median income adjusted for Family size in the same manner as HUD makes these adjustments for its other published income limits</p> <p>(2) Having, in the case of rental housing units, annual income not in excess of 120 percent of the area median income, adjusted for Family size in the same manner as HUD makes these adjustments for its published income limits.</p>
Eligible Uses	Per Section 3.2(b) of the FY 2016 and later template CMF Assistance Agreements, the following are Eligible Uses: (i) Homeownership, (ii) Rental Housing, and/or (iii) Economic Development Activities.
Eligible Project Costs	Eligible Project Costs, as defined in 12 CFR 1807.104, means Leveraged Costs plus those costs funded directly by a CMF Award.
Enterprise-Level Capital	Enterprise-Level Capital means capital earned, borrowed, or raised by the Recipient or its Affiliates which is designated for the Recipient’s use and ultimately used to pay for Leveraged Costs but is not initially restricted for use for specific properties at the time it is earned, borrowed, or raised.
Entity Approach	The Entity Approach is the manner in which the Applicant will be using the CMF Award. There are two types of Entity Approaches: (a) financing entities and (b) affordable housing developers/managers. Each Applicant will be required to specify which type of Entity Approach it will be using prior to starting the Application.
Extremely Low-Income	<p>Extremely Low-Income, as defined in 12 CFR 1807.104, means:</p> <p>(1) Having, in the case of owner-occupied housing units, income not in excess of 30 percent of the area median income, adjusted for Family size, as determined by</p>

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	<p>HUD, except that HUD may establish income ceilings higher or lower than 30% of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low Family incomes; and</p> <p>(2) Having, in the case of rental housing units, income not in excess of 30% of the area median income, adjusted for Family size, as determined by HUD, except that HUD may establish income ceilings higher or lower than 30% of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low Family incomes.</p>
<p>Expanded CMF High Opportunity Area (HOA) Criteria</p>	<p>The CMF Program will accept an expanded definition of High Opportunity Area for areas that do not meet the Federal Housing Finance Agency definition, but instead meet a set of Expanded CMF HOA Criteria demonstrating the designated area(s) provide access to a combination of at least three of the following four criteria: (1) high-quality youth (K-12) education opportunities; (2) employment opportunities; (3) transportation opportunities; and/or (4) financial service opportunities. For a Project to qualify as being in a High Opportunity Area under the Expanded CMF HOA Criteria definition, the location of the Project must meet at least three of the four Expanded CMF HOA Criteria, and cannot be located in a Food Desert as identified by the U.S. Department of Agriculture (https://www.ers.usda.gov/data/fooddesert) as of the publication date of this NOFA in the Federal Register. For additional guidance, see FY 2023 NOFA.</p>
<p>Family or Families</p>	<p>Family or Families, as defined in 12 CFR 1807.104, means households that reside within the boundaries of the United States (which shall encompass any State of the United States, the District of Columbia or any territory of the United States, including Puerto Rico, Guam, American Samoa, the U. S. Virgin Islands, and the Northern Mariana Islands).</p>
<p>Financing Entity</p>	<p>An entity whose predominant business activity is the provision of arm’s length transactions and services to independent, unrelated parties, each acting in its own best interest. Such transactions support and promote affordable housing and/or community development through the provision of financial products that serve low income communities, individuals or families with low incomes or underserved markets or communities.</p>
<p>High Opportunity Area (HOA)</p>	<p>For FY 2023, there are two HOA definitions: (A) Standard HOA criteria and (B) Expanded CMF HOA Criteria. The two criteria are defined in this Glossary.</p>
<p>Historic fiscal years</p>	<p>(A) Applicants with a 6/30 fiscal year end date, or 9/30 fiscal year end date, and a completed FY 2022 audit will treat FY 2022 as their most recent historic fiscal year. (B) Applicants with a 6/30 fiscal year end date, or a 9/30 fiscal year end date, but without a completed FY 2022 audit will treat FY 2021 as their most recent historic fiscal year. (C) Applicants with a 3/31 fiscal year end date will treat FY 2022 as their most recent historic fiscal year. (D) Applicants with a 12/31 fiscal year end date will treat FY 2021 as their most recent historic fiscal year.</p>
<p>HOME Program</p>	<p>HOME Program, as defined in 12 CFR 1807.104, means the HOME Investment Partnership Program established by the HOME Investment Partnerships Act under</p>

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	title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12701 et seq.
Homeownership	<p>Homeownership, as defined in 12 CFR 1807.104, means ownership in fee simple title interest in one- to four-unit Housing or in a condominium unit, or equivalent form of ownership approved by the CDFI Fund. The Recipient must determine whether ownership or membership in a cooperative or mutual housing project constitutes Homeownership under State law. The ownership interest is subject to the following additional requirements:</p> <p>(1) Except as otherwise provided in clauses (i), (ii), and (iii) below, the land may be owned in fee simple or the homeowner may have a 99-year ground lease;</p> <p style="padding-left: 40px;">(i) For Housing located on Indian trust or restricted Indian lands, the ground lease must be for 50 years or more;</p> <p style="padding-left: 40px;">(ii) For Housing located in Guam, the Northern Mariana Islands, the U. S. Virgin Islands, and American Samoa, the ground lease must be 40 years or more;</p> <p style="padding-left: 40px;">(iii) For manufactured housing, the ground lease must be for a minimum period of 10 years or such other applicable time period regarding location set forth in this definition of Homeownership at the time of purchase by the homeowner;</p> <p>(2) Ownership interest may not merely consist of a right to possession under a contract for deed, installment contract, or land contract (pursuant to which the deed is not given until the final payment is made).</p> <p>(3) Ownership interest may only be subject to the restrictions on resale permitted under the Assistance Agreement and this part; mortgages, deeds of trust, or other liens or instruments securing debt on the property; or any other restrictions or encumbrances that do not impair the good and marketable nature of title to the ownership interest.</p>
Housing	<p>Housing, as defined in 12 CFR 1807.104, means Single-family and Multi-family residential units including, but not limited to, manufactured housing and manufactured housing lots, permanent housing for disabled and/or homeless persons, transitional housing, single-room occupancy housing, and group homes. Housing also includes elder cottage housing opportunity (ECHO) units that are small, free- standing, barrier-free, energy-efficient, removable, and designed to be installed adjacent to existing single-family dwellings. Housing does not include emergency shelters (including shelters for disaster victims) or facilities such as nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, halfway houses, housing for students, or dormitories (including farmworker dormitories).</p>
Housing and Urban Development (HUD)	<p>HUD, as defined in 12 CFR 1807.104, means the Department of Housing and Urban Development established under the Department of Housing and Urban Development Act of 1965, 42 U.S.C. 3532 et seq.</p>

Term	Definition
In Conjunction With Affordable Housing Activities	<p>In Conjunction With Affordable Housing Activities, as defined in 12 CFR 1807.104, means:</p> <p>(1) Physically proximate to, and</p> <p>(2) Reasonably available to residents of, Affordable Housing that is subject to Affordable Housing Activities. For a Metropolitan Area, In Conjunction With means located within the same census tract or within 1 mile of such Affordable Housing. For a Non-Metropolitan Area, In Conjunction With means located within the same county, township, or village, or within 10 miles of such Affordable Housing.</p>
Initial Occupancy	<p>(a) For rental Affordable Housing, after the Project is Placed into Service and the earlier of i) when at least ninety percent (90%) of all CMF Award financed and/or supported units within the property are occupied or ii) 12 months after the Project Completion date;</p> <p>(b) For Affordable Housing Homeownership, upon the occurrence of the transfer of equitable title to the homeowner; and</p> <p>(c) For owner-occupied Rehabilitation of Homeownership Affordable Housing only, at Project Completion pursuant to 12 CFR 1807.503.</p>
Initial Payment	<p>The first Payment from the CDFI Fund to the Recipient at Closing on the Assistance Agreement, in the case where a Recipient exercises its option to receive the CMF Award in two Payments. See related definitions of Subsequent Payment and Lump Sum Payment in this Glossary.</p>
Insider	<p>Any director, officer, employee, principal shareholder (owning, individually or in combination with family members, five percent (5%) or more of any class of stock), or agent (or any family member or business partner of any of the above) of the Recipient or of any Affiliate or Community Partner (as defined in 12 U.S.C. 4702(6)) of the Recipient.</p>
Insured CDFI	<p>Insured CDFI, as defined in 12 CFR 1807.104, means a Certified CDFI that is an Insured Depository Institution or an Insured Credit Union.</p>
Insured Credit Union	<p>Insured Credit Union, as defined in 12 CFR 1807.104, means any credit union, the member accounts of which are insured by the National Credit Union Share Insurance Fund by the National Credit Union Administration pursuant to authority granted in 12 U.S.C. 1783 et seq.</p>
Insured Depository Institution	<p>Insured Depository Institution, as defined in 12 CFR 1807.104, means any bank or thrift, the deposits of which are insured by the Federal Deposit Insurance Corporation as determined in 12 U.S.C. 1813(c)(2).</p>
Investment Period	<p>Investment Period, as defined in 12 CFR 1807.104, means the period beginning with the Effective Date and ending on the fifth year anniversary of the Effective Date, or such other period as may be established by the CDFI Fund in the Assistance Agreement.</p>
LIHTC Program	<p>LIHTC Program means the Low Income Housing Tax Credit Program as authorized under Section 42 of the Internal Revenue Code of 1986, as amended.</p>
Leveraged Costs	<p>Leveraged Costs, as defined in 12 CFR 1807.104, means costs for Affordable Housing Activities and Economic Development Activities that exceed the dollar amount of the CMF Award, as further described in 12 CFR 1807.500.</p>

Term	Definition
Loan Guarantee	Loan Guarantee, as defined in 12 CFR 1807.104, means the Recipient’s use of CMF Award to support an agreement to indemnify the holder of a loan all or a portion of the unpaid principal balance in case of default by the borrower. The proceeds of the loan that is guaranteed with the CMF award must be used for Affordable Housing Activities and/or Economic Development Activities.
Loan Loss Reserves	Loan Loss Reserves, as defined in 12 CFR 1807.104, means proceeds from the CMF Award that the Recipient will set aside in the form of cash reserves, or through accounting-based accrual reserves, to cover losses on loans, accounts, and notes receivable for Affordable Housing Activities and/or Economic Development Activities, or for related purposes that the CDFI Fund deems appropriate.
Low-Income	<p>Low-Income, as defined in 12 CFR 1807.104, means:</p> <p>(1) Having, in the case of owner-occupied Housing units, income not in excess of 80 percent of area median income, adjusted for Family size, as determined by HUD, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low Family incomes; and</p> <p>(2) Having, in the case of rental Housing units, income not in excess of 80 percent of area median income, adjusted for Family size, as determined by HUD, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low Family incomes.</p>
Low-Income Area (or LIA)	Low-Income Area (or LIA), as defined in 12 CFR 1807.104, means a census tract or block numbering area in which the median income does not exceed 80 percent of the median income for the area in which such census tract or block numbering area is located. With respect to a census tract or block numbering area located within a Metropolitan Area, the median Family income shall be at or below 80 percent of the Metropolitan Area median Family income or the national Metropolitan Area median Family income, whichever is greater. In the case of a census tract or block numbering area located outside of a Metropolitan Area, the median Family income shall be at or below 80 percent of the statewide Non-Metropolitan Area median Family income or the national Non-Metropolitan Area median Family income, whichever is greater.
Low Income Housing Credits (or LIHTCs)	Low Income Housing Credits (or LIHTCs), as defined in 12 CFR 1807.104, means credits against income tax under section 42 of the Internal Revenue Code of 1986, as amended, 26 U.S.C. 42.
Lump Sum Payment	One single Payment, subject to the terms and conditions of the Assistance Agreement, which comprises the entire CMF Award. See related definitions of Subsequent Payment and Lump Sum Payment in this Glossary.
Management Letter	The Management Letter is prepared by the Applicant’s auditor and provides communication on internal control over financial reporting, compliance, and other matters. It may include suggestions for improving identified weaknesses and deficiencies and/or best practice suggestions for items that may not be considered to be weaknesses or deficiencies. The Management Letter may also

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	include items that are not required to be disclosed in the annual audited financial statements. The Management Letter is distinct from the auditor’s Opinion Letter, which is required by Generally Accepted Accounting Principles (GAAP). Management Letters are not required by GAAP and are sometimes provided by the auditor as a separate letter from the audit itself.
Material Weakness	Material Weakness shall mean a reportable condition, in which the design or operation of one or more of the internal control components does not reduce, to a relatively low level the risk that misstatements caused by error or fraud, in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.
Metropolitan Area	Metropolitan Area, as defined in 12 CFR 1807.104, means an area designated as such by the Office of Management and Budget pursuant to 44 U.S.C. 3504(e) and 31 U.S.C. 1104(d) and Executive Order 10253 (3 CFR, 1949–1953 Comp., p. 758), as amended.
Multi-Family Housing	Multi-family Housing, as defined in 12 CFR 1807.104, means residential properties consisting of five or more dwelling units, such as a condominium unit, cooperative unit, apartment, or townhouse.
Non-Metropolitan Area	Non-Metropolitan Area, as defined in 12 CFR 1807.104, means counties that are designated as Non-Metropolitan Counties by the Office of Management and Budget (OMB) pursuant to 44 U.S.C. 3504(e) and 31 U.S.C. 1104(d) and Executive Order 10253 (3 CFR Part 1949-1953 Comp., p.758), as amended, and as made available by the CDFI Fund for a specific application funding round.
Nonprofit Organization	<p>Nonprofit Organization, as defined in 12 CFR 1807.104, means any corporation, trust, association, cooperative, or other organization that is:</p> <p>(1) Designated as a nonprofit or not-for-profit entity under the laws of the organization's State of formation; and</p> <p>(2) Exempt from Federal income taxation pursuant to the Internal Revenue Code of 1986.</p>
Notice of Funds Availability (or NOFA)	Notice of Funds Availability (or NOFA) means the notice published by the CDFI Fund in the Federal Register that announced the availability of funds for the applicable Capital Magnet Fund Application round.
Participating Jurisdiction	Participating Jurisdiction, as defined in 12 CFR 1807.104, means a jurisdiction designated by HUD as such under the HOME Program in accordance with the requirements of 24 CFR 92.105.
Payment	Payment, as defined in 12 CFR 1807.104, means the transmission of CMF Award dollars from the CDFI Fund to the Recipient.
Permanent Financing	Long-term maturity mortgage loan (e.g. 15-30 years). In real estate projects, permanent financing is obtained after completion of construction, usually to repay shorter term, non-permanent debt such as construction loans or bridge financing.
Placed Into Service	In the case of the Development, Rehabilitation and/or Preservation of rental Affordable Housing, after Project Completion is achieved and the property is otherwise ready for occupancy as evidenced by a certificate of occupancy.

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Predevelopment Financing	Refers to the financing costs related to determining the feasibility of a particular project, such as the costs of preliminary financing applications, legal fees, architectural fees, and engineering fees.
Preservation	<p>Preservation, as defined in 12 CFR 1807.104, means:</p> <p>(1) Activities to refinance, with or without Rehabilitation, Single-family housing or Multi-family housing (rental) mortgages that, at the time of refinancing, are subject to affordability and use restrictions under the LIHTC statute or under State or Federal affordable housing programs, including but not limited to, the HOME Program, properties with Federal project-based rental assistance, or the USDA rental housing programs, hereinafter referred to as “similar State or Federal affordable housing programs,” where such refinancing has the effect of extending the term of any existing affordability and use restrictions on the properties by a minimum 10 years or as otherwise specified in the Assistance Agreement;</p> <p>(2) Activities to refinance and acquire Single-family housing or Multi-family housing that, at the time of refinancing or acquisition, were subject to affordability and use restrictions under similar State or Federal affordable housing programs or under the LIHTC statute, by the former tenants of such properties, where such refinancing has the effect of extending the term of any existing affordability and use restrictions on the properties by a minimum 10 years or as otherwise specified in the Assistance Agreement;</p> <p>(3) Activities to refinance the mortgages of Single-family, owner-occupied housing that, at the time of refinancing, are subject to affordability and use restrictions under similar State or Federal affordable housing programs, where such refinancing has the effect of extending the term of any existing affordability and use restrictions on the properties by a minimum 10 years or as otherwise specified in the Assistance Agreement;</p> <p>(4) Activities to acquire Single-family housing or Multi-family housing, with or without Rehabilitation, with the commitment to subject the properties to the affordability qualifications set forth in subpart D of 12 CFR Part 1807; or</p> <p>(5) Activities to refinance, with or without Rehabilitation, Single-family housing or Multi-family housing , with the commitment to subject the properties to the affordability qualifications set forth in subpart D of 12 CFR 1807.</p>
Private Leverage Capital	Private Leverage Capital means investments or loans the Applicant/Recipient, or Projects financed and/or supported by the Applicant/Recipient, received from private entities, whose origin is not public funds. Examples include private activity bonds, LIHTC equity, other equity investments, lines of credit, loans or other investments from private sources, such as banks, private investors or philanthropic entities that are made to the Recipient or Projects.
Program Income	Program Income, as defined in 12 CFR 1807.104, means gross income, as further described in 2 CFR Part 1000.
Project	Project, as defined in 12 CFR 1807.104, means the Affordable Housing Activity and/or Economic Development Activity that is financed with the CMF Award.

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Project Completion	Project Completion, as defined in 12 CFR 1807.104, means that all of the requirements set forth at 12 CFR 1807.503 for a Project have been met.
Project-Level Leverage	Project-Level leverage is the difference between the total Eligible Project Costs of the Project and the amount of financing or capital provided to the Project by the Applicant. It is any capital used to pay Leveraged Costs that is restricted to a specific project when it is raised. Project-Level leverage can, among other things, include mortgages secured by the property, proceeds from the sale of bonds, equity investment raised through LIHTC, deferred developer fees, loans and grants from local and state government made directly to a specific Project. Project-Level leverage does not include Enterprise-Level Capital or Reinvestments.
Purchase	Purchase, as defined in 12 CFR 1807.104, means to provide direct financing to a Family for purposes of Homeownership. Before the Recipient provides any financing to a Family for Homeownership purposes, the Recipient must verify that the Family and the Single-family housing meet the qualifications set forth in subparts D and E of 12 CFR Part 1807.
Recipient	Recipient, as defined in 12 CFR 1807.104, means an Applicant selected by the CDFI Fund to receive a CMF Award pursuant to 12 CFR Part 1807.
Refinancing	Refinancing means replacing a current real estate mortgage loan with a new loan.
Regulated Institutions	Regulated Institutions include Insured Credit Unions, Insured Depository Institutions, State-Insured Credit Unions, and Depository Institution Holding Companies.
Rehabilitation	Rehabilitation, as defined in 12 CFR 1807.104, means any repairs and/or capital improvements that contribute to the long-term preservation, current building code compliance, habitability, sustainability, or energy efficiency of Affordable Housing.
Reinvestment	The reallocation of repaid CMF Award and/or Enterprise-Level Capital into new eligible activities within the established Investment Period. This can include Program Income in the form of repaid principal from loans and equity that are redeployed after the original deployment.
Revolving Loan Fund	Revolving Loan Fund, as defined in 12 CFR 1807.104, means a pool of funds managed by the Applicant or the Recipient wherein repayments on loans for Affordable Housing Activities or Economic Development Activities are used to refinance additional loans.
Risk-Sharing Loan	Risk-Sharing Loan, as defined in 12 CFR 1807.104, means loans for Affordable Housing Activities and/or Economic Development Activities in which the risk of borrower default is shared by the Applicant or Recipient with other lenders (e.g., participation loans).
Rural Areas	The term Rural Areas is defined per 12 CFR 1282.1 (Enterprise Duty To Serve Final Rule) as (i) A census tract outside of a Metropolitan Statistical Area as designated by the Office of Management and Budget; or (ii) A census tract in a Metropolitan Statistical Area as designated by the Office of Management and Budget that is outside of the Metropolitan Statistical Area's Urbanized Areas, as designated by the U.S. Department of Agriculture's (USDA) Rural-Urban Commuting Area (RUCA) Code #1, and outside of tracts with a housing density of over 64 housing units per square mile for USDA's RUCA Code #2. The CDFI Fund will publish a dataset

Term	Definition
	indicating which census tracts are designated as Rural Areas for each funding round on its website.
Standard High Opportunity Area (HOA) Criteria	Shall mean the definition of High Opportunity Area (HOA) found in the Federal Housing Finance Agency’s Duty to Serve Rule (12 CFR §1282.1), effective as of the date of the publication of this NOFA. This term is defined as: (a) An area designated by the Department of Housing and Urban Development (HUD) as a “Difficult Development Area” during any year covered by an Enterprise’s Underserved Markets Plan (Plan) or in the year prior to a Plan’s effective date, whose poverty rate falls below 10% (for Metropolitan areas) or below 15% (for Non-Metropolitan areas); or (b) an area designated by a state or local Qualified Allocation Plan (QAP) as a high opportunity area whose poverty rate falls below 10% (for Metropolitan areas) or 15% (for Non-Metropolitan areas). The CDFI Fund will publish a dataset on its website indicating which census tracts are designated as High Opportunity Areas for each funding round.
Service Area	Service Area, as defined in 12 CFR 1807.104, means the geographic area in which the Applicant proposes to use the CMF Award, and the geographic area approved by the CDFI Fund in which the Recipient must use the CMF Award as set forth in its Assistance Agreement.
Single-Family Housing	Single-family housing, as defined in 12 CFR 1807.104, means a one- to four-Family residence, a condominium unit, a cooperative unit, a combination of manufactured housing and lot, or a manufactured housing lot.
Site Development Financing	Refers to financing costs associated with real estate site improvements that are needed before construction of a building may begin. Examples include the following: obtaining permits for inspection, soil test, septic system inspection and installation, water and sewer connections, utilities, survey, engineering inspection, clearing, grading, site drainage, landscaping, paving, etc.
State	State, as defined in 12 CFR 1807.104, means the states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the U. S. Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and any other territory of the United States.
State-Insured Credit Union	State-Insured Credit Union, as defined in 12 CFR 1807.104, means any credit union that is regulated by, and/or the member accounts of which are insured by, a State agency or instrumentality.
Subsequent Payment	The second Payment representing the balance of the CMF Award, in the case where a Recipient exercises its option to receive the CMF Award in two Payments. See related definitions of Subsequent Payment and Lump Sum Payment in this Glossary.
Subsidiary	Subsidiary, as defined in 12 CFR 1807.104, means any company that is owned or Controlled directly or indirectly by another company.
Third Party	A separate legal entity that is not the Applicant. An Affiliate of the Recipient is considered a third party if it is a separate legal entity from the Recipient.
Tribal Government	The Federally or state-recognized governing body (including a tribal council) of a Native American tribe or an Alaska Native village, as applicable.

Term	Definition
Underserved Rural Area	<p>Underserved Rural Area, as defined in 12 CFR 1807.104, means</p> <p>(1) A Non-Metropolitan Area that:</p> <ul style="list-style-type: none"> (i) Qualifies as a Low-Income Area; and (ii) Is experiencing economic distress evidenced by 30 percent or more of resident households with one or more of these four housing conditions in the most recent census for which data are available: <ul style="list-style-type: none"> (A) Lacking complete plumbing; (B) Lacking complete kitchen; (C) Paying 30 percent or more of income for owner costs or tenant rent; or (D) Having more than 1 person per room; <p>(2) An area as specified in the applicable NOFA and/or Assistance Agreement.</p>
Uniform Administrative Requirements	<p>Uniform Administrative Requirements, as defined in 12 CFR 1807.104, means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 1000).</p>
Unique Entity Identifier (UEI)	<p>A UEI is a unique 12-character, alpha-numeric value used to uniquely identify an entity that does business with the federal government.</p> <p>On April 4, 2022, the federal government stopped using the DUNS Number to uniquely identify entities. As of that date, entities doing business with the federal government must use the Unique Entity Identifier (UEI) created in SAM.gov.</p>
Very Low-Income	<p>Very Low-Income, as defined in 12 CFR 1807.104, means:</p> <p>(1) Having, in the case of owner-occupied housing, income not greater than 50 percent of the area median income with adjustments for family size, as determined by HUD, except that HUD may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low Family incomes; and</p> <p>(2) Having, in the case of rental housing, income not greater than 50 percent of the area median income, with adjustments for family size, as determined by HUD, except that HUD may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low Family incomes.</p>