

Closing costs are defined as “Your Adjusted originated Charges” as shown on Line 803 of the Settlement Statement HUD-1 effective as of January 1, 2010. These charges represent the net amount of the loan origination charges, the sum of the amounts shown in Lines 801 and 802 on the HUD-1. The amount may be either a positive or a negative number or 0.

First Time Homebuyer is defined as a household meeting any one of the following criteria:

- An unmarried individual or an individual and his or her spouse, who has/have not owned a home during the three-year period immediately prior to the date of purchase of a home with the Downpayment Plus Program subsidy.
- A divorced or legally separated individual who has only owned a home with a (former) spouse.
- An unmarried individual or an individual and his or her spouse who has/have only owned a home that was not in compliance with State, local, or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

Other Grants/Subsidies include the following:

Grants are defined as payments made to the household with no requirement or expectation of repayment. Grants require no liens on the property or other assets.

Forgivable loans (forgivable or repayable):

- If forgivable, the forgiveness might be structured to occur at one point in time (such as at the end of the affordability period), or forgiven incrementally (such as forgiving one-fifth of the loan each year over five years).
- If repayable, repayment might be required at the sale or transfer of the property or at the end of a fixed period of time.

HOEPA Covered Loan **HOEPA** is defined as the Home Ownership and Equity Protection Act of 1994 (HOEPA). For purposes of the AHP set-aside program data collection and reporting, the term “HOEPA-covered loan” or “HOEPA loan” generally refers only to mortgages covered by §226.32 of Regulation Z that meet HOEPA’s rate or fee-based triggers. A loan is covered by the law if it meets the following tests: 1) for a first-lien loan, that is, the original mortgage on the property, the annual percentage rate (APR) exceeds by more than eight percentage points the rates on Treasury securities of comparable maturity; 2) for a second-lien loan, that is, a second mortgage, the APR exceeds by more than 10 percentage points the rates in Treasury securities of comparable maturity; or 3) the total fees and points payable by the consumer at or before closing exceed the larger of \$592 or eight percent of the total loan amount. (The \$592 figure is for 2011. This amount is adjusted annually by the Federal Reserve Board, based on changes in the Consumer Price Index.) Credit insurance premiums for insurance written in connection with credit transaction are counted as fees.

Manufactured Housing is defined as a structure, transportable in one or more sections, which is built on a permanent frame and is designed to be used as a dwelling when connected to the required utilities.

Second Mortgage refers to a conventional secondary loan for which there is repayment of principal on a scheduled payment plan. Forgivable loans should be included under Other Grants/Subsidies, not as a Second Mortgage.