



## **Downpayment Plus<sup>®</sup> Program Glossary**

### **Beneficiary and Co-beneficiary**

Borrower and Co-Borrower of the first mortgage loan.

### **Dates**

- **Enrollment Date:** the date the member or sponsor determined that the household was income eligible for AHP/DPP assistance based on the income documents provided.
- **Reservation Date:** the date the member reserved DPP<sup>®</sup> funds by initiating a reservation through DPP Online.
- **Reservation Completion Expiration Date:** the date by which all supporting data and documentation must be uploaded for an initiated reservation, or the reservation is canceled and the funds added back to the round allocation. The date is 30 days from the reservation date.
- **Reservation Expiration Date:** the date by which a disbursement request and any clarifications for an approved reservation must be submitted for final approval, after which the reservation will be canceled and the funds added back to the round allocation. The date is 90 days from the FHLB Chicago approval of the reservation.
- **Closing/Settlement Date:** the date(s) that the purchase transaction closes and/or settles.
- **Retention Expiration Date:** the date the retention period expires, which is five years from the Closing Date.

### **Dwelling Types**

- Detached Single Family – a free standing residential structure
- Attached Single Family - a residential structure sharing a common wall, such as a townhouse or row house, where the borrower owns one unit
- Duplex - a two-unit attached structure where the borrower owns both units
- Condominium – an individually owned unit in a building with multiple units. Specify if 1-4 units or 5+ units
- Manufactured Housing - a structure, transportable in one or more sections, which is permanently affixed to a foundation and is designed to be used as a dwelling when connected to the required utilities.

### **First-Time Homebuyer**

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; or
- A divorced or legally separated or widowed individual who has only owned a home with a (former) spouse; or
- 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.

**Origination Charges**

The net amount of the loan origination charges as reported on the Closing Disclosure. This may be a positive or a negative number, or zero.

**Other Grants/Forgivable Loans**

Funds that are paid to the household and have no scheduled repayments. These include:

- **Grants** - repayment is not required or expected and no liens are placed on the property or other assets.
- **Forgivable loans** - forgiven either in full at the end of the affordability period or incrementally during the affordability period, as long as all documented conditions are met. Partial or full repayment may be required during the affordability period if the property is sold or transferred or if the first mortgage loan is refinanced. Forgivable loans are often secured with a junior lien.

**Retention Agreement**

A deed restriction or other legally enforceable retention or repayment agreement or mechanism between the member and the borrower that sets forth the retention provisions of the Federal Housing Finance Agency regulations (currently 12 C.F.R. § 1291.9) with respect to the subject property.

**REO (Real Estate Owned)**

Property owned by the lender or investor. Only property owned by the first mortgage lender should be identified as "REO" on the Certificate of Borrower Eligibility.

**Second Mortgage Loan**

A loan secured with a junior lien on the subject property, with monthly payments required.