**Section 220.103 Definitions**

As used in this Part, the following words or terms mean:

 "Act": The Illinois Housing Development Act (Ill. Rev. Stat. 1979, ch. 67½, pars. 301 et seq.) as amended from time to time.

 "Application": A potential Lender's application to sell Mortgage Loans to the Authority pursuant to the terms of a Mortgage Purchase Agreement and the Procedural Guide.

 "Authority": The Illinois Housing Development Authority.

 "Bonds": The Authority's Single Family Housing Bonds issued from time to time to finance the Program.

 "Chairman": The Chairman of the Authority.

 "Commitment Fee": The fee which may be required to be paid to the Authority by a potential Lender at the time it files its Application to sell Mortgage Loans.

 "Deputy Director": The Deputy Director of the Authority.

 "Director": The Director of the Authority.

 "Eligible Borrower": A person or persons who are residents of the State whose Household Income does not exceed the Maximum Income; who do or who will occupy as a single household the One-Unit Dwelling purchased or being purchased as a permanent residence; and who at no time during the 3-year period ending on the date the Mortgage is executed had a present ownership interest in a principal residence of such Eligible Borrower. The Eligible Borrower who purchases a Targeted Area Residence or a Qualified Rehabilitation Residence is exempt from the 3-year requirement of this subsection. For purposes of this subsection, the Eligible Borrower's interest in the One-Unit Dwelling financed under this Program shall not be taken into account.

 "FHA": The Federal Housing Administration.

 "FHLMC": The Federal Home Loan Mortgage Corporation.

 "FmHA": The Farmers' Home Administration.

 "FNMA": The Federal National Mortgage Association.

 "Household Income": The total annual gross income of all persons residing or intending to reside as a single household in a One-Unit Dwelling, from whatever source derived and before taxes or withholdings.

 "Invitation": The Authority's invitation to potential Lenders for Applications to sell Mortgage Loans.

 "Lender": A State-chartered bank, national banking association, or State or federal savings and loan association which is located in the State; which is qualified to sell mortgages to FNMA and/or FHLMC, unless such requirement is waived by the Director based upon a determination of financial suitability made by the Director after consideration of the net assets, lending capacity, and experience of the potential Lender over the past 12 months in residential mortgage lending; deposits in which are insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation; and whose Application has been accepted by the Director.

 "Maximum Income": 160% of the median income in counties in the State having a population of 3 million or more for the most recent year for which such information is available, as published by the United States Department of Housing and Urban Development or by such other governmental entity as may be determined by the Director to publish substantially comparable information.

 "Members": The Members of the Authority.

 "Mortgage": A deed of trust, mortgage deed, mortgage, or other instrument creating a first mortgage lien on a fee interest in real property located within the State.

 "Mortgage Loan": A loan made by a Lender to an Eligible Borrower for the purchase of an owner-occupied One-Unit Dwelling after the date of mailing of the Notice of Acceptance and secured by a Mortgage on such real property. No Mortgage Loan shall be a replacement or refinancing of an existing mortgage loan except in the case of a Qualified Rehabilitation Loan.

 "Mortgage Purchase Agreement": An agreement between the Authority and a Lender pursuant to which the Authority agrees to purchase Mortgage Loans from the Lender on the terms and conditions set forth therein and which establishes the requirements for Mortgage Loans to be purchased by the Authority. The Mortgage Purchase Agreement incorporates the Procedural Guide.

 "Net Proceeds": With respect to the proceeds of each series of Bonds, all monies made available by the Authority for the purchase of Mortgage Loans.

 "Notice of Acceptance": The Authority's notice to the Lender of the acceptance of its Application.

 "One-Unit Dwelling": Real estate or an interest in real estate upon which there is or shall be located a structure or structures designed for Residential Use and meeting the requirements of Sections 2(e) and 7.23 of the Act as amended from time to time. Such One-Unit Dwelling may be a single condominium unit but may not be a cooperative unit or a mobile home. The One-Unit Dwelling must be located in the State.

 "Part": This Part 220.

 "Prepayment": Any moneys, however derived, which are received or recovered by the Authority from any payment of, or with respect to, principal on any Mortgage Loan prior to scheduled payments of principal called for by such Mortgage Loan.

 "Procedural Guide": The set of instructions, guidelines, terms, and conditions approved by the Chairman for the origination and sale of Mortgage Loans to the Authority and for the servicing of such Mortgage Loans. The Procedural Guide is incorporated into the Mortgage Purchase Agreement and the Servicing Agreement.

 "Program": The Authority's single family mortgage purchase program.

 "Property Value": The lesser of the purchase price or the appraised value of the One-Unit Dwelling at the time of origination of the Mortgage Loan secured by such One-Unit Dwelling.

 "Qualified Rehabilitation Loan": A Mortgage Loan for the purchase of a Qualified Rehabilitation Residence. An Eligible Borrower for a Qualified Rehabilitation Loan must be the first resident of the Qualified Rehabilitation Residence after the completion of the rehabilitation.

 "Qualified Rehabilitation Residence": A One-Unit Dwelling for which there has been a qualified rehabilitation as defined in Section 103A of the Internal Revenue Code of 1954 as amended from time to time and applicable regulations promulgated by the Treasury Department thereunder.

 "Residential Use": Use as the principal residence of the occupant and not as a vacation or "second" home.

 "Rules": The Rules and Regulations of the Authority as supplemented and amended from time to time.

 "Servicer": A Lender, or its designated servicer, which has been approved by the Director as a Servicer and which has executed a Servicing Agreement with the Authority. A designated servicer must be a State-chartered bank, national banking association, or State or federal savings and loan association which is located in the State; which is qualified to sell mortgages to FNMA and/or FHLMC, unless such requirement is waived by the Director based upon a determination of financial suitability made by the Director after consideration of the net assets, servicing capacity, and experience of the potential Servicer over the past 12 months in residential mortgage servicing; and deposits in which are insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation.

 "Servicing Agreement": An agreement between the Authority and a Servicer for the servicing of Mortgage Loans purchased by the Authority. The Servicing Agreement incorporates the Procedural Guide.

 "Staff": The Director and Deputy Director and the employees of the Authority.

 "State": The State of Illinois.

 "Targeted Area": An area of the State which is either a qualified census tract or an area of economic distress as defined in Section 103A of the Internal Revenue Code of 1954 as amended from time to time and applicable regulations promulgated by the Treasury Department thereunder.

 "Targeted Area Residence": A One-Unit Dwelling located in a Targeted Area.

 "VA": The Veterans' Administration.