**Section 250.103 Definitions**

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

"Act": The Illinois Housing Development Act (Ill. Rev. Stat. 1983, 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 other Program requirements.

"Authority": The Illinois Housing Development Authority.

"Bonds": The Authority's Residential Mortgage Revenue Bonds issued from time to time to finance the Program.

"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 at the date of the closing of the Eligible Borrower's purchase of the Qualified Dwelling, or who will become residents of the State within sixty days of the closing, and whose Household Income does not exceed the Maximum Income; and who occupy or will occupy as a single household the Qualified 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 Qualified 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 Farmer's 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 Qualified 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, mortgage banking association or institution, credit union, or State or federal savings and loan association; which is located and qualified to do business in the State; which is qualified to sell mortgages to FNMA and/or FHLMC; (this requirement will be waived by the Director after determination that the assets of the lender exceed $500,000, that the percentage of mortgage delinquencies in the lender's single family portfolio do not exceed 2.15 times the Statewide average as determined by the last quarterly pronouncement by the United States Federal Home Loan Bank Board and that the lender has an asset-to-liability ratio of at least 1.01/1); deposits of which are insured by the Federal Deposit Insurance Corporation, or the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration or which deposits its funds in Illinois financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation; and whose Application has been accepted by the Director based upon the satisfaction of the Program requirements and a determination of financial suitability after consideration of the net assets, lending capacity, and experience of the potential Lender over the past 12 months in residential mortgage lending.

"Maximum Income": 160% of the median income determined by the United States Census Bureau for the Standard Metropolitan Statistical Areas 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 a Qualified 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 or other temporary loans as permitted by Section 103A of the Internal Revenue Code of 1954, 26 U.S.C. Section 103A, as amended from time to time and applicable regulations promulgated by the Treasury Department thereunder.

"Mortgage Purchase Agreement": The 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.

"Net Proceeds": With respect to the proceeds of each series of Bonds, all moneys 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 the Lender's Application.

"Part": This Part 250.

"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 Director for the origination and sale of Mortgage Loans to the Authority and for the servicing of such Mortgage Loans. The Procedural Guide may, at the discretion of the Authority, exist as a separate and discrete document or may be incorporated into the Mortgage Purchase Agreement and the Servicing Agreement.

"Program": The Authority's single family mortgage purchase program funded by Bonds issued after December 31, 1982.

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

"Qualified 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 Qualified Dwelling may be a condominium unit or a one, two, three or four unit structure so long as it is located in the State and can reasonably be expected to become the principal residence of the Eligible Borrower within a reasonable time after financing is provided. For purposes of this subsection, a "reasonable time after financing is provided" shall be deemed to be a period within sixty (60) days of closing of the Mortgage Loan. This period may be extended if, at the discretion of the Authority, undue hardship to the Eligible Borrower or Lender or an unreasonable result will occur. Such Qualified Dwelling may include factory-made housing so long as such structure is permanently fixed to real property.

"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 Qualified Dwelling for which there has been a qualified rehabilitation as defined in Section 103A of the Internal Revenue Code of 1954, 26 U.S.C. Section 103A, 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, as provided in Section 103A of the Internal Revenue Code of 1954, 26. U.S.C. Section 103A.

"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. The Authority may also be a Servicer. A designated servicer must be a State-chartered bank, national banking association, mortgage banking association or institution, credit union, or State or federal savings and loan association; which is located and qualified to do business 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 of which are insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation, the National Credit Union Administration or which deposits its funds in Illinois financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

"Servicing Agreement": The agreement between the Authority and a Servicer for the servicing of Mortgage Loans purchased by the Authority. The Servicing Agreement may incorporate 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, 26 U.S.C. Section 103A, as amended from time to time and applicable regulations promulgated by the Treasury Department thereunder. Boundaries of the Targeted Areas may be re-designated from time to time at the discretion of the Authority and in compliance with applicable federal regulations.

"Targeted Area Residence": A Qualified Dwelling located in a Targeted Area.

"VA": The United States Veterans' Administration.

(Source: Amended at 8 Ill. Reg. 24998, effective December 19, 1984)