



Glossary of Terms:

Balloon payment is a larger-than-usual one-time payment at the end of the loan term.

Below-market: is defined as housing that can be delivered to local community members at the following prices for local community members:

- Rental housing that delivers new rental units that provide rents affordable to households earning less than 140% AMI
- For-Sale housing that delivers affordable housing units available to households earning less than 160% AMI.
- All affordability calculations will follow the [HomesFund's](#) annual calculations for their loan fund and the current City's Fair Share program.
- All rental affordability calculations will follow CHFA guidelines. is defined as housing that can be delivered to local community members at the following prices for local community members.

Certificate of Occupancy is a legal document that proves a property is safe to inhabit and meets all local government code and usage requirements.

Deed-restriction is a mechanism for preserving the long-term affordability of units whose price was reduced to below-market levels through a government or philanthropic subsidy, inclusionary zoning or affordability incentive. Deed restrictions help to safeguard the long-term value to the community of the initial investment in affordable homeownership by limiting any subsequent sales of the home to income-eligible borrowers at an affordable price. The resale restrictions are attached to the property's deed, and may be enforced for several decades or more, depending on state law.

Eligible Uses: Catalyst Fund proceeds may be used for a variety of predevelopment costs, including but not limited to:

- Project feasibility studies
- Environmental studies
- Engineering, architectural
- Market studies
- Options
- Legal fees
- Soil studies
- Site preparation
- Appraisals
- Surveys
- Development consultants
- Other items associated with determining project feasibility

Equity injection is a lump sum of money invested into a business at any stage. An equity injection is usually calculated as a percentage of the total loan amount and demonstrates to a lender that the owner is motivated to repay the loan.

Lien release is a document that is filed in the public land records as the official notice that the lien is removed.

Personal guarantee is a promise made by a person or an organization to accept responsibility for some other party's debt if the debtor fails to pay it.

Predevelopment: Predevelopment funding programs offer financing to support various development expenses incurred while determining the feasibility of a particular project. Examples of predevelopment costs include preliminary financial applications, legal fees, architectural and engineering fees, environmental studies, market studies, and other third-party studies that help to determine feasibility. See "Eligible Uses" below for the complete list.

Pro formas provide a detailed forecast of the project's cash inflows and outflows, enabling project managers and stakeholders to anticipate periods of cash surplus and shortage throughout the project's lifecycle.

Renew the loan on maturity is when the loan nears maturity—the typical term is 12 months—the borrower provides updated financial information, and the lender underwrites the loan as if it's a new request. Provided the borrower or business remains financially sound and the collateral remains sufficient, the line will be renewed for another term.

Senior Lender is the lender which, by itself or as lead party of a syndicate of lenders, provides any debt>Senior Debt.