

obligations or liabilities of the organization.

**Limited partnership.** An ownership arrangement consisting of general and limited partners; general partners manage the business, while limited partners are passive and liable only for their own capital contributions.

**Loan agreement.** A written agreement between the Agency and the borrower which sets forth the borrower's responsibilities with respect to Agency financing.

**Low-income household.** A household that has an adjusted income that is greater than the Department of Housing and Urban Development's (HUD) established very-low income limit, but that does not exceed the HUD established low-income limit (generally 80 percent of median income adjusted for household size for the county where the property is or will be located).

**Low-Income Housing Tax Credit (LIHTC).** A federal tax credit allowed for investment in qualified low-income housing administered by the Internal Revenue Service (IRS) under section 42 of the Internal Revenue Code.

**Management agent.** A firm or individual employed or designated by a borrower to act on the borrower's behalf in accordance with a written management agreement.

**Management agreement.** A written agreement between a borrower and a management agent setting forth the management agent's responsibilities and fees for management services.

**Management fee.** The compensation provided to a management agent for services provided in accordance with a management agreement.

**Management plan.** A detailed description of the policies and procedures to be followed by the borrower in managing a multi-family housing project.

**Maximum debt limit.** The maximum amount that the Agency will lend or grant for a multi-family housing project based on the appraised value or total development cost excluding costs ineligible for payment from loan or grant funds, whichever is less, reduced by all funding available to the borrower from sources other than the Agency, multiplied by 95, 97, or 102 percent depending upon the applicant entity and their use of the low-income housing tax credit, in accordance with § 3560.63(b).

**Member or co-member.** A stockholder or other person who has executed documents or stock pertaining to a cooperative housing type of living arrangement and has made a commitment to upholding the cooperative concept.

**Migrants or migrant agricultural laborers.** Individuals performing agriculture work and their family dependents who establish a temporary residence at one or more locations away from their home base state, excluding day-haul agricultural workers whose travels are limited to work areas within one day of their residence.

**Minor.** An individual under 18 years of age who is a dependent of a tenant or an individual age 18 or older who is a full-time student and a dependent of a tenant.

**Moderate-income household.** A household that has an adjusted income that is greater than the HUD-established low-income limit but does not exceed the low-income limit by more than \$5,500.

**Mortgage.** A legal document pledging a described property for repayment of a loan under certain terms or conditions.

**Net recovery value.** The value realized from the Government's acquisition of security property in a default situation after subtracting all costs, actual or anticipated, from acquiring, holding, and disposing of the security property.

**New construction.** A multi-family housing project being constructed to be occupied for the first time.

**NOFA.** A "Notice of Funding Availability" issued by the Agency to inform interested parties of the availability of assistance and other matters pertinent to the program.

**Nonprofit organization.** A private organization that:

- (1) Is organized under State or local laws;
- (2) Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual; and
- (3) Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization although a nonprofit organization may be sponsored or created by a for-profit entity provided—

(i) The for-profit entity is not an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm,

(ii) The for-profit entity does not have the right to appoint more than one-third of the membership of the organization's governing body,

(iii) The board members appointed by the for-profit entity are not permitted to appoint the remaining two-thirds of the board members, and

(iv) The local nonprofit organization is free to contract for goods and services from vendors of its own choosing;

(4) Has documentation of tax exempt status under section 501(c)(3) or (4) of

the Internal Revenue Code of 1986, from the Internal Revenue Service;

(5) Does not include a public body as one of its members; although a state or local government chartered organization may qualify as a local nonprofit organization;

(6) Has standards of financial accountability that conform to 24 CFR 84.21;

(7) Has among its purposes the provision of decent housing that is affordable to very-low, low, and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;

(8) Maintains accountability to low-income community residents by—

(i) Maintaining at least one-third of its Board of Director's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations, and

(ii) Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;

(9) Has a capacity for developing and operating affordable rural housing as demonstrated by hiring experienced key staff members who have successfully completed similar projects, or by contracting with a consultant with housing experience and a plan to train appropriate key staff members of the organization; and

(10) Has a history of serving the community within which housing to be assisted is to be located as demonstrated by being able to show 1 year of the organization's service in the community or 1 year of service to the community by members of the organization's governing board, prior to receiving an Agency loan or grant or by demonstrating that its parent organization has at least 1 year of service to the community.

**Nonprofit organization of farm workers.** A nonprofit organization which is incorporated with the State, Puerto Rico, or the Virgin Islands, which has local representation in the membership and whose membership is composed of at least 51 percent farm workers.

**Note.** The rent necessary to cover expenses in a housing project's approved budget and the required loan payment set in the borrower's promissory note.

**Occupancy agreement.** A contract establishing the rights and obligations of the cooperative member and the cooperative, including the amount of the monthly occupancy charge and the