

## PREP GLOSSARY

**Accessibility** – A residence that is suitable or has been adapted for people with physical disabilities so that all areas, including entranceways, bathrooms and stairs are usable.

**Affordability** – An individual's ability to be able to pay for the costs needed to rent housing, taking into consideration the person's income and expenses.

**Affordable Housing** - Affordable Housing is generally defined as housing where the occupant is paying no more than 30 percent of his or her adjusted gross income for housing costs, including utilities.

**Application Fee** - The part of the costs that is pre-paid by the renter to the lender at time of application to cover the initial expenses or for the loan application.

**Asset** – Anything of cash value that is owned by a person. Assets include real property, personal property, stocks, mutual funds, cash or non-cash items that can be converted to cash. Under most federally and state funded housing programs, the income from an asset is included in a family's total household income.

**Award Letter** – Notification from the U.S. Social Security Administration on when a person will receive their benefits and how much he or she will receive.

**Binding Agreement** - An agreement between two or more parties, especially one that is written and enforceable by law.

**Breach** - The breaking or violating of a law for the failure to meet a contractual obligation.

**Case Manager** – A person who provides the services laid out in a plan.

**Conventional Housing** - A home that is constructed totally at the site. It is the opposite of a factory-built, manufactured or mobile home.

**Credit Report** - Used by lenders to determine a potential borrower's credit worthiness. Independent sources compile the report, which lists the borrower's debts, liabilities and assets.

**Credit Reporting Agency** - One of the three retail credit associations that provide an evaluation of a person's history or capacity of debt repayment to which an individual has access.

**Culpability** - The act of violating the terms of the lease.

**Damage Deposit** - A payment made by the tenant, paid to the landlord who has suffered damage to his or her person property by the tenant.

**Default** – The payment on a loan that was not made on time.

**Demised premises** - The property that is subject to a lease.

**Dwelling** - A place where people live such as apartments, hotels, mobile homes, nursing homes and single-family houses.

**Efficiency** - A small, usually furnished apartment consisting of one room that includes kitchen facilities and a separate bathroom.

**Entities** - Organizations that are legally permitted to enter into a contract, and be sued if they fail to meet their contractual obligations.

**Escrow Payment** - To make a deposit of a payment with instructions for a neutral third party to carry out the terms of the agreement or contract when the agreement has been met.

**Eviction** - The formal removal, or legal proceeding by the landlord of a tenant who failed to meet their obligations (rent). In general this requires formal notice and a probational period of time for the tenant before he or she must leave the dwelling.

**Fair Market Rent** - The amount that a property would command if it were currently available for lease. The Fair Market Rent is usually set at the 40th percentile rent, the dollar amount below which 40 percent of standard quality rental housing units rent.

**FICO** - Fair Isaac Credit Organization is a credit score that is based on a statistical analysis of a person's credit files, and determines the likelihood that the person will pay his or her bills. A credit score is primarily based on credit report information, typically from the three major credit bureaus.

**Forensics** – Related to and involving the criminal justice system.

**Grace Period** - An agreed-upon time after the payment of a debt is past due and during which time a party can pay back the debt without being penalized.

**Housing Choice Voucher** - These rental subsidies are available through the Public Housing Authority. Some communities have a "preference" for people with disabilities which enables people with disabilities to receive priority for obtaining these Vouchers.

**Housing Counselor** – Professionals who provide counseling and assistance to individuals on a variety of issues, including loan default, fair housing, renting and home buying.

**Identity Theft** - Stealing the identity of others by using their credit card, driver's license, social security or other personal identification numbers. The thief can use the information to open new accounts and access existing accounts. Not only can the thieves run up bills for the victims, but they can commit crimes pretending to be the victim, who may have enormous difficulty proving otherwise.

**Landlord** - A person, corporation, or a group of persons or corporations that own land or a building and rents some or all of it to someone else.

**Last Month's Rent** – Part of the payment to the landlord at the time of signing the lease that includes the rental fee for the last month of the term of the lease.

**Lease** - The formal legal document or agreement between the landlord and the tenant whereby the landlord agrees to rent property to the tenant for a period of time in return for payment by the tenant.

**Legal Contract** - An agreement between two or more parties, especially one that is written and enforceable by law that sets forth what the parties will or will not do. Most contracts that can be carried out within one year can be either oral or written.

**Lessee (Renter/Tenant)** - A person or organization that usually signs a lease and rents a property from another.

**Liability** – To be legally responsible for a debt.

**Long Term Care Facility** – A living arrangement that provides care given in the form of medical and support services to persons who have lost some or all of their capacity to function due to an illness or disability.

**Low-Income** – Having a relatively small earned income; the income amount can vary depending on the median family income for the geographic area and on housing costs.

**Low-Income Housing** - Housing units that, by reason of rental levels or amount of other charges, are available to low-income families or individuals whose incomes do not exceed the maximum income limits established for continued occupancy in federally assisted low-rent public housing.

**Magistrate** - A judge in a lower court whose control is limited to the trial of misdemeanors and the conduct of preliminary hearings on more serious charges.

**Market Rent** - The amount for rent that can be charged by pricing the rent at a level near that of similar properties in the market area.

**Moderate-Income** - Of or relating to people or households supported by an average or slightly below average income.

**Negligence** – The failure to fulfill the terms of an agreement.

**Obligation** – The amount of debt owed.

**PAL** – Pennsylvania Affordable Apartment Locator – An internet tool on the PHFA website that links individuals to affordable housing options throughout Pennsylvania. It is intended to be an aid for those searching for affordable apartments and for property managers and developers who wish to market their affordable vacant units.

**Pension** – A sum of money paid regularly as retirement compensation, which is a fixed amount of money paid by the government, a former employer, or an insurance company for an injury sustained on a job, or as a reward for years of service.

**PHFA** – Pennsylvania Housing Finance Agency - The Pennsylvania Housing Finance Agency was created by the Pennsylvania General Assembly in 1972 to provide affordable housing for older adults, families of modest means, and persons with disabilities.

**Premises** The building or complex in which the dwelling unit is located including common areas and grounds.

**PREP** – The Prepared Renter Program, a collaborative effort between PHFA and SDHP, is a training program that equips Pennsylvanians with information they need to become successful renters. PREP is designed to inform renters about a variety of topics including assessing their housing needs, understanding the language of a lease, communicating with landlords, and creating and working within a budget.

**Property Manager** - A person who controls a property (often times the landlord) whose responsibility is to implement and oversee effective maintenance and improvement programs and is paid for his or her services.

**Public Assistance** - Government aid that usually consists of money, food, food stamps, or other benefits, given by government agencies to people on low incomes, dependent children, and others in financial distress.

**Public Housing** - Housing managed by the government and provided at a relatively low rent as a form of public assistance.

**Public Housing Authority** - Any state, county, municipality, or other governmental entity or public body that has the authority under the state enabling legislation to engage in the development or administration of low-rent public housing.

**Real Estate** - A term that generally refers to land with or without buildings or improvements.

**Rent** - Compensation or fee paid for the occupancy and use of any rental property, land, buildings, equipment, etc. The amount charged by the landlord for the right to occupy the unit, usually stated as a monthly rate.

**Rental Agent** – Individuals who administer commercial and residential rental properties such as rental apartments and other rental housing.

**Rental Subsidy** - Financial assistance in the form of government loans, grants, or other contributions that are used to make rental housing affordable.

**Renter** (Lessee/Tenant) - A person or organization that usually signs a lease and rents a property from another.

**Representative-payee** – A person who has been given the authority to help individuals manage their finances and benefits. A representative may be a shelter caseworker, mental health case manager, friend or relative.

**Resident** – The term used for someone that lives in any type of housing.

**Rural** - An area outside larger and moderate-sized cities and surrounding population concentrations that typically has farms, ranches, small towns and unpopulated regions.

**SDHP** – Self-Determination Housing Project of Pennsylvania, Inc. - a non-profit organization whose goal is to increase the stock of affordable, accessible and integrated housing and to expand access to public and private housing programs and to advocate for choice and control in housing for people with disabilities.

**Section 8 Public Housing** (See Housing Choice voucher) – Federally funded housing program administered by public housing authorities that provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities.

**Security Deposit** - A non-interest bearing refundable amount of money, generally equal to some portion of monthly rent, that will be held by the landlord to ensure that the conditions and obligations under the lease agreement are met. The landlord has the right to deduct from such security deposit any amounts owed under the lease that the tenant has not paid to the landlord. If any of the security deposit remains, the landlord will refund those funds to the lessee upon termination of the lease.

**Studio Apartment** - An apartment, usually for one person, that consists of one large room, a small kitchen, and a bathroom. The single large room is meant to accommodate all living spaces: the bedroom, the dining room, and the living room.

**Subsidized** - The housing for low- and moderate-income families in which rents are paid in part by the government or in which the government pays a portion of the developer's loan interest costs so that he or she can charge lower rents.

**Suburban** - A development of real estate in areas surrounding the central area of a city.

**Tenant** (Renter/Lessee) - A person or organization that usually signs a lease and rents a property from another.

**Term** - The length of the lease/rental agreement. Many landlords will not lease for less than a 12-month term whereas others are willing to rent on a month-to-month basis.

**Termination** - Legal notice from the landlord to the tenant that the tenant has not met the conditions of the lease agreement and the agreement is therefore ended and the tenant must leave the dwelling.

**Unit** - Residential space for the private use of a person or family. Apartments are generally referred to as units.

**Urban** – Related to or belonging to a city or a town of significant size and importance which is a center of population, commerce, and culture.

**Utilities** - The services provided by public utility companies such as water, gas, electricity and telephone.