

ASSET BUILDING GLOSSARY

CBA – Community Benefits Agreements are legally binding agreements that a community organization or coalition of organizations enter into directly with the developer/s.

CDBG/Section 108 Investments – Community Development Block Grant is a federal program that began in 1975 by the federal Department of Housing and Urban Development (HUD) to fund community development activities including neighborhood revitalization, economic development, home financing, and improved community facilities and services.

CDC – A Community Development Corporation is a nonprofit 501(c)(3) corporation formed by residents, small business owners, congregations, and other local stakeholders to revitalize a low- and/or moderate-income community. CDCs program various programs and services to the community, including affordable housing, job creation through small or micro business lending or commercial development projects, and an array of social services to the community.

CDFI – Community Development Financial Institution is a community-based financial institution that attempts to target certain sectors of the financing needs not covered by traditional financial institutions. Examples of CDFIs are community development credit unions (CDCUs) and community and individual investment corporations (CIICs).

CLT – Community Land Trust is a nonprofit organization that gives individual families the opportunity to own a home by lowering its cost and separating the cost of the land from the cost of the home.

CSA – Child Savings Accounts are based on the design of the individual development account it is a matched savings account created at birth and matched based on varying formulas.

EITC – Earned Income Tax Credit is available to low-income, working people through a through a tax refund from the federal income tax system.

Employee Ownership Centers – Employee ownership is a for-profit form of business that provides an important tool for local asset accumulation.

Employer Assisted-Housing – Employer assisted-housing gives employees the opportunity to become homeowners through various ways, including homeownership counseling and financial assistance to investment in the development of new affordable homeownership opportunities.

IDA – Individual Development Accounts are matched savings accounts that are usually coordinated by a nonprofit organization in partnership with a bank or credit union.

LiLA – Lifelong Learning Accounts is a type of matched savings account that provides participants with the opportunity to increase their earning potential through their employer.

LEC – Limited Equity Cooperatives limits the resale value of housing cooperative shares in order to keep them affordable over time. LECs provide for affordable homeownership while giving cooperative owners the ability to own a home with many benefits, including secure and stable housing, lower housing costs, tax benefits (mortgage interest and property tax deductions), and market appreciation related to their individual share.

Microenterprise – A microenterprise is a small business with 5 or fewer employees including the owner that usually, but not always, starts with modest financial investment.

MicroLending (Alternative Lending) -

Predatory Mortgage Lending – Predatory Mortgage Lending refers to a range of practices, including deception, fraud or manipulation, that a mortgage broker or lender may use to make a loan with terms that are disadvantageous to the borrower.

Predatory Payday Lending – Predatory Payday Lending refers to the practice of flipping small, short-term loans repeatedly at annual interest rates that average about 400 percent. These loans are referred to as “payday loans” because they are marketed as a tool for cash-strapped borrowers to make it to the next paycheck.

PRI – Program Related Investments are funds invested by private foundations in projects that have the potential for social good.

Resident Ownership of Businesses – Resident ownership of businesses are community businesses that are collectively owned by community members.

Self-Help Homeownership – This type of homeownership gives low-income families that do not have the financial resources to invest in a home the opportunity to build their own home through “sweat equity” as families invest their time and labor into building a home.

Shared-Equity Homeownership – This strategy enables low-income families to own a home in partnership with other investors who share in the equity appreciation of the home when it is sold.

VITA – Volunteer Income Tax Assistance programs aid working-poor families and individuals in the process of filing taxes.

Worker-Owned Cooperatives – A worker-owned cooperative is a company that is owned 100 percent by its workers and governed by the philosophy of one member, one vote.