

16.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. When used in the context of an assumption of a loan, "*assume*" or "*assumed*" means any type of transaction involving the sale or transfer of an ownership interest in real estate financed by the authority, whether the conveyance involves a transfer by deed or real estate contract or some other device.
2. "*Authority*" means the Iowa finance authority established in section 16.2.
3. "*Bond*" means a bond issued by the authority pursuant to sections 16.26 to 16.30.
4. "*Child foster care facilities*" means the same as defined in section 237.1.
5. "*Cost*" as applied to Iowa small business loan program projects means the cost of acquisition, construction, or both including the cost of acquisition of all land, rights-of-way, property rights, easements, franchise rights, and interests required for acquisition, construction, or both. It also means the cost of demolishing or removing structures on acquired land, the cost of access roads to private property, including the cost of land or easements, and the cost of all machinery, furnishings, and equipment, financing charges, and interest prior to and during construction and for no more than eighteen months after completion of construction. Cost also means the cost of engineering, legal expenses, plans, specifications, surveys, estimates of cost and revenues, as well as other expenses incidental to determining the feasibility or practicability of acquiring or constructing a project. It also means other expenses incidental to the acquisition or construction of the project, the financing of the acquisition or construction, including the amount authorized in the resolution of the authority providing for the issuance of bonds, to be paid into any special funds from the proceeds of the bonds, and the financing of the placing of a project in operation.
6. "*Dilapidated*" means decayed, deteriorated, or fallen into partial disuse through neglect or misuse.
7. Reserved.
8. "*Displaced*" means displaced by governmental action, or by having one's dwelling extensively damaged or destroyed as a result of a disaster.
9. "*Division*" means the title guaranty division.
10. "*Elderly families*" means families of low or moderate income where the head of the household or the head's spouse is at least sixty-two years of age or older, or the surviving member of any such tenant family.
11. "*Export business*" means a profit or nonprofit business, including but not limited to, an individual, partnership, corporation, joint venture, association, or cooperative that does international exporting from the state where at least twenty-five percent of the value of the international exports is derived from goods or services whose final production process occurs in the state.
12. "*Export business finance program*" means the program established under sections 16.121 to 16.125.
13. *a. "Families"* includes but is not limited to families consisting of a single adult person who is primarily responsible for the person's own support, is at least sixty- two years of age, is a person with a disability, is displaced, or is the remaining member of a tenant family.
b. "Families" includes but is not limited to two or more persons living together who are at least sixty-two years of age, are persons with disabilities, or one or more such individuals living with another person who is essential to such individual's care or well-being.

14. Reserved.

15. *"Health care facilities"* means those facilities referred to in section 135C.1, subsection 6, which contain fifteen beds or less.

16. *a. "Housing"* means single family and multifamily dwellings, and facilities incidental or appurtenant to the dwellings, and includes group homes of fifteen beds or less licensed as health care facilities or child foster care facilities and modular or mobile homes which are permanently affixed to a foundation and are assessed as realty.

b. "Adequate housing" means housing which meets minimum structural, heating, lighting, ventilation, sanitary, occupancy, and maintenance standards compatible with applicable building and housing codes, as determined under rules of the authority.

17. *"Housing program"* means any work or undertaking of new construction or rehabilitation of one or more housing units, or the acquisition of existing residential structures, for the provision of housing, which is financed pursuant to the provisions of this chapter for the primary purpose of providing housing for low or moderate income families. A housing program may include housing for other economic groups as part of an overall plan to develop new or rehabilitated communities or neighborhoods, where housing low or moderate income families is a primary goal. A housing program may include any buildings, land, equipment, facilities, or other real or personal property which is necessary or convenient in connection with the provision of housing, including, but not limited to, streets, sewers, utilities, parks, site preparation, landscaping, and other nonhousing facilities, such as administrative, community, health, recreational, educational, and commercial facilities, as the authority determines to be necessary or convenient in relation to the purposes of this chapter.

18. *"Housing sponsor"* means any individual, joint venture, partnership, limited partnership, trust, corporation, housing cooperative, local public entity, governmental unit, or other legal entity, or any combination thereof, approved by the authority or pursuant to standards adopted by the authority as qualified to either own, construct, acquire, rehabilitate, operate, manage, or maintain a housing program, whether for profit, nonprofit or limited profit, subject to the regulatory powers of the authority and other terms and conditions set forth in this chapter.

19. *"Income"* means income from all sources of each member of the household, with appropriate exceptions and exemptions reasonably related to an equitable determination of the family's available income, as established by rule of the authority.

20. *"International exports"* means goods or services transported or sent from the United States to a foreign country.

21. *"Iowa small business loan program" or "loan program"* means the program for lending moneys to small business established under sections 16.61 to 16.65.

22. *"Lower income families"* means families whose incomes do not exceed eighty percent of the median income for the area with adjustments for the size of the family or other adjustments necessary due to unusual prevailing conditions in the area, and includes, but is not limited to, very low income families.

23. *"Low income housing credit"* means the low income housing credit as defined in Internal Revenue Code § 42(a).

24. *"Low or moderate income families"* means families who cannot afford to pay enough to cause private enterprise in their locality to build an adequate supply of decent, safe, and sanitary dwellings for their use,

and also includes, but is not limited to, (1) elderly families, families in which one or more persons are persons with disabilities, lower income families and very low income families, and (2) families purchasing or renting qualified residential housing.

25. "*Mortgage*" means a mortgage, mortgage deed, deed of trust, or other instrument creating a first lien, subject only to title exceptions acceptable to the authority, on a fee interest in real property which includes completed housing located within this state, or on a leasehold on such a fee interest which has a remaining term at the time of computation that exceeds by not less than ten years the maturity date of the mortgage loan.

26. "*Mortgage-backed security*" means a security issued by the authority which is secured by residential mortgage loans owned by the authority.

27. "*Mortgage lender*" means any bank, trust company, mortgage company, national banking association, savings and loan association, life insurance company, any governmental agency, or any other financial institution authorized to make mortgage loans in this state and includes a financial institution as defined in section 496B.2, subsection 2, which lends moneys for industrial or business purposes.

28. "*Mortgage loan*" means a financial obligation secured by a mortgage.

29. "*Note*" means a bond anticipation note or a housing development fund note issued by the authority pursuant to this chapter.

29A. "*Person with a disability*" means a person who is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment, or a person having a physical or mental impairment which is expected to be of long-continued and indefinite duration, substantially impedes the ability to live independently, and is of a nature that the ability to live independently could be improved by more suitable housing conditions.

30. "*Project*" means real or personal property connected with a facility to be acquired, constructed, improved, or equipped, with the aid of the Iowa small business loan program as provided in sections 16.61 to 16.65. However, for purposes of sections 16.101 through 16.106, "*project*" means as defined in section 16.102.

31. "*Property improvement loan*" means a financial obligation secured by collateral acceptable to the authority, the proceeds of which shall be used for improvement or rehabilitation of housing which is deemed by the authority to be substandard in its protective coatings or its structural, plumbing, heating, cooling, or electrical systems; and regardless of the condition of the property the term "*property improvement loan*" may include loans to increase the energy efficiency of housing or to finance solar or other renewable energy systems for use in that housing.

32. "*Qualified residential housing*" means any of the following:

a. Owner-occupied residences purchased in a manner which satisfies the requirements contained in section 103A of the Internal Revenue Code in order to be financed with tax exempt mortgage subsidy bonds.

b. Residential property qualifying pursuant to section 103(b)(4) of the Internal Revenue Code to be financed with tax exempt residential rental property bonds.

c. Housing for low or moderate income families, elderly families, and families which include one or more persons with disabilities.

33. "*Residential mortgage interest reduction program*" means the program for buying-down interest rates on residential mortgage loans pursuant to sections 16.81 through 16.84.

34. *"Residential mortgage loan"* means a financial obligation secured by a mortgage on a single-family or two-family home.

35. *"Residential mortgage marketing program"* means the program for buying and selling residential mortgage loans and the selling of mortgage-backed securities pursuant to sections 16.71 through 16.73.

36. *"Small business"* means a profit or nonprofit business, including but not limited to an individual, partnership, corporation, joint venture, association, or cooperative, to which the following apply:

a. It is not an affiliate or subsidiary of a business dominant in its field of operation.

b. It has either twenty or fewer full-time equivalent positions or not more than the equivalent of three million dollars in annual gross revenues as computed, for the preceding fiscal year or as the average of the three preceding fiscal years.

c. It does not involve the operation of a farm and does not involve the practice of a profession.

"Small business" includes an employee-owned business which has been an employee-owned business for less than three years or which meets the conditions of paragraphs "a" through "c".

For purposes of this definition *"dominant in its field of operation"* means having more than twenty full-time equivalent positions and more than three million dollars in annual gross revenues, and *"affiliate or subsidiary of a business dominant in its field of operation"* means a business which is at least twenty percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

The authority may, by resolution, waive any or all of the requirements of paragraph "b" in connection with a loan to a small business, as defined under applicable federal law and regulations that have been enacted or adopted by April 1, 1983, in which federal assistance, insurance, or guaranties are sought.

37. *"State agency"* means any board, commission, department, public officer, or other agency of the state of Iowa.

38. *"State housing credit ceiling"* means the state housing credit ceiling as defined in Internal Revenue Code § 42(h)(3)(C).

39. *"Title guaranty"* means a guaranty against loss or damage caused by defective title to real property.

40. *"Very low income families"* means families whose incomes do not exceed fifty percent of the median income for the area, with adjustments for the size of the family or other adjustments necessary due to unusual prevailing conditions in the area.

The authority shall establish by rule further definitions applicable to this chapter, and clarification of the definitions in this section, as necessary to assure eligibility for funds available under federal housing laws, or to assure compliance with federal tax laws relating to the issuance of tax exempt mortgage subsidy bonds pursuant to Internal Revenue Code § 103A, or relating to the issuance of tax exempt residential rental property bonds for qualified residential housing under Internal Revenue Code § 103, or relating to the allowance of low income credits under Internal Revenue Code § 42.

[C77, 79, 81, § 16.1; 81 Acts, ch 76, § 1; 82 Acts, ch 1173, § 1, 2, ch 1187, § 13]

83 Acts, ch 124, § 1, 2; 84 Acts, ch 1281, § 15; 85 Acts, ch 225, § 1; 85 Acts, ch 252, § 24, 25; 86 Acts, ch 1212, § 1; 86 Acts, ch 1245, § 840; 87 Acts, ch 125, § 1, 2; 87 Acts, ch 141, § 1

C93, § 16.1

96 Acts, ch 1129, § 58