

40B Supplemental Monitoring



Topics to Discuss:

- About CHAPA
- Supplemental Monitoring Roles and Responsibilities
- Resales
- Refinancing
- Capital Improvements
- Foreclosures & Short Sales
- Reporting and Record Keeping
- Partnering with Communities



About CHAPA

Citizens' Housing and Planning Association's mission is to encourage the production and preservation of housing that is affordable to low and moderate income families and individuals and to foster diverse and sustainable communities through planning and community development.

Every person in Massachusetts should have a safe, healthy, and affordable place to call home. We achieve this by **advocating for opportunity, expanding access to housing, and developing the field.**

CHAPA's 40B Monitoring

40B Monitoring	Totals
Developments	171
Affordable Units	2,895
Homeownership Developments	152
Rental Developments	19
Communities	101

Supplemental Monitoring Roles & Responsibilities:

ENSURING LONG-TERM REGULATORY COMPLIANCE IN HOUSING DEVELOPMENTS

During a Homeowner's Residency

- Principal Residence Required
- Capital Improvement Approval
- Refinance approval required
- Renting Approval Required

At time of Sale

- Notice to Sell Required to Town & CHAPA
- Diligent marketing efforts required
- New Buyer Approval Required

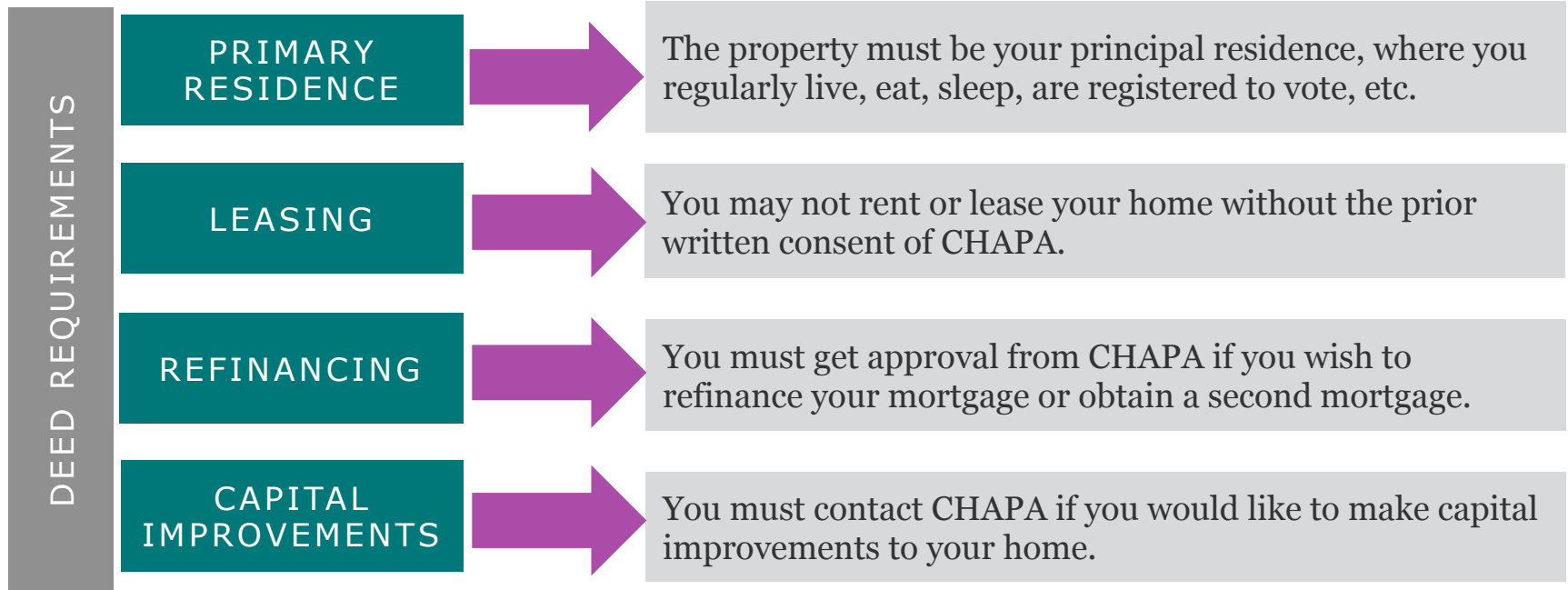
Foreclosure Risk

- Notify Town and Homeowner of notice
- Working with Homeowner to receive counseling or start the resale process.

Reporting and Recording Keeping

- Annual Reporting to Town and Project Administrator (MassHousing)
- Violations tracking and reporting

40B Homeowner Guidelines



40B Resales



40B Resales

HOMEOWNERS' RESPONSIBILITIES:

**Provide a
letter of
intent to
sell to
Monitoring
agent**

**Fill out a
property
info form**

**Fix any
damage to
the unit**

**Show the
unit –
possibly
with agent**

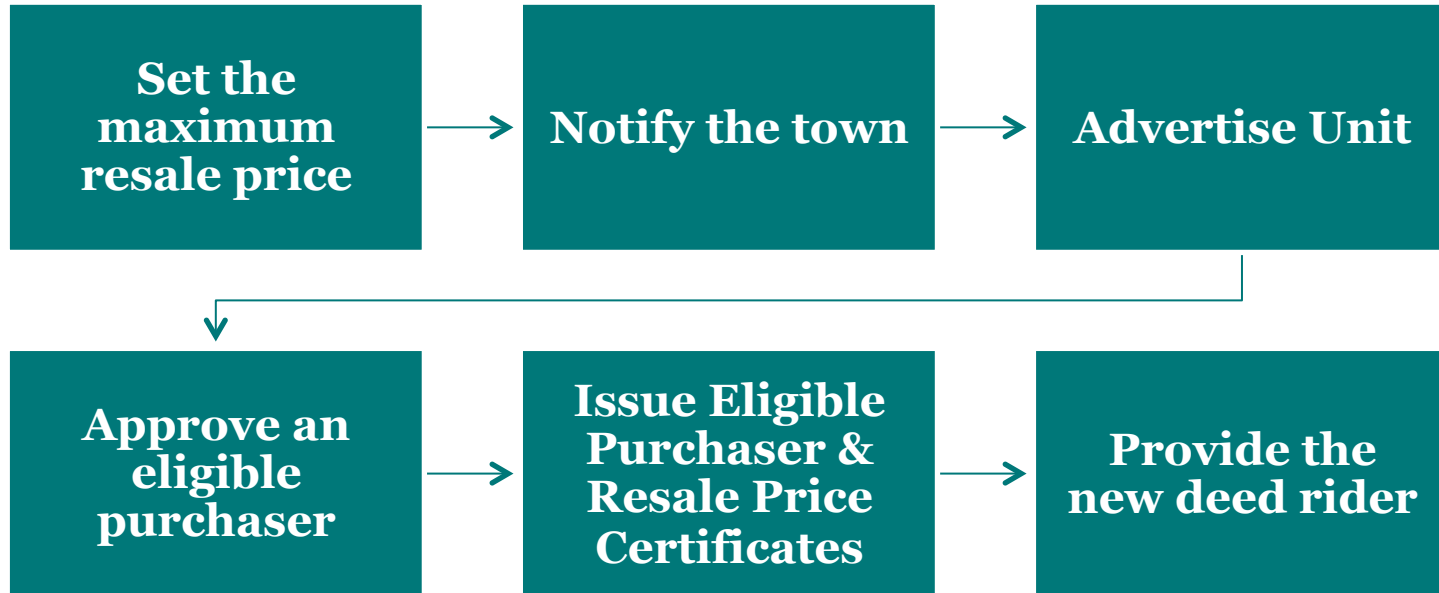
**Sell the unit
to an
approved
buyer with
Monitoring
agent
approval**

**Provide a
(P&S)
Agreement**

**Pay resale
fee**

40B Resales

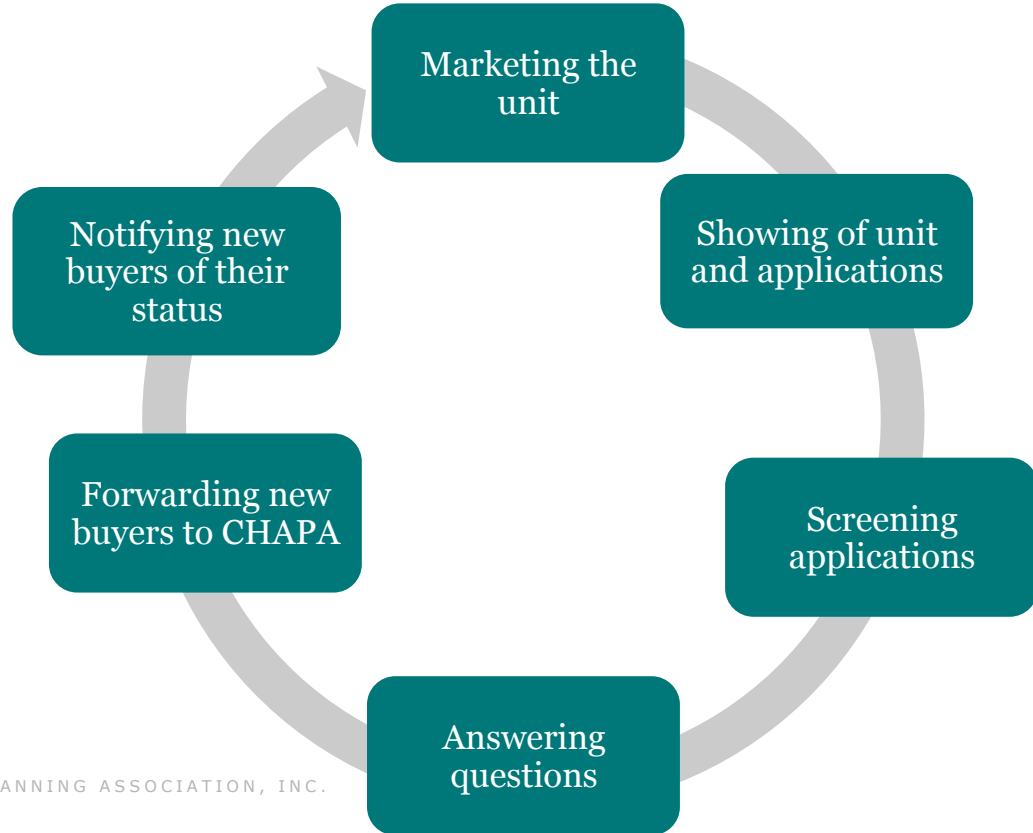
CHAPA RESPONSIBILITIES:



CHAPA Seller Assistance

HOUSING CONSULTANT RESPONSIBILITIES:

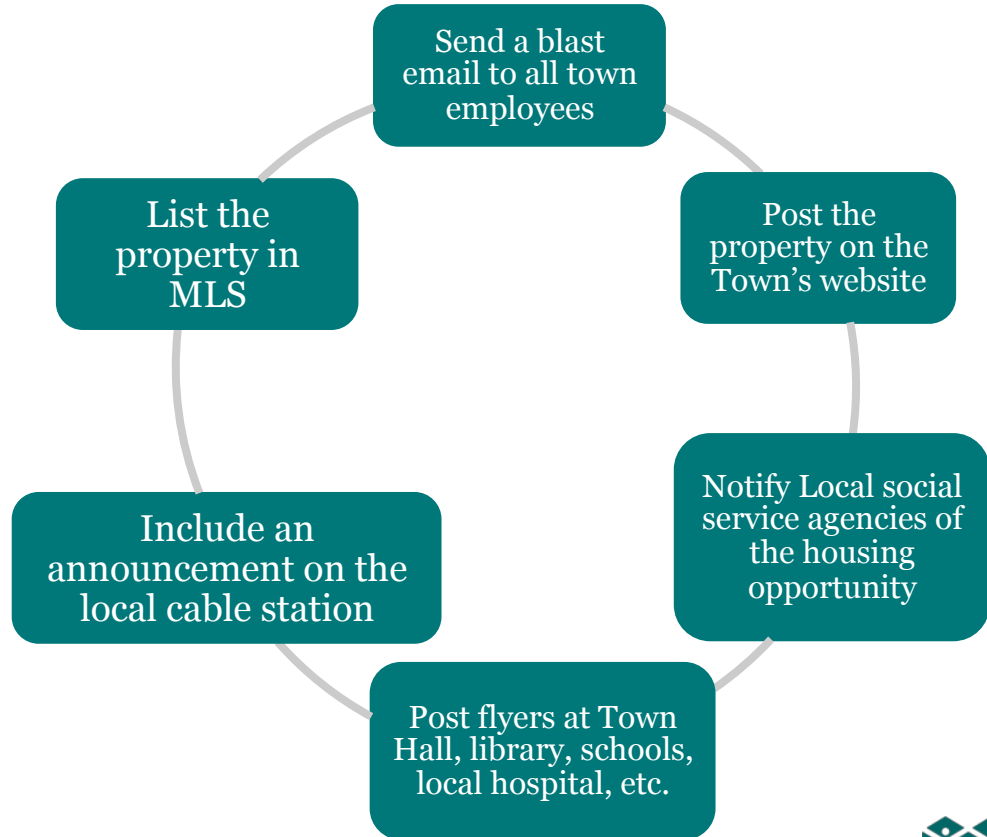
Part of the seller's resale fee goes toward CHAPA's assistance in the marketing of the unit. CHAPA does this by contracting with a local real estate professional to act as a "housing consultant" for the seller.



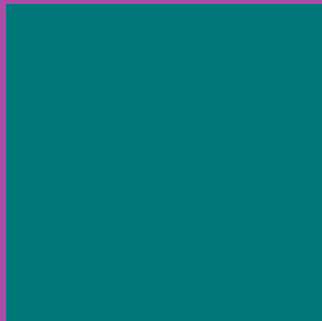
Marketing Ideas

TOWN ASSISTANCE:

There are several ways a Town can be more involved in helping a homeowner sell their affordable unit such as marketing, covering the costs of the MLS listing, paying a percentages of the seller's broker fee, offering down payment or closing cost assistance and approving the Universal Deed Rider.



40B Refinancing



Refinancing a 40B Unit

REQUIRED DOCUMENTS AND MORTGAGE TERMS:

Required Documents for a Refinance Approval	Mortgage Guidelines
<ul style="list-style-type: none">• Complete loan application	<ul style="list-style-type: none">• Fully-amortizing fixed-rate with no prepayment penalty
<ul style="list-style-type: none">• Commitment letter from lender	<ul style="list-style-type: none">• Current fair market interest rate
<ul style="list-style-type: none">• Good Faith Estimate	<ul style="list-style-type: none">• Loan amount no greater than 95% of Maximum resale price
<ul style="list-style-type: none">• Appraisal Report	

40B Capital Improvements



Capital Improvements

UNIVERSAL DEED RIDER

- Check the Definitions section of the Deed Rider that outlines the capital improvement policy
 - Written request is required by homeowner with work and cost estimates outlined
 - CHAPA sends approval letter with request for receipts when work is completed.
 - Total for the approved amount of capital improvements is added to resale price at a depreciated value at time of **sale so long as it keeps the value affordable.**



Examples of Approved & Unapproved Capital Improvements:

APPROVED CAPITAL IMPROVEMENTS:

- Replacing a broken appliance – dishwasher, refrigerator, washer/dryer, etc.
- Roof Replacement – this may be forced as part of a condo association
- Carpet replacement

UNAPPROVED CAPITAL IMPROVEMENTS:

- Replacing countertops with granite
- Refinishing a basement or attic space
- Upgrading appliances

Foreclosures & Short Sales



Foreclosures & Short sales

- Per Deed Restriction CHAPA and the Town receive foreclosure notice from Lender attorney
- CHAPA notifies Town and Homeowner of notice.
- Town has right of first refusal to purchase unit to avoid foreclosure.
- CHAPA works with Homeowner to receive foreclosure counseling and/or start the resale or short sale process.



Reporting & Record Keeping



Reporting and Recording Keeping

MONITORING AGENT RESPONSIBILITIES:

- Annual Reporting to each City/Town and Project Administrator (MassHousing)
 - Updates on ongoing construction status and lotteries
 - Cost certification compliance updates
 - Outlines number of new unit sales, resales, refinances and foreclosures
- Report to City/Town at the time of resale or foreclosure notification
- Report to City/Town on compliance of the Annual Rental Review of rental developments

Partnering with Communities



Partnering with Communities

- Have a point person available to work with the Monitoring Agents
- Support of the Affordable Housing Trust
- Marketing of affordable units to Town employees
- Enforcement provided through Town Legal Counsel



Questions?

Thank you

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