40B TOPICS – MONITORING OWNERSHIP UNITS

Chapter 40B: Hot Topics in a Hot Market
October 2, 2015
RHSO Introduction

REGIONAL HOUSING SERVICES OFFICE, ESTABLISHED 2011

Member Towns receive housing services for an annual fee per Inter-Municipal Agreement:
- Monitoring
- Inventory Management
- Program Administration
- Local Support
- Regional efforts (ex training)

Town of Concord
Lead Community

RHSO Personnel deliver services through Lead Community.

Membership Fee covers all staffing, and administrative expenses, such as accounting, office support, mail, technology, etc.

<table>
<thead>
<tr>
<th>Member Town Statistics (FY16)</th>
<th>Housing Units</th>
<th>Restricted Units</th>
<th>Restricted Ownership</th>
<th>SHI%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acton</td>
<td>8,475</td>
<td>552</td>
<td>55</td>
<td>6.51%</td>
</tr>
<tr>
<td>Bedford</td>
<td>5,322</td>
<td>974</td>
<td>52</td>
<td>18.30%</td>
</tr>
<tr>
<td>Burlington</td>
<td>9,627</td>
<td>1008</td>
<td>59</td>
<td>10.47%</td>
</tr>
<tr>
<td>Concord</td>
<td>6,852</td>
<td>718</td>
<td>69</td>
<td>10.48%</td>
</tr>
<tr>
<td>Lexington</td>
<td>11,946</td>
<td>1337</td>
<td>13</td>
<td>11.19%</td>
</tr>
<tr>
<td>Sudbury</td>
<td>5,921</td>
<td>357</td>
<td>36</td>
<td>6.03%</td>
</tr>
<tr>
<td>Weston</td>
<td>3,952</td>
<td>149</td>
<td>27</td>
<td>3.77%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>52,095</strong></td>
<td><strong>5,095</strong></td>
<td><strong>311</strong></td>
<td><strong>9.78%</strong></td>
</tr>
</tbody>
</table>

Elizabeth Rust

WWW.RHSOhousing.org
Monitoring Ownership Units

- Monitoring is done to ensure compliance with conditions and restrictions
  - Step 1: Obtain restriction and identify requirements
    - Verify Recorded Documents
  - Step 2: Identify the Monitoring Agent
    - DHCD, CHAPA, Municipality, 3rd Party
- There are (generally) four areas to monitor for ownership units:
  - Refinancing
  - Residency
  - Resales
  - Capital Improvements
Monitoring Ownership Units

- Best Practice: Perform Annual Monitoring
  - Verify activity at Registry for each owner/address
    - Unapproved Transfer/Refinance
  - Obtain resident self-certification
    - Opportunity for contact
    - Reminds owner of obligations
  - Verify Assessor Mailing Address
    - Helps to verify residency
  - Provide contact for owner
    - On-going Communication
Monitoring Ownership Units

- Monitoring Agent/Municipality
  - Approve Refinancing
    - LTV ratio, Loan Standards, Payoff Letters
  - Verify Residency
    - Owner Occupied, Inheritance Questions
  - Approve Capital Improvements
    - Necessary maintenance improvements, pre-approved on a case-by-case
  - Resell Unit
    - Calculate price, Find agent, Advertise opportunity, Prepare Closing Documents, Don’t Lose Unit
Monitoring Ownership Units

Success comes from cooperation between

- Monitoring Agent
- Municipality
- Resident