



Selling Your 40B Property

As the monitoring agent for your Chapter 40B affordable home, Citizens' Housing and Planning Association (CHAPA) will assist you in selling your property to a new eligible purchaser. The following outlines CHAPA's role and your responsibilities in the resale process. You should know that the resale process takes time and you should prepare for this accordingly. This is only general guidance; the process and sale restrictions for units can vary significantly. Please contact us for your property's specific requirements and procedures.

To get started with the resale process, please contact: Ron McCormick, Program Manager, (781)285-6081, rmccormick@chapa.org.

CHAPA's ROLE

- **Setting the resale price.** CHAPA will set your Maximum Resale Price according to the formula contained in your deed rider. Most of the time this is the price affordable to a household earning at or below 70% or 80% of the Area Median Income. This is not a guaranteed price, only the maximum amount you could receive. CHAPA will also set the resale fee that is paid to CHAPA at closing, as established by your deed rider.
- **Notifying your municipality.** CHAPA will notify your municipality that you intend to sell your property. Municipalities often have the opportunity to purchase your property at the Maximum Resale Price. If your deed rider states that the municipality has a "Right of First Refusal," CHAPA will notify the municipality that they have the first chance to purchase the property. CHAPA will not be able to proceed until the town has informed CHAPA in writing that they do not wish to purchase the unit, or until the period in which they must respond has expired. Your deed rider will dictate what the period is for response. Generally, it is 30 days, but it may be as long as 120 days.
- **Advertising the property.** While the homeowner is ultimately responsible for the cost of advertising, CHAPA can assign a Housing Consultant who will assist in advertising your property and processing applications. While this Housing Consultant will work directly for CHAPA, she or he will be available to guide you through the transaction. The Consultant is paid out of your Resale Fee. You may instead work with a real estate agent of your choosing to market the property, but you will be responsible for any commission charged by the agent, in addition to the Resale Fee paid to CHAPA.
- **Sending out applications.** CHAPA and the Housing Consultant will create,

distribute and collect applications as well as field questions from interested parties.

- **Selecting an Eligible Purchaser.** Applications from potential buyers will be reviewed and a purchaser will be approved according to CHAPA policy. This often is done through a random selection lottery and eligibility review. You will be notified once CHAPA has verified an applicant as an Eligible Purchaser. If this Eligible Purchaser decides not to purchase your unit, CHAPA will approve another Eligible Purchaser. The selection is conducted in a fair and impartial manner. *You may not choose the buyer for your property.*
- **Providing documents for closing.** CHAPA will provide you or your attorney with a new deed rider to be recorded at the closing. CHAPA will also issue a Eligible Buyer Certificate for the purchaser and Resale Price Certificate that need to be recorded.

HOMEOWNER'S RESPONSIBILITIES

- **Providing a letter stating your intention to sell.** In order to begin the resale process, you must send CHAPA a letter of intent with a brief description of your home, including the number of bedrooms, the monthly property tax, the monthly condominium fee and the monthly homeowner's insurance amount, if any. The letter should also include your contact phone number, email address, and signature.
- **Filling out a property information form.** CHAPA will provide this form to you. It is important that you fill the form out completely and accurately. This information will be used to advertise your property.
- **Paying for a deposit.** You will be asked to pay \$300 up front as a deposit. This money is NOT refundable should you decide not to sell your property. Please note that the \$300 will be deducted from your Resale Fee.
- **Fixing any damage to your property.** The resale price of your unit will be set assuming that the property is in the same or comparable condition as when you purchased. Any damage beyond normal wear and tear must be fixed before selling or your Maximum Resale Price will be adjusted accordingly.
- **Showing your property.** You may be asked to allow interested and approved buyers to see your property.
- **Selling your property to the selected household.** You must give the Eligible Purchaser selected by CHAPA an opportunity to purchase the unit at reasonable terms and conditions. You may not deny them the opportunity to purchase the property.
- **Providing a Purchase and Sale (P&S) Agreement.** You will be responsible for preparing the P&S agreement. CHAPA strongly recommends that you hire an attorney to prepare the P&S agreement for you, as it is a legally binding contract between you and the buyer. Additionally, CHAPA recommends that you require no more than \$1,000 as a deposit at the time of signing the P&S.
- **Providing access for the purchaser's appraiser and home inspector.** The buyer's appraiser and home inspector will need access to your property. It will be your responsibility to provide access.
- **Keeping CHAPA informed about the closing.** You will need to make sure that CHAPA has been informed about the closing date and the closing attorney so that you will have the necessary documents from CHAPA to close. Contact CHAPA as

soon as the date has been set. Failure to do this will delay your closing.

- **Providing the other necessary documents for closing.** You are responsible for providing the new deed and any other documents that will be required. If you live in a condominium, you will need to provide the condominium documents and the 6-D certificate showing that you do not owe any money to the association. There will probably be a charge from your condominium association to provide you with these documents. Your attorney can help you with these documents.
- **Paying the resale fee due to CHAPA at closing.** You must pay CHAPA the resale fee as provided in your deed rider, minus the \$300 you already paid as a deposit. If for some reason this fee is not paid at the closing, you will still be responsible for it. Additionally, you may be responsible for paying a portion of, or the entire, resale fee even if you decide not to sell your unit after the process has started. You may also be required to pay the entire resale fee up front, if you later decide to try to sell your unit again.
- **Selling to an Ineligible Purchaser.** Two scenarios may occur if an Eligible Purchaser is not located within a period specified by your deed rider and you have fulfilled all of your responsibilities. This depends on your deed rider and CHAPA will outline for you which category applies.
 1. You may be able to sell the property to an ineligible purchaser with the deed rider attached. Preference must go to households earning between 80% and 120% of Area Median Income. In this case, you must sell the property at the affordable resale price. You will also be entirely responsible for locating this purchaser and any cost you may incur in doing so.
 2. You may be able to sell the property to an ineligible purchaser without the deed rider attached. In this case, you must sell the property at the market rate. An appraisal must be submitted to CHAPA at your expense. Most importantly, you will not be able to keep any additional profits above the affordable resale price. Those must be given to the municipality. You will also be entirely responsible for locating this purchaser and any cost you may incur, in doing so such as a real estate agent's commission.

Please direct all resale questions to:

Ron McCormick
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Email: rmccormick@chapa.org