



Chapter 40B Affordable Housing: Frequently Asked Questions

What is Chapter 40B Housing?

Chapter 40B is the state's Affordable Housing Law. Because Massachusetts is such an expensive place to live, the Affordable Housing Law was enacted many years ago with the goal of making at least 10 percent of every community's housing affordable. The law allows developers to build affordable housing by allowing for a streamlined permit process and more flexible zoning rules. The process is available to developments that devote at least 20 to 25% of their units to low and moderate income families.

The 20 to 25% of the units designated as "affordable" are the homes that you may be interested in trying to purchase. These homes are located in developments across the state, and include single family homes, townhouses, duplexes and condominiums. They can be sold as new units by the developer and his/her agent, or as "resales" by people who own one of the homes and now want to sell it. Some developments are "age-restricted" (age 55 and over).

(There are also apartment buildings with affordable rental units developed under Chapter 40B. *See below for more information.*)

How do I find out about affordable properties for sale?

- CHAPA's website lists many of these affordable homes for sale at <https://www.chapa.org/housing-policy/chapter-40b>

How do I know if I qualify?

To be eligible to purchase an affordable unit, you must:

- Have income and assets that fall below certain limits – available [here](#).
- Be a first-time homebuyer (with some exceptions)
- Agree to a deed restriction which describes certain responsibilities you will have as an affordable unit owner
- Live in the home as your principal residence.

What are the income limits?

Income limits vary by area and family size. For instance, a family of four living in the Greater Boston area can earn up to \$78,150. The property you are interested in should include the income limits specific to the town where it is located. To find the specific income limit for your area, you can go to the HUD website where they are published annually. - https://www.huduser.gov/portal/datasets/il/il2017/select_Geography.odn

How about asset limits?

An individual or family can have no more than \$75,000 in assets. If the household is applying for an age-restricted development (55+), they can have up to \$275,000 in combined assets, including both liquid assets and property equity.

What if I used to own a home?

For non-age-restricted units, you must be a first-time homebuyer. This means you have had no homeownership interest in a principal residence during the past 3 years OR you are a displaced homemaker or single parent who has only owned a home with a former spouse while married.

For age-restricted units, you must sell your current home and live in the one you purchase as your principal residence. You can have up to \$200,000 in equity from the sale of your home.

What is a Deed Restriction?

A Deed Restriction describes your responsibilities as an affordable home owner. For instance, you must get permission from CHAPA to refinance your mortgage or make any capital improvements to your home. If you want to sell your home, you will have to notify CHAPA in writing and follow certain procedures in order to sell it to another income-eligible buyer.

How do I apply?

To purchase an affordable home, contact the owner or agent selling the property. You will have to complete an application and provide documentation to show that you are eligible, and will need to have a pre-approval from a mortgage lender.

What about affordable apartments for rent?

If you are interested in renting an affordable unit, visit the MassAccess Registry at <http://www.massaccesshousingregistry.org/> to search for rental opportunities.