



# Selling Your 40B Property

As the monitoring agent for your affordable housing unit, Citizens' Housing and Planning Association (CHAPA) will assist you in locating a new eligible purchaser and selling your property. The following outlines CHAPA's role and your responsibilities in the resale process. In addition, you should also know that the resale process takes time and you should prepare for this accordingly.

If you have any questions about the resale process, feel free to contact David Gasser at CHAPA, (617) 701-7498 or [dgasser@chapa.org](mailto:dgasser@chapa.org).

## CHAPA's ROLE

- ❑ **Setting the resale price.** CHAPA will set the resale price for the lower of either 1) the formula contained in your deed rider or 2) the resale price affordable to a household earning at or below 80% of the area median income. In addition to this, CHAPA will set the resale fee that is paid to CHAPA at closing, as established in your deed rider.
- ❑ **Notifying your town or city.** If your deed rider requires that the town receive a "Right of First Refusal," CHAPA will notify the town or city of your desire to sell your affordable unit and of the resale price of your unit. CHAPA will not be able to proceed in the resale process until the town has informed CHAPA in writing that they do not wish to purchase the unit, or until the time frame in which they must respond has expired. Your deed rider will dictate what the time frame is for response. Generally, it is 30 days, but it may be as long as 120 days. If the town or city decides to purchase the unit or to locate an eligible purchaser, they will inform you of the process to proceed.
- ❑ **Advertising the unit.** While the homeowner is responsible for the cost of advertising (see Homeowner's Responsibilities), CHAPA will place the necessary advertisements that might be required by the unit's deed rider. CHAPA will assign a Housing Consultant who will assist in advertising your unit and processing applicants. While this Housing Consultant will work directly for CHAPA, s/he will be available to assist you if you have questions.
- ❑ **Sending out applications.** 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 selected by the Housing Consultant and CHAPA, based on their eligibility. 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 select another Eligible Purchaser. The selection shall be done in an impartial manner. You may not choose who to sell to.

- **Issuing an Eligible Purchaser Certificate/Resale Price Certificate.** CHAPA will issue a certificate of eligibility for the purchaser after the Offer to Purchase has been accepted. This certificate must be recorded with the new deed and Deed Rider. Some deed riders also require a Resale Price Certificate. When this is required, CHAPA will issue this certificate.
- **Providing the Deed Rider.** CHAPA will provide you or your attorney with a new deed rider to be recorded at the closing. Additionally, CHAPA will provide the Eligible Purchaser with this document so that his/her lender can review it prior to the closing.

## 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 to sell 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.
- **Providing necessary documents and information to allow CHAPA to determine the resale price.** This may include an appraisal of your unit, a copy of your recorded deed rider, monthly condo fees, yearly taxes, and homeowner's insurance costs. CHAPA will inform you which documents are required in your particular situation.
- **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 the unit.
- **Paying for advertising costs.** You will be asked to pay \$300 up front to cover advertising costs. This money is NOT refundable should you decide not to sell your unit. Furthermore, this may not cover all advertising costs. If the advertising costs exceed this amount, you will be responsible for the additional costs as well. Please note that the \$300 will be deducted from your resale fee (see below).
- **Fixing any damage to your unit.** The resale price of your unit will be set assuming that the unit is in the same or comparable condition as when you purchased the unit. However, as in all real estate transactions, there is no guarantee that you will be able to receive the resale price set by CHAPA.
- **Showing your unit.** When an Eligible Purchaser has been selected, you will be provided with their contact information to arrange a viewing. Generally, you will only need to show your unit to the Eligible Purchaser who has been selected.
- **Selling your unit to the person selected.** You must give the Eligible Purchaser selected by CHAPA an opportunity to purchase the unit. You may not deny them the opportunity to purchase the unit.
- **Providing a Purchase and Sales (P&S) Agreement.** You will be responsible for preparing the P&S agreement. CHAPA strongly recommends that you hire a lawyer to prepare the P&S agreement for you, as it is a legally binding contract between you and the purchaser. 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/home inspector.** Once a P&S agreement has been signed, the purchaser's appraiser and home inspector will need access to your unit. 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.

- **You are responsible for 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 for advertising costs. 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 begun. 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.** There are two scenarios that may occur if an Eligible Purchaser is not located within the required time frame stated within 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 your deed rider falls into.
  - 1) 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 (as determined by CHAPA) and provide the additional money above the affordable resale price to the city or town. You will not be able to keep any additional profits above the affordable resale price established by CHAPA. You will also be entirely responsible for locating this purchaser and any cost you may incur (such as a realtor's commission) in doing so.
  - 2) 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 (as determined by CHAPA). You will also be entirely responsible for locating this purchaser and any cost you may incur in doing so.

Resale questions can be directed to:

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