



Frequently Asked Questions (FAQs) for Chapter 40B Buyers

Q: What is Chapter 40B affordable housing?

A: Chapter 40B is the state's Affordable Housing Law. This law was enacted many years ago with the goal of making at least 10% 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 25% of their units to low and moderate income households. These affordable 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 or as "resales" by people who own one of the homes and now want to sell it. Some developments are "age-restricted" (for those age 55 and over).

Q: How do I find out about affordable properties for sale?

A: You can find available affordable properties listed on [MyMassHome](#).

Q: How do I know if I qualify?

A: The eligibility requirements may be slightly different for each opportunity, so you should check each application for details, but in general, you must:

- Have an income below certain limits, most often [80% of the Area Median Income](#)
- Have less than \$75,000 in assets or \$275,000 for age-restricted developments
- Be a first-time homebuyer (with some exceptions)
- Agree to a deed restriction which contains certain responsibilities you will have as an affordable home owner
- Live in the home as your principal residence

Q: What are the income limits?

A: Income limits vary by area and family size. The application for property you are interested in should include the income limits specific to the city or town where it is located. To find the specific income limit for your area, you can go to the [HUD website](#) where they are updated annually.

Q: What about asset limits?

A: 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. Retirement assets are counted, but only the "cash value" of the retirement asset is counted toward the

limit, meaning any taxes or penalties paid if a withdrawal were made are factored in. Any funds used toward the down payment on the property also count toward the asset limit. However, any funds received from a municipal, state, or federal down payment assistance program do not count as an asset.

Q: What if I used to own a home?

A: For non-age-restricted units, you must be a first-time homebuyer. This means you have had no ownership interest in a principal residence during the past 3 years OR you are a displaced homemaker, single parent who has only owned a home with a former spouse while married, or owned a mobile home. For age-restricted units, you must sell your current home and live in the one you purchase as your principal residence. Any equity or proceeds from that sale count toward the asset limit.

Q: What is a Deed Restriction?

A: Deed Restriction, or Deed Rider, 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 at a lower “affordable” price.

Q: How do I apply?

A: To purchase an affordable home, contact the monitoring or lottery agent in charge of coordinating the sale of the property. You will have to complete an application and provide documentation to show that you are eligible, including a pre-approval from a mortgage lender.

Q: Do I need to use any particular lender or is there are specific loan I need to get for a Chapter 40B home?

A: No. However, we recommend you check out the affordable loan products for first time homebuyers through the Massachusetts Housing Partnership and MassHousing. More information can be found at [MyMassHome](#). We also recommend letter your lender know upfront that you are applying for a deed restricted affordable home, so that your lender can ensure your loan will be compatible with the deed restrictions.

Q: Can a family member serve as “the bank” and loan money to an eligible buyer?

A: No. Loan must be from and institutional lender.

Q: Is there an appeals process for the buyer selection procedure?

A: Yes, please contact CHAPA or the monitoring agent for that development for more information. Applicants may also contact MassHousing directly. MassHousing is obligated to address the grievance in a manner consistent with 40B guidelines and in accordance with any existing DHCD 40B grievance policy.