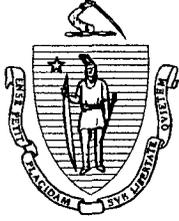


10/08



# Commonwealth of Massachusetts DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Tina Brooks, Undersecretary

## SELLING YOUR LOCAL INITIATIVE PROGRAM HOME

Dear Local Initiative Program (LIP) Homeowner:

The following is a summary on how to sell your home under the LIP program. *We wish to emphasize that before you may begin the process of selling your LIP unit, your town/city and the Department of Housing and Community Development (DHCD) must review your written request to sell, and issue a written response.*

To begin the review process, please mail the following information to your town/city and DHCD:

- Written notice of your intent to sell.** Your written notice should include your name, the property address and a phone number where you can be reached during the day.
- A complete copy of an **Appraisal Report** for the property, completed by a certified residential appraiser. The home should be appraised as a market rate property and the appraisal report should be no older than 120 days past its completion date.
- A clear **color photograph** of the exterior of your LIP unit for posting on the DHCD Affordable Units for Sale web page.

The above documents should be mailed to the following address:

The Department of Housing and Community Development  
100 Cambridge Street, Suite 300  
Boston, MA 02114  
Attn: Division of Housing Development - LIP Program

Please contact Nancy Tavernier at the Acton Community Housing Corporation (ACHC) for assistance in finding an eligible purchaser for the LIP resale unit. She can be reached at 978-263-9611.

## MAXIMUM RESALE PRICE

After receiving notification, your local community will send a response letter within thirty days. (DHCD has 40 days to respond to your letter if your local community does not exercise its right of first refusal). The response letter will state the price for which you may sell your home. This price is called the *Maximum Resale Price*. For a period of 90 days, the community and/or DHCD reserves the right to restrict the sale of the home to a buyer who is income-eligible under the LIP program. This is the *Right of First Refusal period*, and the expiration date of this period is included in the response letter.

*During the right of first refusal period, you may sell your home for no more than the Maximum Resale Price.* The maximum resale price of your home is calculated by using the formula that appears in your LIP deed rider.

Some deed riders use a discount rate formula - calculated by multiplying your home's current appraised value (as shown on the appraisal report) by the discount rate specified in your LIP deed rider. However, there are LIP deed riders that compare the discount rate formula to an alternative formula, and use which ever formula produces the *lesser* maximum resale price.

## MARKETING THE UNIT

During the right of first refusal period, the Acton Community Housing Corporation (ACHC) will market the unit to its list of eligible buyers. Please contact Nancy Tavernier of ACHC at 978-263-9611 for assistance in finding an eligible purchaser for the LIP resale unit.

DHCD will post information about the resale unit on our web page as well.

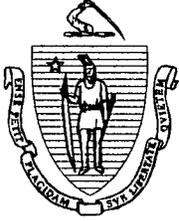
## THE NEW BUYER

The new buyer must be income eligible under the LIP program. ACHC will verify eligibility. When the buyer's eligibility has been verified and he/she has received financing, both the seller and the buyer should retain legal counsel and sign a purchase and sale agreement. DHCD must receive a copy of the purchase and sale agreement and the loan commitment for the buyer in order to prepare the closing documents.

If an eligible buyer is not located during the right of first refusal period, you may sell your home without regard to the income level of the buyer. If the home is sold to an ineligible buyer it must be sold at market value as determined by your appraisal. Any proceeds over the Maximum Resale Price will be recaptured by the local community and earmarked for homeownership programs or assisting other eligible buyers. DHCD will release the deed restriction when a LIP home is sold off the program, after approving the terms of the sale.

*For more information, please contact Elsa Campbell of DHCD's Division of Housing Development at 617- 573-1321.*

Kelley Calvin



Commonwealth of Massachusetts  
**DEPARTMENT OF HOUSING &  
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*For more information, please contact Elsa Campbell of DHCD's Division of Housing Development at 617- 573-1321.*

**Acton Community Housing Corporation**  
**Nancy Tavernier, Chairman**  
**TOWN OF ACTON**  
Acton Town Hall  
472 Main Street  
Acton, Massachusetts, 01720  
Telephone (978) 263-9611  
[achc@acton-ma.gov](mailto:achc@acton-ma.gov)

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October 9, 2008

Kelley Colvin  
15 Minuteman Rd.  
Acton, MA

Dear Kelley,

Thanks for getting in touch with me for information on the potential resale of your house. There is a specific process to be followed as spelled out in your deed rider so you were wise to gather the information first to understand what is involved.

I have contacted Elsa Campbell at DHCD and she has provided me with the enclosed information sheet. To summarize the steps:

1. Notify ACHC and DHCD in writing of your intention to sell.
2. Get an appraisal for your property done by a certified residential appraiser.
3. Provide a color photo of the exterior of the house for posting at DHCD.

After notified, ACHC will then have 30 days to respond to you and DHCD will respond to give you the maximum price the house can be sold for based on the appraisal and the Discount Rate applied to the appraisal. Your discount rate is 53.1%, which will be applied to the appraised value and will be the maximum resale price. For example, if your house is appraised at \$300,000, it would be multiplied by 53.1% and the resale price would be \$159,300. There is also an alternative formula that can be used by DHCD in case the selling price is too high to meet current income eligibility. You originally purchased your house for \$94,500 on an appraisal of \$178,000. That is how the 53.1% was calculated.

After the price is set, ACHC then has 90 days to find a buyer for the house. We do have a list of potential buyers that hopefully could qualify for a mortgage especially in this difficult time. Should we not find a buyer, you could then sell your house for no more than the appraised value but anything over the maximum resale price would be given to ACHC to be used for future affordable housing opportunities. In either case, your maximum resale price will be the maximum you will retain.

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~~DHCD also wanted me to remind you that you have taken three unapproved loans on your property and there is concern that you may owe more than you can sell the property for. This is something you should calculate early on in the process. No adjustments to the price would be allowed to cover this debt.~~

I hope this information is helpful. Please feel free to contact me with any questions.

Sincerely,

Nancy Tavernier, Chair  
ACHC