

Big Changes Coming in 2021 to the 40B Affordability Monitoring System

HOT OFF THE PRESSES... MassHousing has redesigned the affordability monitoring system for 40B developments effective January 1, 2021.

Beginning in the new year, MassHousing will be selecting the monitoring agent for each home ownership development at Final Approval. Previously, the Monitoring Agent has been chosen by the developer. MassHousing will pay agents for services directly, on an upfront and annual basis, through an escrow account. The agents that have been selected are:

- Citizens Housing and Planning Association
- LDS Consulting Group
- Sudbury Housing Trust
- MetroWest CDC
- Housing Assistance Corporation
- Community Teamwork, Inc.
- NeighborWorks Housing Solutions

For Site Approval of ownership units, effective September 1, 2020, the following fees will be payable to MassHousing...

SITE APPROVAL - OWNERSHIP AND RENTAL New England Fund/MassHousing Financing Programs Effective September 1, 2020		
PURPOSE	AMOUNT	PAYABLE
Application Processing	\$7,500	Upon Submission
Technical Assistance	\$2,500 + \$50/Unit	Upon Submission – to Massachusetts Housing Partnership
Appraisal	TBD	Upon Commission

For Final Approval of ownership units, effective January 1, 2021, the following fees will be made payable to MassHousing...

FINAL APPROVAL – OWNERSHIP New England Fund Program Effective January 1, 2021		
PURPOSE	AMOUNT	PAYABLE
Application Processing Cost Certification Affordability Monitoring	\$3,500/Affordable Unit	Upon Submission
Revised Appraisal (if necessary)	TBD	Upon Commission

For those of you familiar with our Final Approval process, this means Developers will no longer be selecting or paying fees to the monitoring agent directly.

In addition, 40B fees will be adjusted for inflation at a rate of 2% per year, beginning July 1, 2022. A separate fee schedule for Final Approval of MassHousing financed projects will be released at a later date.

We will keep you, our valued client, posted of any additional changes as they arise.