



Nantucket Housing Needs Covenant (NHNC) Transaction Details Info and documents for attorneys

The following information and checklist serve as a starting point to track transactions. Many transactions have unique characteristics. Please contact Housing Nantucket to review details of individual transactions. Documents listed *in italics* are provided on our website.

The steps in a **Condominium** Covenant Transaction are:

1. **Purchaser** completes *Qualified Purchaser's application* and submits to Housing Nantucket. Issuance of Qualified Purchaser's Certificate may take up to 30 days from receipt of a complete application.
2. **Seller** and **Seller's Attorney** complete *Qualified Seller's application*. Be sure to specify "Condominium" as the subprogram type in blank at the top of application. Issuance of Qualified Seller's Certificate may take up to 30 days from receipt of a complete application.
3. **Seller's Attorney** completes and submits Covenant to Housing Nantucket which has already been signed/notarized by **Seller**. Use the *Condominium Covenant form*. Do not re-type or create your own form. In the case of a resale, this step is unnecessary.
4. Housing Nantucket staff will secure Housing Authority Commissioners' signatures. Housing Authority Commissioners sign covenants at their regularly scheduled monthly meetings, typically the 4th Wednesday of the month. Please make sure there is enough lead time and schedule with Housing Nantucket staff. May take up to 30 days. In the case of a resale, this step is unnecessary.
5. **Seller's Attorney** submits Condo documents and Site plan to Housing Nantucket. Staff reviews for compliance with Section 15 of the Covenant. Among other requirements: Site Plans must clearly label the "NHNC Unit" and the Master Deed must include specific wording to address Section 15. See *Mandatory Master Deed Provisions*, a document containing the required wording. May take up to 10 days. In the case of a resale, this step is unnecessary.
6. **Purchaser's Attorney** submits *Authority Mortgage* to Housing Nantucket for review. DO NOT re-type or create your own form.
7. **Purchaser's Attorney** completes the *Intent to Record* form using the "order of recording" list below. Housing Nantucket staff reviews. DO NOT re-type or create your own form. Typical Order of Recording:
 - a. Nantucket Housing Needs Covenant
 - b. Condo Master Deed
 - c. Site Plan

- d. Trust
 - e. Mortgage Subordination (Subordinate Seller's mortgage to condominium regime, if applicable)
 - f. Unit Deed (attach Qualified Seller's & Purchaser's Certificates)
 - g. 6D Certificate
 - h. Municipal Lien Certificate
 - i. Partial Release or Discharge of Seller's Mortgage
 - j. Authority Mortgage
 - k. Purchase Money Mortgage
 - l. Certificate of Compliance
8. **Seller** pays the transfer fee (1/2% of the year's Max Sale Price) to Housing Nantucket. For 2016 this fee is \$3,317.
 9. Housing Nantucket prepares a closing packet, which includes the original Qualified Purchaser and Seller Certificates, the original Covenant (if the dwelling is new to the covenant program), and an original Certificate of Compliance. This will occur before closing and upon receipt of the transfer fee paid by the Seller. **Buyer or Seller's attorney** arranges pickup of closing packet from Housing Nantucket.

Post Closing:

10. **Purchaser's attorney** submits copies of Recorded Documents to Housing Nantucket.
11. **Purchaser's attorney** secures *Notice of Zoning Compliance* from Zoning Enforcement Officer.

The steps in a **Secondary Lot** Covenant Transaction are:

1. **Purchaser** completes *Qualified Purchaser's application* and submits to Housing Nantucket. Issuance of Qualified Purchaser's Certificate may take up to 30 days from receipt of a complete application.
2. **Seller** and **Seller's Attorney** complete *Qualified Seller's application*. Be sure to specify "Secondary Lot" as the subprogram type in blank at the top of application. Issuance of Qualified Seller's Certificate may take up to 30 days from receipt of a complete application.
3. **Seller** applies to Planning Board for Approval Not Required subdivision of a covenant lot.
4. **Seller's Attorney** completes and submits Covenant to Housing Nantucket which has already been signed/notarized by **Seller**. Use the *Secondary Lot Covenant form*. Do not re-type or create your own form. In the case of a resale, this step is unnecessary.
5. Housing Nantucket staff will secure Housing Authority Commissioners' signatures. Housing Authority Commissioners sign covenants at their regularly scheduled monthly meetings, typically the 4th Wednesday of the month. Please make sure there is enough lead time and schedule with Housing Nantucket staff. May take up to 30 days. In the case of a resale, this step is unnecessary.
6. **Purchaser's Attorney** submits *Authority Mortgage* to Housing Nantucket for review. DO NOT re-type or create your own form.

7. **Purchaser's Attorney** completes the *Intent to Record* form using the "order of recording" list below. Housing Nantucket staff reviews. DO NOT re-type or create your own form. Typical Order of Recording:
 - a. Nantucket Housing Needs Covenant
 - b. Site Plan
 - c. Trust
 - d. Mortgage Subordination (Subordinate Seller's mortgage to condominium regime, if applicable)
 - e. Unit Deed (attach Qualified Seller's & Purchaser's Certificates)
 - f. Municipal Lien Certificate
 - g. Partial Release or Discharge of Seller's Mortgage
 - h. Authority Mortgage
 - i. Purchase Money Mortgage
 - j. Certificate of Compliance
8. **Seller** pays the transfer fee (1/2% of the year's Max Sale Price) to Housing Nantucket. For 2016 this fee is \$3,317.
9. Housing Nantucket prepares a closing packet, which includes the original Qualified Purchaser and Seller Certificates, the original Covenant (if the dwelling is new to the covenant program), and an original Certificate of Compliance. This will occur before closing and upon receipt of the transfer fee paid by the Seller. **Buyer or Seller's attorney** arranges pickup of closing packet from Housing Nantucket.

Post Closing:

10. **Purchaser's attorney** submits copies of Recorded Documents to Housing Nantucket.
11. **Purchaser's attorney** secures *Notice of Zoning Compliance* from Zoning Enforcement Officer.