

Government Manufactured Home Guidelines and Matrix

Summary

Product Types	30yr, 25yr, 20yr and 15yr Fixed
Eligible Programs	Single Family – 1 unit Doublewide+
Loan Types	FHA, USDA GRH & VA

Standard & High Balance

Loan Type	Minimum FICO	Maximum LTV	Maximum DTI
FHA	620	Per Agency Guidelines	50%
USDA	620		Per USDA
VA	620		50%

*** In the absence a guideline below, please refer to the Agency guidelines for the underlying product***

Manufactured Home Program Guide

FHA, VA and USDA

Definition	A manufactured home (MH) is a home that is built in a factory, transportable in one or more sections, designed and constructed to the Federal Manufactured Home Construction and Safety Standards (FMHCSS), and so labeled regarding conformance with the MHCSS.
Overview	<p>Manufactured homes are eligible for FHA, VA and USDA financing provided all of the following requirements are met:</p> <ul style="list-style-type: none">• Home was built on or after June 15, 1976 as evidenced by the HUD Data Plate, the appraisal or title policy.• Home must have been built to the FMHCSS as evidenced by having a HUD Certification Label/Tag attached to the MH or if the HUD Tag is missing, a HUD Tag Letter of Verification from the Institute for Building Technology and Safety (IBTS). See HUD Certification Label/Tag for additional details.• Home must be permanently affixed to the subject property in accordance with FHA, VA or USDA requirements.• Subject must be legally classified by the state as real property, at or prior to closing.• Subject is a single-family dwelling.• Loan is underwritten in accordance with requirements of the applicable Loan Program Guide.• Mortgage must cover both the home and the land.
Ineligible States	<ul style="list-style-type: none">• None

	FHA	VA	USDA
Property Eligibility	Eligible Properties: <ul style="list-style-type: none"> • Single family manufactured homes • Doublewide or wider manufactured homes • Fee simple only • Planned Unit Developments (PUD) that are not in a Mobile Home Park 		
	Ineligible Properties: <ul style="list-style-type: none"> • Singlewide manufactured homes • 2-4 unit properties • Cooperative • Leasehold Estates • Manufactured homes in "Parks" not held in fee simple ownership, commonly known as "Mobile Home Parks" • Properties with resale restrictions • Manufactured Housing Condominiums • FHA: PUD in a Mobile Home Park • FHA and USDA: A home that has been previously installed or occupied at any other site. 		
Occupancy	<ul style="list-style-type: none"> • Primary residence • Investment property or second home allowed if FHA Streamline refinance without an appraisal. 	<ul style="list-style-type: none"> • Primary residence only • Investment property or second homes IRRRLs are not allowed 	<ul style="list-style-type: none"> • Primary residence only

	FHA	VA	USDA
Eligible Transactions	<ul style="list-style-type: none"> • Purchase • Refinance (Cash-out, Rate/Term and Streamlines). • FHA Connection data entry requirements: <ul style="list-style-type: none"> ○ The Case Number Assignment Screen must contain the appropriate two-digit Program ID Code, as follows: ○ 77 for manufactured home loans NOT processed as construction-to-permanent loans. ○ 36 for manufactured home loans processed as construction-to-permanent loans. ○ Appraisal Logging Screen: enter “Y” for yes, as a MH indicator. 	<ul style="list-style-type: none"> • Purchase • Refinance (Interest Rate Reduction Loan (IRRRL) and Cash-out). 	<ul style="list-style-type: none"> • Purchase of a new unit <ul style="list-style-type: none"> ○ Must be purchased through a RHCDIS approved dealer/contractor.
Appraisal Request	<ul style="list-style-type: none"> • The following exhibits must be provided to the appraiser: <ul style="list-style-type: none"> ○ Purchase contract(s). For new MHs there may be separate contracts for the land and the home. ○ For new or proposed construction - Plans and Specs (Floor plan of the unit; Description of materials; Design calculations, details for installation, anchorage and construction details; Heat loss calculations; Elevation determinations; Plot Plan; Additional exhibits; Individual water supply and sewage systems details). 		
	<ul style="list-style-type: none"> • The manufacturer, dealer or retailer invoice must be provided to the appraiser for all new construction (less than one year old). • Structural Engineer’s Report, except if HUD REO or FHA-to-FHA insured refinance transaction with no indication that alterations were made to the 	<ul style="list-style-type: none"> • No additional requirements. 	<ul style="list-style-type: none"> • No additional requirements.

	FHA	VA	USDA
Appraiser	<ul style="list-style-type: none"> Must inspect all mechanical, plumbing and electrical systems to ensure that they meet applicable minimum property standards. Must identify any property deficiencies, including grading and foundation, to ensure compliance with the applicable Agency, local and state building code. 		
	<ul style="list-style-type: none"> The appraisal should indicate if alterations have been made to the manufactured home. Existing manufactured homes in place over one year, must be inspected by an appraiser for evidence of permanent concrete footing with tie-downs anchored to the footing (pier) by either a cable, rebar welded to the frame rail or similar fashion. 	<ul style="list-style-type: none"> The appraiser must enter the MH unless it is new and has not been delivered to the site. If the appraiser is unable to access and/or inspect the new MH, the appraiser must obtain the following documents: <ul style="list-style-type: none"> MH plans: design or floor plans showing room layout and exterior dimensions for MH unit, and elevations plans; Specifications: information on all standard items of inclusion such as flooring, heating, plumbing, electrical equipment, and appliances; Supplemental information on any selected options or upgrades included in the subject sale; and Foundation plans. 	<ul style="list-style-type: none"> The appraisal should indicate if alterations have been made to the manufactured home.
Appraisal Reports	<ul style="list-style-type: none"> Fannie Mae 1004C, Manufactured Home Appraisal Report, is required. Form 1004D, Appraisal Update and/or Completion Report, if needed to document repair completion. 		
	<ul style="list-style-type: none"> At least two of the comparable sales must be manufactured homes. Completion of the cost approach is only required for proposed or under construction 	<ul style="list-style-type: none"> At least two of the comparable sales must be manufactured homes. Completion of the cost approach is not required. 	<ul style="list-style-type: none"> All comparable sales must be manufactured homes. Completion of the cost approach is required for new construction only.

	FHA	VA	USDA
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<p>Structural Engineer's Report (also known as Engineer's Certification on Foundation Compliance Report)</p>	<ul style="list-style-type: none"> • A new Structural Engineer's Report is required, except if HUD REO or FHA-to-FHA insured refinance transaction. • The report may be obtained from the borrower, broker, or builder. • The Engineer's Report must be forwarded to the appraiser and the appraisal must indicate a copy of the report was provided. <ul style="list-style-type: none"> ○ If a copy of the Engineer's Report is not available prior to completion of the appraisal, the report must still be sent to the appraiser. The appraiser must provide an Appraisal Update and/or Completion Report (1004D) as confirmation of foundation compliance. The Underwriter cannot sign off on the foundations compliance with HUD requirements without conformation from the appraiser on the original appraisal or an appraisal update. • The report must be completed as follows: <ul style="list-style-type: none"> ○ By a licensed professional engineer or registered architect, who is licensed/registered in the state where the manufactured home is located. ○ The report must be site specific and contain the engineer's or registered architect's signature, seal and/or state license/certification number. ○ The report must include verification that the property has not been moved from another location. 	<ul style="list-style-type: none"> • Not required. 	<ul style="list-style-type: none"> • A new Structural Engineer's Report is required, except if refinance transaction, attesting to the properties compliance with NDM GUIDELINES. • The report must be completed as follows: <ul style="list-style-type: none"> ○ By a licensed professional engineer or registered architect, who is licensed/registered in the state where the manufactured home is located and must attest to the current guidelines posted by NDM. ○ The report must be site specific and contain the engineer's or registered architect's signature, seal and/or state license/certification number. ○ The report must include verification that the property has not been moved from another location. ○ Note: If the foundation is non-compliant to HUD standards, the appraiser will provide a non-compliant letter, with recommendations on how to bring the foundation up to HUD compliance standards.
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	<ul style="list-style-type: none"> ○ A copy of the foundation certification from a previous FHA-insured mortgage on the subject property may be used if the certification shows that the foundation met NDM guidelines that were in effect at the time of certification and provided there are no alterations and/or observable damage to the foundation since the original certification. ○ Note: If the foundation is non-compliant to HUD standards, the appraiser will provide a non-compliant letter, with recommendations on how to bring the foundation up to HUD compliance standards. 		
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	FHA	VA	USDA
<p>Proposed or Under Construction Certifications</p>	<ul style="list-style-type: none"> • Defined as new (never occupied) manufactured homes that are transported directly from the manufacturer or directly from the dealership to the site, are eligible for financing. • Limited to 90% LTV unless: <ul style="list-style-type: none"> ○ Initial foundation inspection is completed prior to the DE Lender issuing the Conditional Commitment; or ○ HUD has issued an early start letter; or ○ A 10-year protection plan is provided by the builder • Initial foundation inspection (waived if 10-year protection plan obtained) • Final installation inspection by a fee inspector required unless appraisal was completed after the installation • Builder's Certification of Plans, Specifications, & Site, Form HUD-92541, is required. • Agreement to execute a Builder's Warranty of Completion of Construction, HUD Form 92541-A • Warranty of completion Form HUD 92544-A • Plans and Specs (Floor plan of the unit; Description of materials; Design calculations, details for installation, anchorage and constructions details; Heat loss calculations; Elevation determinations; Plot Plan; Additional exhibits; <ul style="list-style-type: none"> ○ Individual water supply and sewage systems details) – not required if MH is less than a year old. ○ 5-year termite soil treatment required if located in an area of the country where it is necessary to control termites. 	<ul style="list-style-type: none"> • A qualified and properly identified individual (such as a builder, architect, engineer, etc.) must provide a signed and dated certification that the structure/property meets all local code requirements and conforms with VAMPR, including the energy conservation standards of the 1992 Council of American Building Officials' Model Energy Code and the requirement for lead-free water piping. The certification must identify the property by house type, lot, block, subdivision and etc. • HUD Form 92541 may be provided, instead of certification above. If Form 92541 is utilized, the identifying information at the top of the form must be completed, as well as Items 2 and 4 or Items 5, 6, 9, 10, 12 and 13. • A one-year warranty on VA Form 26-1859, Warranty of Completion of Construction, must be provided by the builder/contractor responsible for the construction of the foundation and other on-site features. • Evidence of satisfactory completion: <ul style="list-style-type: none"> ○ If the local authority performs the required foundation, framing and final inspections and issues a Certificate of Occupancy (CO) or equivalent, VA will accept the CO for the property as evidence satisfactory completion. ○ If the local authority performs the required three inspections but does not issue a CO or equivalent, VA will accept copies of the inspection reports, which verify full compliance with local building codes, or a written statement from the local authority that states that the required inspections were performed satisfactory 	<ul style="list-style-type: none"> • N/A

	FHA	VA	USDA
		<ul style="list-style-type: none"> ○ If the local authority does not perform the required inspections, the property must be covered by a ten-year insured protection plan warranty that is acceptable to HUD and a one-year VA builder's warranty. <ul style="list-style-type: none"> ● NDM must certify that the property is 100% complete (both onsite and offsite improvements) and meets VA MPR for existing construction. 	