# Manufactured Housing Guidelines

**Revised 5/7/2025**


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## Section 1 Introduction

### 1.1 Definition

Manufactured housing units are constructed partially off-site; and then transported to a site to be completed and attached to a permanent foundation. Any towing hitches, wheels, and axles must be removed. The dwelling must assume the characteristics of site-built housing.

### 1.2 Permanently Attached

The manufactured home must be built in compliance with:

- The Federal Manufactured Home Construction and Safety Standards (FMHCSS) established June 15, 1976, as amended and in force at the time the home is manufactured; and
- Additional requirements that appear in HUD regulations 24 C.F.R. Part 3280.

**Note:** Compliance with these standards will be evidenced by the presence of both a HUD Data Plate/Compliance Certificate and the HUD Certification Label. If the original or alternative documentation cannot be obtained for both the Data Plate/Compliance Certificate and the HUD Certification Label, the loan is not eligible.

The HUD Data Plate/Compliance Certificate is a paper document located on the interior of the subject property that contains, among other things, the manufacturer's name and trade/model number. The Data Plate includes pertinent information about the unit, including a list of factory-installed equipment. The HUD Certification Label, sometimes referred to as a HUD "seal" or "tag," is a metal plate located on the exterior of each section of the home. The Manufactured Home Appraisal Report (Form 1004C) must show evidence of both the HUD Data Plate/Compliance Certificate and the HUD Certification Label.

### 1.3 General Eligibility

- Must be classified as Real Property and be taxed as Real Property, prior to funding
- The mortgage must cover both the unit and the land it's situated
- The Manufactured Home must have been built on or after June 15, 1976
- Double-wide and Single-wide will be permitted, per program guidelines
- Minimum square footage is 400 feet and minimum width is 12 feet.
- The unit must not have been previously moved or installed or occupied at any other site or location
- The manufactured home must be permanently connected to a septic tank or sewage system, and to other utilities in accordance with local and state requirements.
- High Balance and Jumbo loan amounts are not eligible
- Escrow holdbacks for repairs are not available
- Condominiums require Project Approval; PUD's follow standard program guidelines & CO-OP's are Ineligible.
- Properties located on a leasehold are not eligible
- All manufactured homes must meet applicable Agency guidelines
- Texas 50(a)(6) loans are eligible, however all FNMA and FHLMC LTV and Term restrictions apply to a cash-out Manufactured Home in addition to 50(a)(6) restrictions. Max 65% LTV and FHLMC is restricted to a 20-year term.

## Section 2 Conventional

### 2.1 General Conventional Standards

- Property Inspection Waivers (PIW's) are not eligible
- Primary and Secondary Homes only (Double-wide) and Primary Homes only (Single-wide)
- Community/Affordable Seconds are not allowed
- Freddie Mac: Transactions to pay off a land contract are not eligible
- Accessory Units are not eligible

If the property is not situated on a publicly dedicated and maintained street, then it must be situated on a street that is community owned and maintained, or privately owned and maintained.

Manufactured homes that have an addition or have had a structural modification are eligible only under the following conditions: If the state in which the property is located requires inspection by a state agency to approve modifications to the property, then the lender is required to confirm that the property has met the requirement. However, if the state does not have this requirement, then the property must be inspected by a licensed professional engineer who can certify that the addition or structural changes were completed in accordance with the HUD Manufactured Home Construction Safety Standards. Satisfactory inspection report must be provided

For a new Manufactured Home, whether it is affixed to a permanent foundation prior to or after application date, file must contain a copy of the manufacturer's invoice and Manufactured Home Purchase Agreement.

### 2.2 New Manufactured Homes

The LTV ratio (and CLTV/HCLTV ratio, if applicable) for a loan secured by a newly built manufactured home that is being attached to a permanent foundation system in connection with a purchase transaction will be based on the lower of:

- The sales price of the manufactured home plus:
  - The lowest sales price at which the land was sold during that 12-month period if the land was purchased in the 12 months preceding the loan application date; OR
  - The current appraised value of the land if the land was purchased more than 12 months preceding the loan application date.
- The "as completed" appraised value of the manufactured home and land.

### 2.3 Existing Manufactured Homes

The LTV ratio (and CLTV/HCLTV ratio, if applicable) for a loan secured by a manufactured home that is affixed to a permanent foundation prior to the application date will be based on the lowest of:

- The sales price of the manufactured home and land;
- The current appraised value of the manufactured home and land; or
- If the manufactured home was built and affixed to a permanent foundation in the 12 months preceding the loan application date, the lowest price at which the home was previously sold during that 12-month period, plus the lower of:
  - The current appraised value of the land, or
  - The lowest price at which the land was sold during that 12-month period (if there was such a sale).
- The lowest price at which the land was sold during that 12-month period (if there was such a sale).

## 2.4 Rate/Term Refinance Transactions

Rate & Term refinance transactions involve the payoff of an existing mortgage secured by the manufactured home and land (or existing liens if the home and land were encumbered by separate liens).

The maximum LTV ratio (and CLTV ratio, if applicable) for a Rate & Term refinance transaction for a loan secured by a manufactured home and land will be based on the lower of:

- The current appraised value of the manufactured home and land; or
- If the manufactured home was owned by the borrower for less than 12 months on the loan application date and:
    - If the home and land are secured by separate liens, the lowest price at which the home was previously sold during that 12-month period plus the lower of the current appraised value of the land, or the lowest sales price at which the land was sold during that 12-month period (if there was such a sale)
    - If the home and land are secured by a single lien, the lowest price at which the home and land were previously sold during that 12-month period.

Proceeds of a Rate & Term refinance mortgage may be used to:

- Pay off the outstanding principal balance of an existing first lien mortgage secured by the manufactured home and land (or existing liens if the home and land were encumbered by separate first liens) regardless of age;
- Pay off the outstanding principal balance of an existing subordinate mortgage or lien secured by the manufactured home and/or land, **only if it was used to purchase the manufactured home and/or land**;
- Finance closing costs (included prepaid expenses); and
- Provide incidental cash back to the borrower in an amount not to exceed agency guidelines.

## 2.5 Purchase Money Transactions

Purchase money transactions are those in which the mortgage proceeds are used to finance the purchase of the manufactured home or the manufactured home and the land. The land may be previously owned by the borrower, either free of any mortgage or subject to a mortgage that will be paid off with the proceeds of the new purchase money mortgage.
**Note:** The borrower does not receive any cash back with a purchase money transaction.

## 2.6 Construction to Permanent Mortgages

A single-closing construction-to-permanent mortgage loan may be closed as:

- a purchase transaction, or
- a Rate & Term refinance transaction. **Note:** This type of transaction is not a “true” Rate & Term refinance whereby the borrower refinances a loan(s) that was used to purchase a completed property; however, all other requirements for limited cash-out refinances apply.

The underwriter’s final 1008 must clearly show how the final loan amount was calculated.

**Fannie Mae (DU)**

When a purchase transaction is used, the borrower is not the owner of the lot prior to the loan application, and the borrower is using the proceeds from the interim construction financing to purchase the lot and finance the construction of the property.

When a Rate & Term refinance transaction is used, the borrower must have held legal title to the lot before he or she applied for the interim construction financing. The borrower is using the proceeds from the construction financing to pay off any existing liens on the lot and finance the construction of the property.

**Calculating the LTV Ratio for Construction-to-Permanent Mortgages**

Single-closing construction-to-permanent mortgages are subject to the purchase and Rate & Term refinance maximum LTV, CLTV, and HCLTV ratios provided in the program guidelines as applicable.
The LTV ratio calculation differs depending on whether the transaction is a purchase or a Rate & Term refinance, as shown in the table below.

| Table 2-1 DU LTV Ratio Calculation | |
|---|---|
| **Transaction Type** | **Value used to calculate LTV** |
| Purchase | The lesser of:<br>• The purchase price (sum of the cost of construction and the sales price of the lot), or<br>• The "as completed" appraised value of the property (the lot and improvements). |
| Limited Cash-Out Refinance | The "as completed" appraised value of the property (the lot and improvements). |

**Freddie Mac (LPA)**

If prior to the closing of the Interim Construction Financing, the Borrower is…
- Not the owner of record of the land, then the transaction must be treated as a Purchase
- The owner of record of the land, then the transaction must be treated as a Refinance Transaction *At least one borrower must have been on title to the land for 12 months or more prior to the closing date of the construction-to-permanent loan.

**Calculating the LTV Ratio for Construction-to-Permanent Mortgages**

Single-closing construction-to-permanent mortgages are subject to the purchase and limited cash-out refinance maximum LTV, CLTV, and HCLTV ratios provided in the program guidelines as applicable.
The LTV ratio calculation differs depending on whether the transaction is a purchase or a limited cash-out refinance, as shown in the table below.

| Table 2-2 LPA LTV Ratio Calculation | |
|---|---|
| **Transaction Type** | **Value used to calculate LTV** |
| **Purchase** | The lesser of:<br>• The purchase price of the manufactured home, plus the lowest purchase price at which the land was sold during the most recent 12-month period*, OR<br>• Appraised value of the mortgaged premises as completed (home and lot) |
| **Limited Cash-Out Refinance** | Appraised value of the mortgaged premises as completed (home and lot) |

**Note:** Plaza Home Mortgage does not offer interim construction finance.

**Note:** If the borrower acquired the land as a gift or by inheritance, the value of the land as reported on the appraisal may be used in lieu of the purchase price of the land. Appropriate documentation must be provided to verify the acquisition and transfer of ownership of the land if the Borrower acquired the land as a gift or by inheritance.

## 2.7 Down Payment Requirements

A minimum down payment of 5% must come from the borrower's own funds unless:

- The LTV or CLTV ratio is less than or equal to 80%; or
- The borrower is purchasing a one-unit principal residence and meets the requirements to use gifts, donated grant funds, or funds received from an employer to pay for some or all of the borrower's minimum contribution. See **B3-4.3-04, Personal Gifts**, **B3-4.3-06, Donations From Entities**, and **B3-4.3-08, Employer Assistance**, for additional information.

The borrower's equity in the land is considered the borrower's own funds. Where the borrower holds title to the land on which the manufactured home will be permanently attached, the value of the land may be credited toward the borrower's minimum down payment requirement. The borrower's equity contribution will be the difference between any outstanding liens against the land and the market value of the land.

The following table describes how to determine the value of the land based on when and how the borrower acquired the land.

**Table 2-3**

| Date of Land Purchase | Value of the Land | Documentation Requirements |
|---|---|---|
| More than 12 months preceding the loan application | The current appraised value | None |
| 12 or fewer months preceding the date of the loan application | The lesser of the sales price or the current appraised value | Must document the borrower's cash investment by obtaining:<br>• A copy of the settlement statement,<br>• A copy of the warranty deed that shows there are no outstanding liens against the property, or<br>• A copy of the release of any prior lien(s) |
| The borrower acquired the land at any time as a gift, inheritance, or other non-purchase transaction. | The current appraised value | Must obtain appropriate documentation to verify the acquisition and transfer of ownership of the land |

## 2.8 Underwriting and DU/LPA Requirement

Mortgages secured by manufactured homes must be underwritten through DU/LPA. Loans processed through LPA must meet Freddie Mac requirements and loans processed through DU must meet Fannie Mae requirements.

When entering the property information into DU/LPA, the underwriter must correctly identify the property type as manufactured housing.

**DU**

DU checks the subject property addresses against manufactured home property addresses in the DU property database. If DU's database indicates the property may be a manufactured home, DU will return a message alerting the lender. DU's issuance of this message does not necessarily mean the property is a manufactured home, nor does the absence of this message indicate that Fannie Mae accepts the accuracy of the property type as it was submitted.

We must research the subject property type. If it is determined the property is a manufactured home, the underwriter must correct the property type and resubmit the loan casefile to DU. If it is NOT a manufactured home, the loan may be delivered with the appraisal recommendation provided by DU.

For loans underwritten through DU, Special Feature Code 235 must be entered into BREEZE.

## Section 3 FHA

### 3.1 Purchases

Follow Standard FHA Requirements for purchases.

### 3.2 Refinances

For a transaction involving a Manufactured Home to be considered a refinance, the Manufactured Home must have been permanently erected on a site for more than twelve months prior to the case number assignment date.

### 3.3 New Construction

Manufactured Housing (As determined by Construction Status at time of Appraisal) Inspection Requirements for Maximum Financing.

**(1) Proposed Construction**

The Mortgagee must obtain:

- two inspections (initial and final) performed by an ICC RCI or CI; or
- two Inspections (initial and final) performed by the certifying engineer or architect; or

**(2) Under Construction**

The Mortgagee must obtain a final inspection issued by the ICC RCI or CI or certifying engineer or architect.

**(3) Existing for Less than One Year (100 Percent Complete)**

The Mortgagee must obtain a final inspection issued by the ICC RCI or CI or certifying engineer or architect. HUD will only accept inspections by a local building authority on Manufactured Housing Properties with jurisdiction over the Property if there are no ICC RCIs or CIs or certifying engineers or architects available to perform these inspections.

## 3.4 Construction to Permanent

The maximum mortgage amount is calculated using the appropriate purchase Loan-to-Value (LTV) percentage of the lesser of the appraised value or the documented Acquisition Cost. The documented Acquisition Cost of the Property includes:

- the builder's price to build;
- Borrower-paid extras over and above the contract specifications and/or out-of- pocket expenses not included in the builder's price to build;
- cost of the land if already owned, or with an acceptable gift documentation, the appraised value of the land may be used instead of the cost; and
- Closing costs associated with any interim financing of the land.
- The borrower must be purchasing the land at the closing of the construction loan or have owned the land for six months or less at the date of case number assignment (Documentation of land acquisition or land ownership must be in file)

If the land is being purchased from the builder, the cost must be included in the builder's price to build. The builder's price to build must include the sum of the cost of the unit(s) and all on-site installation costs.

Construction to Permanent transactions must meet standard purchase transaction requirements

**Note:** Plaza Home Mortgage does not offer interim construction financing.

## 3.5 Building on Own Land

The file must use the lesser of the Property Value or the documented Acquisition Cost to determine the Adjusted Value.

The documented Acquisition Cost of the Property includes:

- Builder's price or the sum of all subcontractor bids and materials;
- Value of the land as shown in the site value of the appraisal; and
- Interest and other costs associated with a construction loan obtained by the Borrower to fund construction.

The builder's price to build must include the sum of the cost of the unit(s) and all on-site installation costs

Construction to Permanent transactions must meet Purchase transaction requirements

If the borrower already owns the land, the file must be documented with evidence of the date of purchase of the land by obtaining the Closing Disclosure or similar legal document. If the land was given as a gift to the Borrower, the Underwriter must verify that the donor was not a prohibited source and obtain standard gift documentation for any gift of the land.

The Borrower may not receive cash back from the additional equity in the Property, but the Borrower may replenish their own cash expenditures for any Borrower-paid extras over and above the contract specifications and any out-of-pocket expenses not included in the builder's price. The file must obtain an itemization of the extras and expenses and the cost of each item.

## 3.6 Flood Zones

If any portion of the dwelling, related structures or equipment essential to the property value and subject to flood damage for both new and existing manufactured houses are located within an SFHA, the property is not eligible for FHA mortgage insurance unless:

- a FEMA issued Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR) that removes the property from the SFHA; or
- a FEMA NFIP Elevation Certificate (FEMA Form 81-31) prepared by a licensed engineer or surveyor stating that the finished grade beneath the manufactured house is at or above the 100-year return frequency flood elevation, and insurance under the NFIP is obtained.

## 3.7 Title

The manufactured home must be classified and taxed as real estate, Prior to Funding. Title must have been officially converted from chattel to real property, as state law allows.

## 3.8 Alterations to Manufactured Housing

If the manufactured home has had additions or structural changes from the original build, the property must be inspected by a state or local jurisdiction administrative agency that inspects Manufactured Housing for compliance. If the state or local jurisdiction does not employ inspectors, a licensed structural engineer may report on the structural integrity of the manufactured dwelling and the addition.

## 3.9 Permanent Foundation Requirements

The subject property must be designed to be used as a dwelling with a permanent foundation built in accordance with the **Permanent Foundations Guide for Manufactured Housing (PFGMH**).

The underwriter must obtain a certification by an engineer or architect, who is licensed/registered in the state where the manufactured home is located, attesting to compliance with the PFGMH.

The underwriter may obtain a copy of the foundation certification from a previous FHA-insured mortgage, showing that the foundation met the guidelines published in the PFGMH that were in effect at the time of certification, provided there are no alterations and/or observable damage to the foundation since the original certification.

If the appraiser notes additions or alterations to the manufactured housing unit, the underwriter must ensure the addition was addressed in the foundation certification. If the additions or alterations were not addressed, the lender must obtain:

- an inspection by the state administrative agency that inspects manufactured housing for compliance; or
- certification of the structural integrity from a licensed structural engineer if the state does not employ inspectors.

For **New Construction**, the space beneath the house must be enclosed by a continuous foundation type construction designed to resist all forces to which it is subject without transmitting forces to the building superstructure. The enclosure must be adequately secured to the perimeter of the house and be constructed of materials that conform, accordingly, to HUD MPS (such as concrete, masonry or treated wood) and the PFGMH for foundations.

For **Existing Construction**, if the perimeter enclosure is non-load-bearing skirting comprised of lightweight material, the entire surface area of the skirting must be permanently attached to backing made of concrete, masonry, treated wood or a product with similar strength and durability.

## Section 4 USDA

Manufactured Homes are allowed for a purchase of an eligible new or existing unit, transportation and set-up costs, and purchase of an eligible site if not already owned by the applicant. Alteration or remodeling of the newly built unit when the initial loan is made (i.e. garages) is allowed when it's documented that the alterations or modifications meet Federal Manufactured Home Construction and Safety Standards (FMHCSS).

Existing Manufactured Homes are eligible for purchase transactions which have been built to FMHCSS standards and in accordance with the Manufactured Housing Improvement Act of 2000. The manufacture date of an existing manufactured home must be on or after 1/1/2006. The remaining economic life of the subject property must exceed the loan term. Existing manufactured homes (including new units which have been on the dealer's lot in excess of 12 months) must meet the following:

- The unit must have been constructed on or after January 1, 2006, in conformance with the Federal Manufactured Home Construction and Safety Standards (FMHCSS), as evidenced by an affixed Housing and Urban Development (HUD) Certification Label.
- The unit inspection is required using one of two methods:
  - Form HUD-309, "HUD Manufactured Home Installation Certification and Verification Report" completed in accordance with 24 CFR 3286.511 by a qualified party as follows:
    - A manufactured home or residential building inspector employed by the local authority having jurisdiction over the site of the home, provided that the jurisdiction has a residential code enforcement program;
    - A professional engineer;
    - A registered architect;
    - A HUD-accepted Production Inspection Primary Inspection Agency (IPIA) or a Design Approval Primary Inspection Agency (DAPIA); or
    - An International Code Council (ICC) certified inspector.
- A certification that the foundation design meets HUD Handbook 4930.3, "Permanent Foundations Guide for Manufactured Housing (PFGMH)" is obtained.
  - The foundation certification must be from a licensed professional engineer, or registered architect, who is licensed/registered in the state where the manufactured home is located and must attest to current guidelines of the PFGMH.
  - The certification must be site specific and contain the engineer's or registered architect's signature, seal and/or state license/certification number. This certification can take the place of Form HUD 309.
- The unit must not have had any alterations or modifications to it since construction in the factory.
- Guaranteed loan applications submitted under the pilot must be manually underwritten.

The applicant and property must meet all other criteria set forth in 7 CFR Part 3550 and HB-1-3550 for direct loans or 7 CFR Part 3555 and HB-1-3555 for guaranteed loans, as applicable. These criteria include, but are not limited to, the following:

- The unit must have a floor area of not less than 400 square feet;
- The unit must meet the Comfort Heating and Cooling Certificate UO Zone value for the location;
- The towing hitch and running gear must have been removed;
- The manufactured home must be classified and taxed as real estate;
- The remaining economic life of the property must meet or exceed the 30-year term of the proposed loan; and
- The unit replacement cost coverage must be equal to the insured value of the improvements or the unpaid principal balance with deductible(s) of up to but not exceeding the greater of $1,000 or one percent (1%) of the policy.

### 4.1 Proposed Construction on a New Manufactured Home

For the purpose of underwriting and for payment of the guarantee fee, a newly constructed manufactured home is considered a purchase loan transaction.

In addition to the documents required for a guaranteed loan, the underwriter must obtain the following prior to loan approval.

- An itemized cost breakdown of the total package, including the base unit, eligible options, site development, installation, set-up, lot costs, and any credit for wheels and axles.
- A statement signed by the dealer indicating that any cash payment or rebate as a result of the purchase will be deducted from the price of the unit and not paid to the applicant.
- A statement signed by the dealer that the proposed cost is the full price of the unit and if furniture is being purchased by the applicant with personal funds, that a lien will not be filed against the security property.
- The label number of the unit shown on the FMHCSS data plate on the exterior of each section.
- A signed statement by the dealer confirming thermal requirements in effect at the time of purchase are met.

**Note:** **Attachment 13-A** can be used for the above required statements.

## 4.2 Construction on a New Manufactured Home

Manufactured homes must meet several specific site and dwelling requirements in addition to those required for other properties. The unit must meet the requirements for new dwellings as contained in Chapter 12 of the HB-1-3555. File must contain the following:

- The foundation plans
- Plot plan and site development plan for the proposed construction.
- Certification of site and foundation designs in accordance with Chapter 12 of the HB-1-3555.
- Inspections for new construction are performed. (See chart below).

| Table 4-1 Evidence of Construction Inspections |
|---|
| **File must contain copies of the documents described in one of the following three options:** |
| 1. Certificate of Occupancy issued by a local jurisdiction that performs at least 3 construction phase inspections, including inspections noted in option 2 below and a 1-year builder warranty plan acceptable to Rural Development. |
| 2. Three construction inspections performed when:<br>• Footings and foundation are ready to be poured and prior to back-filling.<br>• Shell is complete, but plumbing, electrical and mechanical work is still exposed.<br>• Final inspection of completed work prior to occupancy.<br>• A 1-year insured builder warranty plan acceptable to Rural Development. Builders may utilize their own warranty form, HUD-92544 or Form RD 1924-19. Note: Applicants who build their own homes cannot provide a self-warranty. |
| 3. Final inspection and a 10-year insured builder warranty plan acceptable to Rural Development. See RD Instruction 1924-A, Exhibit L for acceptable 10-year insured builder warranty plans. |

## 4.3 Flood Zone

If any portion of the dwelling, related structures or equipment essential to the property value and subject to flood damage for both new and existing manufactured houses are located within an SFHA, the property is not eligible unless:

- a FEMA issued Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR) that removes the property from the SFHA; or

- a FEMA NFIP Elevation Certificate (FEMA Form 81-31) prepared by a licensed engineer or surveyor stating that the finished grade beneath the manufactured house is at or above the 100-year return frequency flood elevation, and insurance under the NFIP is obtained.

### 4.4 Title

The manufactured home must be classified and taxed as real estate, Prior to Funding. Title must be purged and the manufactured home has been officially converted from chattel to real property, as state law allows.

### 4.5 Existing Manufactured Homes

The refinance of Existing Manufactured Homes are only allowed under the following circumstances:

- The unit is presently financed with a Section 502 direct or guaranteed loan, or is being sold from Agency inventory.

## Section 5 VA

Permanently affixed manufactured home loans can be made for any of the allowable loan purposes listed in the table below. Loan specifications and treatment of these loans are virtually the same as for any other VA-guaranteed home loans from a loan processing standpoint, except for calculation of the maximum loan amount.

### 5.1 Maximum Loan Amount

The following table provides the methods for calculating maximum loan amount:

| Table 5-1 | |
|---|---|
| **Allowable Loan Purpose** | **Maximum Loan<br>The loan amount is limited to:** |
| **To purchase a manufactured home and a lot to which it will be affixed.** | The lesser of:<br>• The total purchase price of the manufactured home unit and the lot plus the cost of all other real property improvements, or<br>• The purchase price of the manufactured home unit plus the cost of all other real property improvements plus the balance owed by the veteran on a deferred purchase money mortgage or contract given the purchase of the lot, or<br>• The total reasonable value of the unit, lot, and property improvements, plus<br>• The VA funding fee |
| **To refinance an existing loan on a manufactured home and purchase the lot to which the home will be affixed.** | The lesser of:<br>• The sum of the balance of the loan being refinanced plus the purchase price of the lot, not to exceed its reasonable value plus the costs of the necessary site preparation as determined by VA plus reasonable discount on that portion of the loan used to refinance the existing loan on the manufactured home plus authorized closing costs, or<br>• The total reasonable value of the unit, lot, and real property improvements, plus<br>• The VA funding fee |

| | |
|---|---|
| **An IRRRL to refinance an existing VA loan on a permanently affixed manufactured home and lot.** | The sum of:<br>• The balance of the VA loan being refinanced, plus<br>• Allowable closing costs, plus<br>• Up to two discount points, plus<br>• The VA funding fee<br><br>**Note:** This is the only type of permanently affixed manufactured home loan that does not require full underwriting and an appraisal. The provisions applicable to IRRRLs apply (See Chapter 6 of the VA Handbook) except the term of the loan may be as long as 30 years and 32 days. |

## 5.2 Flood Zone

If any portion of the dwelling, related structures or equipment essential to the property value and subject to flood damage for both new and existing manufactured houses are located within an SFHA, the property is not eligible unless:

- a FEMA issued Letter of Map Amendment (LOMA) or Letter of Map Revision (LOMR) that removes the property from the SFHA; or
- a FEMA NFIP Elevation Certificate (FEMA Form 81-31) prepared by a licensed engineer or surveyor stating that the finished grade beneath the manufactured house is at or above the 100-year return frequency flood elevation, and insurance under the NFIP is obtained.

## 5.3 Title

The manufactured home must be classified and taxed as real estate, Prior to Funding. The home is not required to be taxed as real estate. Title must have been purged and the manufactured home has been officially converted from chattel to real property, as state law allows.

## 5.4 NOV Requirements

Energy Efficient Construction certification box does not need to be checked if subject property is a manufactured home that was built to HUD code and inspected by HUD in the factory.

Construction Warranty section related to Manufactured Homes:

| Table 5-2 | |
|---|---|
| **When cases …** | **Then…** |
| **Processed as “proposed or under construction” (see the definition in Section 10.10)** | The contractor responsible for the construction of the foundation and other onsite features must provide the one-year warranty. |
| **Involve a new manufactured home unit** | The manufacturer must provide the purchaser with a one-year warranty on VA Form 26-8599, Manufactured Home Warranty.<br>Note: This warranty will cover the manufactured home unit only. |

| | |
|---|---|
| **Involve a used manufactured home sold be a dealer** | The dealer must provide the purchaser with a six-month warranty on VA Form 26-8730, Used Manufactured Home Limited Warranty.<br>This warranty that the mechanical equipment, electrical, gas and heating systems, and water and plumbing systems are in operating condition and the roof is weathertight. This warranty is not required in connection with the sale of a used manufactured home not involving a dealer. |

All other standard NOV requirements apply based on property, characteristics, location, etc.

## Section 6 Resources

- **FHA FAQ (keyword search Manufactured Homes)**
- **Permanent Foundation Guide for Manufactured Housing (PFGMH)**
- **Federal Manufactured Home Construction and Safety Standard (FMHCSS), 24CFR**
- **http://www.benefits.va.gov/warms/pam26_7.asp**