

MANUFACTURED HOME LOAN



MANUFACTURED HOME DEFINITION

Fannie Mae defines a “manufactured home” as any dwelling unit built on a permanent chassis that is attached to a permanent foundation system and evidenced by a HUD Data Plate and HUD Certification label.

MANUFACTURED vs MODULAR

• **Manufactured**

- › Very old models are sometimes referred to as mobile homes or trailers.
- › Manufactured houses are pre-constructed completely in the factory on a permanent, fixed steel chassis.
- › Manufactured homes have wheels which are typically removed once the unit is towed to the home site.
- › Manufactured homes typically have skirting/siding around the bottom of them to hide where the wheels were removed and to give it the appearance of a typical home.
- › Manufactured homes must abide by a Federal HUD building code.
- › Once built the manufactured home (typically 1-3 sections) is moved to its permanent location using its own wheels.

• **Modular**

- › Often referred to as factory-built (or pre-fabricated) homes.
- › Modular homes come pre-built in sections from the factory.
- › Modular homes are then transported to the building site on truck beds, and constructed together using a large crane with construction workers at the building site.
- › They are finished on location, and must conform to all local, state or regional building codes.
- › Modular homes are typically more expensive per square foot than manufactured homes.

MANUFACTURED HOMES - PROS vs CONS

• **Pros**

- › Affordability
- › Speed of Construction
- › High Quality and Versatility
- › Built in full compliance with HUD standards for manufactured housing

• **Cons**

- › Limited financing options
- › Financing Restrictions and Limitations

MANUFACTURED HOME SPECIFICATIONS AND REQUIREMENTS

- › Must be built on or after 6/15/1976.
- › Minimum 600 sq. ft.
- › Must be at least 12 ft. wide.
- › Wheels, axle, and hitch must be removed.
- › Manufactured home must be permanently affixed to a foundation as evidenced by a form 433A which is a recorded document indicating that the manufactured home is installed on a permanent foundation.
- › Must have HUD Certification Label and HUD Data Plate.
- › Manufactured home must be legally classified by the state as real property (not personal property).
- › Manufactured home must be on property where the borrower is an owner on title.
- › Mortgage must be secured by both the home and the land on which it is situated.
- › Must be owner-occupied primary residence or secondary residence.
- › The unit must not have been previously installed or occupied at any other site or location, except from the manufacturer or the dealer’s lot as a new unit.
- › 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.



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