



Fannie Mae (DU) Manufactured Homes Guidelines

04.04.2023

Manufactured Housing					
Transaction Type	Number of Units	Maximum LTV, CLTV, HCLTV	Min Credit Score	Max DTI	Minimum Reserves
Principal Residence					
Purchase	1 Unit	97% ^{1,2,3}	620	50 % (With DU Approve)	Per DU
Limited Cash-Out Refinance					
Cash-Out Refinance	1 Unit; Term ≤ 20 years	65%			
Second Homes					
Purchase	1 Unit	90%	620	50% (With DU Approve)	Per DU
Limited Cash-Out Refinance					
<ol style="list-style-type: none"> LTV Ratio >95% not permitted on manufactured homes that are not MH Advantage Transactions with non-occupant co-borrowers are limited to 95% Max CLTV,HCLTV, is 97% regardless of secondary financing type. 					

Manufactured Home Program Summary & Overlays

The following is an overview of core guidelines and overlays. This is not a complete set of guidelines. Please refer to full [Fannie Mae Manufactured Guidelines](#) or [Fannie Mae Selling Guide](#). GHMC overlays are written in **BLUE** font.

Topic	Details
Eligible Property & Mortgage Product Criteria	<ul style="list-style-type: none"> Minimum of 12 feet wide and 400 square feet of gross living space Towing hitch, wheels, and axles have been removed Permanently attached to a foundation system in accordance with the manufacturers requirements for anchoring, support, stability, and maintenance Foundation must be appropriate for the soil conditions for the site and meet local and state codes Permanently connected to septic tank or sewage system and to other utilities in accordance with local and state requirements Dwellings with structural modifications or additions <ul style="list-style-type: none"> If in a State that requires inspection by a state agency, must obtain building permit with final sign-off, or equivalent for structural modifications or additions In a state that does not require inspection by a state agency, structural modification must be inspected and deemed structurally sound by a third party who is regulated by the state and qualified to make the determination First-lien mortgages only Fixed Rate only Principal residences & Second homes (Multi-Width only) Fee Simple land ownership HomeReady Refi Now Two-Close Construction to Perm



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<p>Ineligible Property & Mortgage Product Criteria</p>	<ul style="list-style-type: none"> • Temporary buydowns • Investment properties • Double Wide homes built prior to 1976 • ARM's • Single Width homes • Condos • Leasehold Estates • Trade Equity from the borrower's existing manufactured Home • Accessory Dwelling Units • Dwelling is located in a mobile home park or other area where the borrower does not own the land. • Properties that 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 • Properties with evidence of commercial production of marijuana are ineligible (grow rooms, hydroponic equipment etc.) • HomeStyle Renovation • HomeStyle Energy • One-time Close Construction • Co-Ops • Geodesic Dome, Earth Berms • Properties with condition ratings of C-5 and C-6 or quality ratings of Q-6 • Properties that are ineligible for sale to agency • Land Trusts including Community Land Trust • 2-4 Unit Homes • Loans with private transfer fee covenants • High-Cost Loans
<p>Loan Amounts</p>	<p>Loan amounts may include the following costs:</p> <ul style="list-style-type: none"> • Cost of the manufactured home • Cost of the land • Costs of construction, including: <ul style="list-style-type: none"> ○ Bona fide and documented transportation costs, ○ Costs for site preparation, which may include the cost to remove an existing manufactured home and other outbuildings, ○ Foundation ○ Establishing utilities ○ All site improvements, ○ Dwelling installation at the site <p>Any personal property items purchased in conjunction with the manufactured home must be deducted from the sales price and cannot be financed as part of the loan.</p>
<p>Underwriting</p>	<ul style="list-style-type: none"> • AUS Approve/Eligible required (Manual UW is not permitted) • AUS must correctly identify the property types as "Manufactured Home", "MH Advantage" and also ID whether it is in a PUD Project (DU does not distinguish between single-width and multi-width) • When loan programs are combined (e.g. HomeReady and Manufactured Housing) the more restrictive of the guidelines applies.



<p>Purchase Transactions</p>	<ul style="list-style-type: none"> Used to purchase the manufactured home or the manufactured home and the land. <ul style="list-style-type: none"> 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. The borrower does not receive any cash back with a purchase money transaction. <p>New Manufactured Homes LTV Ratio is based on the lower of:</p> <ul style="list-style-type: none"> The sales price of the manufactured home plus: <ul style="list-style-type: none"> 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. <p>Existing Manufactured Homes LTV ratio based on lowest of:</p> <ul style="list-style-type: none"> Sales price of manufactured home and land; or Current appraised value of the manufactured home and land. <p>Purchase transactions where the borrower will receive a f of equity from the seller, large amount of seller credits, family member to remain in the home and on title after the purchase require a full second level review and approval by UW Manager.</p>
<p>Limited Cash-Out Refinance Transactions</p>	<p>May involve the following scenarios:</p> <ul style="list-style-type: none"> Payoff of an existing personal property lien on a new manufactured home (or an existing lien on the home and a mortgage on the land if encumbered by separate liens), or Payoff of a first lien mortgage secured by an existing manufactured home and land (or existing mortgages for the home and land if encumbered by separate liens). <p>LTV is based on the lower of:</p> <ul style="list-style-type: none"> 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 at the time of application and: <ul style="list-style-type: none"> If the home and land are secured by separate lines, 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. <p>Proceeds of a limited cash-out mortgage may be used to:</p> <ul style="list-style-type: none"> Pay off the outstanding principal balance of an existing personal property lien or first lien mortgage secured by the manufactured home and land (or existing liens if the home and land were encumbered by separate first liens). Pay off the outstanding principal balance of an existing subordinate mortgage or lien secured by the manufactured home and/or land, but only if it was used to purchase the manufactured home and/or land. Finance costs of construction. Finance closing costs (including prepaid expenses); and Provide cash back to the borrower in an amount not to exceed the lesser of 2% of the balance of the new refinance mortgage or \$2,000
<p>Cash-Out Refinance Transactions</p>	<ul style="list-style-type: none"> Maximum 20-year term Involves the payoff 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); or Enables the property owner to obtain a mortgage on a property that does not already have a mortgage lien against it and permits the borrower to take equity out of the property in the form of mortgage proceeds that may be used for any purpose. <ul style="list-style-type: none"> Property must be a multi-width manufactured home. Borrower must have owned both the manufactured home and land for at least 12 months preceding the application date. LTV, CLTV, HCLTV ratios will be based on current appraised value of manufactured home and land.



Appraisals

- Full appraisal required. Manufactured homes are not eligible for appraisal waivers
 - Must be reported on Manufactured Home Appraisal Report Form 1004C
 - For Purchase transactions where the home and land are purchased separately, the appraiser must be provided with a complete copy of the executed contract for both the manufactured home and the land, as well as a copy of the manufacturer's invoice. The appraiser must analyze the contract (s) and the manufacturer's invoice and provide a summary in the appraisal report.
 - The 1004C must include
 - Manufacturer's name
 - Trade or model number
 - Year of manufacture
 - Serial number
 - Certification number(s) from the HUD Data Plate or HUD Certification Label(s)
 - Type of foundation and utility connections
 - Detailed and supported cost approach
 - Commentary related to the property's conformity of the manufactured home to other manufactured homes in the neighborhood
 - Must comment if the site has adverse conditions or is not typical for the neighborhood
 - A complete copy of the executed contract for sale of the manufactured home and land; or
 - A complete copy of the executed contract for both,
 - Cost Approach is required and should support the sales comparison approach analysis
 - Standard Requirements:
 - Minimum of 2 similar manufactured home comparables
 - Third comparable may be site built or modular home with appraiser explanation why site-built housing or different type of factory-build housing is being used and make support-appropriate adjustments
 - Photos required, in addition to standard photos:
 - HUD Data plate,
 - HUD certification label
 - MH Advantage Requirements:
 - Use MH Advantage comps when available
 - Supplemental comps may be site-built homes
 - Photos required, in addition to the standard photos:
 - MH Advantage sticker
 - HUD Data Plate
 - HUD Certification label
 - Site showing driveways, sidewalks, and any detached structures
 - The presence of a driveway leading to the home (or garage/carport). The driveway must consist of blacktop, pavers, bricks, concrete, cement, or gravel (gravel must have a minimum depth of four inches), and
 - The presence of a sidewalk connecting either the driveway, or a detached garage or carport, to a door or attached porch of the home. The sidewalk must consist of blacktop, pavers, flagstone, bricks, concrete, or cement.
 - Structural modifications or additions:
 - Inspection by a state agency to approve modifications is required, if the state requires such inspection.
 - If there is no state requirement, then the structural modifications must be inspected and be deemed structurally sound by a third party who is regulated by the state and is qualified to make the determination.
 - In all cases, the satisfactory inspection report must be retained in the mortgage file.
 - If the HUD data plate cannot be obtained, a copy of the IBTS report is acceptable
 - Accessory units are not eligible.
 - Properties with evidence of commercial production of marijuana are ineligible
- New Construction:**
- Construction must be complete at time of closing, escrow holdback not permitted.



HUD Data Plate & HUD Certification Label	<p>Data Plate</p> <ul style="list-style-type: none"> • Located on the interior of the subject property • Contains: <ul style="list-style-type: none"> ○ Manufacturer's name ○ trade/model number ○ list of factory installed equipment <p>Certification Label (HUD "seal" or "tab")</p> <ul style="list-style-type: none"> • Metal plate on exterior of each section of the home <p>As an alternative to the original HUD Certification Labels, verification letter from the Institute for Building Technology and Safety (IBTS) can be obtained.</p>									
Down Payment Requirements	<ul style="list-style-type: none"> • A minimum down payment of 5% must come from the borrower's own funds unless: <ul style="list-style-type: none"> ○ The LTV or CLTV ratio is $\leq 80\%$ ○ 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. ○ The property meets the MH Advantage requirements, and the loan meets the requirements for LTV ratios of 95.01-97%. In this case, the borrower must contribute a minimum down payment of 3% from his or her own funds unless the loan meets the gift, grant, or funds from an employer policy. <p>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 (or equity requirement for a refinance). The borrower's equity contribution will be the difference between any outstanding liens against the land and the market value of the land.</p> <table border="1" data-bbox="321 974 1549 1411"> <thead> <tr> <th data-bbox="321 974 732 1062">More than 12 months preceding the loan application</th> <th data-bbox="732 974 1138 1062">The current appraised value</th> <th data-bbox="1138 974 1549 1062">None</th> </tr> </thead> <tbody> <tr> <td data-bbox="321 1062 732 1325">12 or fewer months preceding the date of the loan application</td> <td data-bbox="732 1062 1138 1325">The lesser of the sales price or the current appraised value</td> <td data-bbox="1138 1062 1549 1325"> Must document the borrower's cash investment by: <ul style="list-style-type: none"> • Copy of the settlement statement, • Copy of the warranty deed that shows there are no outstanding liens against the property, or • A copy of the release of any prior liens. </td> </tr> <tr> <td data-bbox="321 1325 732 1411">The borrower acquired the land at any time as a gift, inheritance, or other non-purchase transaction</td> <td data-bbox="732 1325 1138 1411">The current appraised value</td> <td data-bbox="1138 1325 1549 1411">Obtain appropriate documentation to verify the acquisition and transfer ownership of the land.</td> </tr> </tbody> </table>	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: <ul style="list-style-type: none"> • Copy of the settlement statement, • Copy of the warranty deed that shows there are no outstanding liens against the property, or • A copy of the release of any prior liens. 	The borrower acquired the land at any time as a gift, inheritance, or other non-purchase transaction	The current appraised value	Obtain appropriate documentation to verify the acquisition and transfer ownership of the land.
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Credit	Refer to GHMC Conventional Loan Snapshot									
Employment / Income Verification	Follow Fannie Mae Selling Guide									
Construction-to-Permanent Transaction	Two closing limited cash-out transactions. (Two closing cash-out refinance are not permitted).									
Mortgage Insurance	<ul style="list-style-type: none"> • Refer to GHMC Conventional Loan Snapshot • Check MI partner's guidelines for any eligibility overlays. 									



<p>Title Requirements</p>	<ul style="list-style-type: none"> • Title Policy Required • ALTA Endorsement 7, 7.1 or 7.2 Required (or equivalent as applicable) • Both the manufactured home and the land must be legally classified as real property under applicable state law • Documenting the Certificate of Title and surrender, as applicable • A Mortgage, DOT or security deed must be recorded in the land records and must identify the encumbered property as including both the home and the land. A manufactured home rider may be acceptable to meet this requirement • Evidence the manufactured home is considered real property, including as applicable, but not limited to: <ul style="list-style-type: none"> ○ Evidence of no certificate of title ○ Surrender of the certificate of title, ○ Certificate of title with the land ownership indicated ○ Affidavit of affixture 									
<p>Ineligible States</p>	<ul style="list-style-type: none"> • Connecticut • Delaware • Hawaii • Kansas • Massachusetts • New Hampshire • New Jersey • Rhode Island • Wisconsin 									
<p>Special Feature Codes</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr style="background-color: #ADD8E6;"> <td colspan="3"></td> </tr> <tr> <td style="text-align: center;">Multi-Width</td> <td style="text-align: center;">MultiWide</td> <td style="text-align: center;">235</td> </tr> <tr> <td style="text-align: center;">MH Advantages</td> <td style="text-align: center;">MultiWide</td> <td style="text-align: center;">235 & 859</td> </tr> </table>				Multi-Width	MultiWide	235	MH Advantages	MultiWide	235 & 859
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Updates

All new updates will be in **RED** font.

Section	Date	Update
Ineligible Property & Mortgage Product Criteria	08.17.2022	Added: <ul style="list-style-type: none"> • Double Wide homes built prior to 1976
Ineligible Property & Mortgage Product Criteria	11.09.2022	Added: <ul style="list-style-type: none"> • Geodesic Dome, Earth Berms • Properties with condition ratings of C-5 and C-6 or quality ratings of Q-6 • Properties that are ineligible for sale to agency
Ineligible Property & Mortgage Product Criteria	03.15.2023	Added: <ul style="list-style-type: none"> • Properties in a 100-year flood zone
Ineligible Property & Mortgage Product Criteria	04.04.2023	Removed: <ul style="list-style-type: none"> • Properties in a 100-year flood zone

