

## FHA Manufactured Homes Guidelines (DU Only)

02.27.2023

Purchase Eligibility Matrix					
Primary Residence Only					
Channel	Property Type	Min FICO	Max LTV/CLTV/HCLTV <sup>1</sup>	Max DTI	Underwrite Method
TPO / Retail	1 Unit	640	96.50%	50%	DU Approval

<sup>1</sup>See Transactions that impact LTV section.

Refinance Eligibility Matrix						
Primary Residence Only						
Channel	Property Type	Loan Purpose	Min FICO	Max LTV/CLTV/HCLTV	Max DTI	Underwrite Method
TPO / Retail	1 Unit	No Cash-Out	640	97.75% <sup>1</sup>	50%	DU Approval
TPO / Retail	1 Unit;	Cash- Out	640	80%		
TPO	1 Unit	Streamline <sup>3</sup>	640	97.75%	31% / 43% <sup>2</sup>	Manual UW

<sup>1</sup>Max LTV = 85% for a borrower who has occupied as their principal residence < 12 months prior to case number assignment.  
<sup>2</sup>Max DTI only pertains to credit qualifying streamlines.  
<sup>3</sup> Borrower must provide a certification that there have been no modifications or additions to the manufactured home.

FHA Manufactured Home Program Summary & Overlays	
<p>The following is an overview of core guidelines and overlays. This is not a complete set of guidelines. Please refer to GHMC FHA Snapshot or full <a href="#">Hud Handbook 4000.1</a>. Guaranty Home Mortgage overlays are written in <b>BLUE</b> font.</p>	
Topic	Details
<b>Eligible Property &amp; Mortgage Product Criteria</b>	<ul style="list-style-type: none"> <li>Built on or after June 15, 1976</li> <li>Must be a minimum of 12 feet wide with at least 600 square feet of gross living area.</li> <li>Double-wide, triple-wide</li> <li>Built and remain on a permanent chassis with towing hitch, wheels, and axles removed.</li> <li>Designed to be used as a dwelling with a permanent foundation built in accordance with the Permanent Foundations Guide for Manufactured Housing (PFGMH)</li> <li>Must be on original site, relocated homes are not permitted.</li> <li>First-lien mortgage</li> <li>Fixed Rate</li> <li>Single unit dwelling</li> <li>Principal residence</li> <li>Fee Simple land ownership (no leaseholds)</li> <li>PFGMH Certification required (Structural Engineers Report)</li> <li>Title II -only</li> <li>Additions to the property are not permitted.</li> <li>Affidavit of Affixture or its equivalent to evidence property is classified and taxed as real property (Must be done prior to closing).</li> <li>Must not be in a deed restricted area (including restrictions for age and income)</li> <li>Must be connected to utilities.</li> <li>Towing Hitch and running gear must be removed.</li> <li>Must meet all FHA Single Family Title II credit underwriting requirements</li> </ul>

<p><b>Ineligible Property &amp; Mortgage Product Criteria</b></p>	<ul style="list-style-type: none"> <li>• Texas cash out</li> <li>• Temporary buydowns</li> <li>• Investment properties</li> <li>• Second Homes</li> <li>• Homes built prior to 6/15/1976</li> <li>• ARM's</li> <li>• Single Wide</li> <li>• Condos (including site condos)</li> <li>• Leasehold Estates</li> <li>• Trade Equity from the borrower's existing manufactured Home</li> <li>• Accessory Dwelling Units</li> <li>• MH located in a mobile home park or other area where the borrower does not own the land.</li> <li>• Previously installed or occupied at any other site or location</li> <li>• Properties with evidence of commercial production of marijuana are ineligible (grow rooms, hydroponic equipment etc.)</li> <li>• New Construction/Construction to Perm</li> <li>• Build on own land</li> <li>• Co-Ops</li> <li>• Properties with condition ratings of C-5 and C-6 or quality ratings of Q-6</li> <li>• Land Trusts including Community Land Trust</li> <li>• 2-4 Unit Homes</li> <li>• Title I Insured Housing Program</li> <li>• Deed restrictions, including for age and income</li> <li>• Manufactured home NOT affixed to the land or not real property</li> <li>• Loans approved with Freddie Mac LPA findings</li> <li>• Properties located within designated Coastal Barrier Resource System Areas</li> <li>• Properties located on Tribal lands</li> <li>• Manual Underwrite with the exception of Streamline Refinance</li> <li>• All other ineligible characteristics as defined in FHA Handbook 4000.1</li> </ul>
<p><b>FHA Connection</b></p>	<ul style="list-style-type: none"> <li>• Case number assignment must reflect Program ID code of 77- Manufactured Home</li> <li>• Appraisal logging must reflect Y- (yes) as MH indicator.</li> </ul>
<p><b>Underwriting</b></p>	<ul style="list-style-type: none"> <li>• DU/AUS Approve/Eligible required.</li> <li>• AUS must correctly identify the property types as "Manufactured Home"</li> </ul>
<p><b>Purchase Transactions</b></p>	<p>Purchase of an existing permanently affixed, manufactured home including the land the home is on. All other requirements for purchase transactions as noted in the <a href="#">Hud Handbook 4000.1</a></p>
<p><b>Refinance Transactions</b></p>	<ul style="list-style-type: none"> <li>• MH must have been permanently installed on a site for more than 12 months as of the date of the case number assignment.</li> <li>• All other requirements for refinance transactions as noted in the <a href="#">Hud Handbook 4000.1</a></li> </ul>
<p><b>Construction Type</b></p>	<ul style="list-style-type: none"> <li>• <b>Construction type status is based on construction status at time of appraisal.</b></li> <li>• <b>"Existing"</b> refers to an <u>OCCUPIED</u> property that has been completed less than one year from the issuance of the CO or equivalent.</li> <li>• <b>"New construction" (under construction, proposed construction, existing less than 12 months, NOT occupied) is not eligible.</b></li> </ul>
<p><b>Appraisals</b></p>	<ul style="list-style-type: none"> <li>• Must be reported on Manufactured Home Appraisal Report Form 1004C.</li> <li>• The 1004C must include:             <ul style="list-style-type: none"> <li>○ Manufacturer's name</li> <li>○ Trade or model number</li> <li>○ Year of manufacture</li> <li>○ Serial number</li> <li>○ Certification number(s) from the HUD Data Plate or HUD Certification Label(s)</li> <li>○ Type of foundation and utility connections</li> <li>○ Detailed and supported cost approach</li> <li>○ Commentary related to the property's conformity of the manufactured home to other manufactured homes</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>in the neighborhood             <ul style="list-style-type: none"> <li>o Must comment if the site has adverse conditions or is not typical for the neighborhood</li> <li>o Cost Approach is not required (over 1 year old/title has been re-conveyed after initial sale)</li> </ul> </li> <li>• Standard Requirements:             <ul style="list-style-type: none"> <li>o Must confirm the property's compliance with HUD's Minimum Property Standards</li> <li>o At least two (2) of the comparable sales must be manufactured homes.</li> <li>o Appraisal must be conditioned upon the certification of an engineer or architect that the foundation is in compliance with the PFGMH</li> <li>o Appraiser must address the Perimeter Enclosure and Skirting &amp; Running Gear.                 <ul style="list-style-type: none"> <li>▪ Perimeter Enclosure- The space beneath the MH must be properly enclosed by a continuous wall secured to perimeter of unit and allows for proper ventilation of the crawl space)</li> <li>▪ Skirting (must be permanently attached to backing made of concrete, masonry, treated wood or a product with similar strength &amp; durability requirements (including skirting)</li> <li>▪ Running Gear (must be removed) if not removed or if appraiser is unable to determine due to lack of access, property is not eligible for FHA Financing)</li> </ul> </li> <li>o All other items noted in the 4000.1, Property Acceptability Criteria for Manufactured Housing for Title II Insured Mortgages.</li> <li>o Photos required, in addition to standard photos:                 <ul style="list-style-type: none"> <li>▪ HUD Data plate,</li> <li>▪ HUD certification label</li> </ul> </li> </ul> </li> <li>• If the HUD data plate cannot be obtained, a copy of the IBTS report is acceptable.</li> <li>• Properties with evidence of commercial production of marijuana, including but not limited to grow rooms, or hydroponic equipment are ineligible.</li> <li>• For Streamline transactions without an appraisal, the borrower must certify there have been no modifications and/or improvements to the existing structure.</li> <li>• See <a href="#">FHA Single Family Housing Appraisal Report and Data Delivery Guide</a> for Manufactured homes for additional information.</li> </ul>
<p><b>HUD Data Plate &amp; HUD Certification Label</b></p>	<p>Data Plate</p> <ul style="list-style-type: none"> <li>• Located on the interior of the subject property.</li> <li>• Contains:             <ul style="list-style-type: none"> <li>o Manufacturer's name</li> <li>o trade/model number</li> <li>o list of factory-installed equipment</li> </ul> </li> </ul> <p>Certification Label (HUD "seal" or "tab")</p> <ul style="list-style-type: none"> <li>• Metal plate on exterior of each section of the home</li> </ul> <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>
<p><b>Permanent Foundations Guide for Manufactured Housing (PFGMH) Certification</b></p>	<ul style="list-style-type: none"> <li>• The appraisal must be conditioned upon the certification of an engineer or architect that the foundation is in compliance with PFGMH. If appraiser does not condition, the underwriter must still require.</li> <li>• A certification by an engineer or architect, who is licensed/registered in the state where the property is located, attesting to compliance with the PFGMH is required.             <ul style="list-style-type: none"> <li>o A copy of the foundation certification from a previous FHA-Insured mortgage that the foundation met the guidelines published in the PFGMH that were in effect at the time of certification, <u>provided there are no alterations and/or observable damage to the foundation since the original certification.</u></li> </ul> </li> <li>• If the appraiser noted additions or alterations to the MH, the foundation certification must include and address the addition specifically.             <ul style="list-style-type: none"> <li>o If the additions or alterations were not addressed, an inspection by the state administrative agency that inspects MH for compliance. If the state does not employ inspectors, a certification of the structural integrity from a licensed structural engineer must be obtained.</li> </ul> </li> </ul>
<p><b>Flood Requirements</b></p>	<ul style="list-style-type: none"> <li>• Flood Insurance is required for properties located in flood zone.</li> <li>• The finished grade level beneath the manufactured home must be at or above the 100-year return frequency flood</li> </ul>

	elevation.						
<b>Title Requirements</b>	<ul style="list-style-type: none"> <li>ALTA Endorsement 7, 7.1 or 7.2 Required (or equivalent as applicable)</li> <li>Both the manufactured home and the land must be legally classified and taxed as real property under applicable state law</li> <li>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 <u>manufactured home rider may be acceptable to meet this requirement.</u></li> <li>Affidavit of Affixture (or its equivalent) to evidence the property is classified and taxed as real property <b>must be received prior to closing.</b></li> </ul>						
<b>Closing Requirements</b>	<p><b>Closing instructions:</b></p> <ul style="list-style-type: none"> <li>Require closing agents to obtain required documentation to ensure the MH is attached to a permanent foundation on the land.</li> <li>If already attached to the land, and if state law allows exemption from a certificate of title, closing agent must ensure the MH qualifies for exemption from certificate of title requirements and provide documentation to GHMC.</li> <li>If state law allows for the elimination of the certificate of title, closing instructions must instruct the closing agent to perform all necessary procedures to assure that the certificate of title to the MH is properly retired and document file.</li> </ul>						
<b>Special Feature Codes</b>	<table border="1"> <thead> <tr> <th>Manufactured Home type</th> <th>Manufactured Home Width Type</th> <th>Special Feature Codes (SFC)</th> </tr> </thead> <tbody> <tr> <td>Multi-Width</td> <td>MultiWide</td> <td>235</td> </tr> </tbody> </table>	Manufactured Home type	Manufactured Home Width Type	Special Feature Codes (SFC)	Multi-Width	MultiWide	235
Manufactured Home type	Manufactured Home Width Type	Special Feature Codes (SFC)					
Multi-Width	MultiWide	235					

## Updates

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

Section	Date	Update
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