



Manufactured Home Requirements

All end agency (FHA/FNMA/VA/USDA) guidelines must always be met. This is provided as guidance, but if the end agency requirements are more restrictive, those must be followed.

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General Requirements – All Products

A manufactured home is a structure that is (1) transportable in one or more sections, (2) designed and constructed to meet Federal Manufactured Construction and Safety Standards (MHCSS), and (3) is so labeled confirming the unit was built according to MHCSS.

Manufactured Home Definitions

Anchorage: Connection between superstructure and foundation, by means of welds, bolts, and various high gage metal plates. Anchorage does not refer to any type of soil anchor.

Construction-Permanent: A construction-permanent (CP) mortgage combines the features of: a) a construction loan (a short-term interim loan for financing the cost of construction) and b) the traditional long-term permanent mortgage.

Existing Construction: The manufactured home has been permanently installed on a site for one year or more prior to the date of the application date.

Exterior Foundation Wall: Foundation walls placed directly below the exterior perimeter walls of the unit. These walls may or may not be structurally used as: bearing walls under gravity loads and/or shear walls under horizontal loads. If these walls are not used structurally, they are called non-bearing walls or skirt walls.

HUD Construction Code (Certification) Label: The Construction Code Label, sometimes referred to as a HUD "seal" or "tag", is metal, red in color with silver lettering and is permanently attached to the rear exterior siding of each transportable section; per HUD Title VI Regulations effective June 15, 1976.

Itemized Value: The appraised value of the unit and land separately made.

New Construction: The manufactured home has been permanently erected site for less than one year prior to the date of the application.

Perimeter Enclosure: See skirting.

PFGMH: Permanent Foundations Guide for Manufactured Housing

Relocation (of Manufactured Homes): Moving the manufactured home unit previously installed or occupied to any other site or location.

Skirting: A term used to describe a non-structural enclosure of a foundation crawl space. Typically, but not always, it is a lightweight material such as vinyl or metal, attached to the side of the structure, extending to the ground (generally, not installed below frost depth).

Manufactured Home Property Eligibility

In addition to meeting any requirements listed in the Product Profile, the following are manufactured home eligibility requirements, including:

- 10 acres max
- Appraisal must have three (3) recent closed like comparables and second appraisal may be required at underwriter discretion
- Manufactured Housing Condo and Manufactured Housing PUD units eligible

Manufactured home located in Flood Zones A and V are not eligible without one of the following forms of documentation:

- FEMA Letter of Map Amendment (LOMA) that removes the property from the SFHA
- FEMA Letter of Map Revision (LOMR) that removes the property from the SFHA
- Recent Elevation Certification by licensed engineer or surveyor showing that the grade beneath the home is at or above the 100- year flood zone elevation and appropriate flood insurance is obtained

HUD/FHA Requirements

All manufactured homes must be in compliance with HUD. The following eligibility requirements must be met for all manufactured homes:

- The manufactured home must be permanently affixed to the foundation in accordance with the manufacturer's requirements for anchoring, support, stability, and maintenance and with HUD Permanent Foundations Guide for Manufactured Housing (PFGMH) dated 1996.
- The manufactured home must be classified and subject to taxation as real estate.

- Manufactured housing condos must be HUD-approved.
- The manufactured home must have been built and installed in compliance with the Federal Manufactured Home Construction and Safety Standards that HUD established June 15, 1976. Manufactured homes built prior to June 15, 1976 are ineligible.
- The manufactured home must be a minimum of 400 square feet gross living area.
- The manufactured home must be built on and remain on a permanent chassis with the towing hitch or running gear (wheels, axles, etc.) removed.
- All manufactured homes must have an affixed HUD seal(s) located on the outside of the home. If the home is a multi-wide unit, each unit must have a seal. If tags are missing from the property, the loan is not eligible unless documentation described as follows is provided. If the HUD tag is missing, a recent "HUD Certification Verification" letter issued by the Institute for Building Technology and Safety (IBTS) must be in the loan file.
- The manufactured home must be served by permanent water and sewer facilities approved by the local municipality, if available, at the site.
- An all-weather roadway must serve the site.
- The lowest finished exterior grade (if there is a basement - the lowest finished exterior grade adjacent to the perimeter enclosure), must be at or above the 100-year return flood elevation.
- The structural integrity must have been maintained during transport and sufficient anchoring, support and stability must be evident.

Modifications to the Manufactured Home

Room additions, attached carports, or other structural modifications may put the home at risk if changes were not performed in accordance with the HUD Manufactured Home Construction and Safety Standards (MHCSS) and local and state code.

If the appraiser observes changes to the original manufactured home, such as an addition, an inspection by the State Administration agency, which inspects manufactured homes for compliance, is required. If there is not an agency willing or able to inspect the home, the property is not eligible unless an engineer's report is obtained indicating that the structural changes or additions were made in accordance with HUD Manufactured Home Construction Safety Standards.

If the property cannot be inspected by the State Administrative Agency and an engineer's report cannot be obtained, the property is not eligible.

Appraiser must confirm modifications have been done in compliance with state/local regulations

Existing Construction for Over One Year (see New Construction for Less than One Year)

Must be permanently installed on a site for one year or more prior to date of application.

New Construction Manufacturing Housing (applies to Manufactured Housing Properties that are at the time of appraisal, Proposed Construction, Under Construction or Existing for Less than One Year (100% complete and never owner-occupied) stages of completion)

- Files must contain all required documentation for new construction manufactured housing including title showing that the Manufactured Home and land are classified as real property. If there were two existing titles at the time of funding, must ensure that all state or local requirements for proper satisfaction and purging of the title certificates (chattel or equivalent debt instrument) have been met, and the subject property is classified as real estate prior to endorsement.
- Final Lender Title Insurance Policies for manufactured housing properties must include the ALTA Endorsement 7 or similar state-specific endorsement affirming the unit and land

Manufactured Home Ineligible Property Types

The following are ineligible property types

- A manufactured home that is not titled as real estate,
- A manufactured home that was installed or occupied previously at any other site or location. The home may only have moved from the manufacturer's or dealer's lot to the current site of the home,
- Properties in a designated flood zone (see below for HUD requirements if any portion of the property improvements is located within a FEMA designated Special Flood Hazard Area (Zones A or V)
- Singlewide manufactured homes

Foundation Systems and Engineer's Certification Requirements

All foundation systems must meet the guidelines published in the HUD Permanent Foundations Guide for Manufactured Housing (PFGMH).

An Engineer's Certification on Foundation Compliance must be completed certifying that the *"house is erected on a permanent foundation and is in compliance with the guidelines published in the Permanent Foundation Guide for Manufactured Housing (PFGMH) dated 4 September 1996, which must be:*

- Completed by a licensed professional engineer or registered architect, who is licensed/registered in the state where the manufactured home is located, and
- Site-specific and contains the engineer's or registered architect's signature, seal, and/or state license/certification number. In states where seals are issued, the seal must be on the certification.
- Included in both the loan file and insuring binder when submitted to FHA.

An Engineer's Certification on Foundation Compliance is not required for:

- FHA to FHA transactions, provided no modifications have been made to the foundation or structure from the date of the effective certification, or
- FHA/HUD Real Estate Owned (REO) sales.

Perimeter Enclosure (Skirting)

The space beneath manufactured homes must be properly enclosed and therefore must:

- Be a continuous wall (whether bearing or non-load bearing), and
- Be adequately secured to the perimeter of the unit, and
- Separate the crawl space from the backfill, and
- Keep out vermin and water, and
- Allow for property ventilation of the crawl space.

If the perimeter enclosure is non-load bearing skirting comprised of lightweight material, there must be adequate backing (such as concrete, masonry, or treated wood) to permanently attach and support or reinforce the skirting.

Elevation Certification

The following are HUD requirements if any portion of the property improvements is located within a FEMA designated Special Flood Hazard Area (Zones A or V). The property is only eligible with:

- A FEMA-issued Letter of Map Amendment (LOMA) that removes the property from the SFHA, or
- A FEMA-issued Letter of Map Revision (LOMR) that removes the property from the SFHA, or
- An acceptable Elevation Certificate. This must be based on the finished construction and prepared by a state licensed/registered engineer or land surveyor indicating that the finished grade beneath the manufactured home is at or above the 100-year return flood elevation (Base Flood Elevation (BFE)). For those properties with a basement, the grade beneath the basement must be at or above the 100-year flood elevation and appropriate flood insurance is obtained.

Titling the Manufactured Home as Real Property

All manufactured home units and land must be classified as real property and taxed as such by the local authority. When the land is purchased separately from the unit, there may be two deeds:

- A property deed for the land, and
- A chattel deed or motor vehicle deed for the unit.

The land and unit must be deeded as one and the title policy must specifically state and validate that the manufactured home and land are classified as real estate and taxed as one parcel.

The loan is not eligible if the original chattel deed or title is not purged and the property does not have marketable real estate title.

Properties still in the conversion process from personal property or chattel status to real estate are not eligible.

The Preliminary Title Report or Final Title Policy must reflect the commitment or issuance of the appropriate ALTA Endorsement (e.g. ALTA 7.1-06) required to validate that home is treated as real property.

The Deed of Trust or Mortgage (security instrument) must include a complete legal description that includes land and manufactured unit details regarding Manufacturer Name, Model, Year, Serial #, size and any other information required by state law to identify a manufactured home.

Appraiser Requirements

Appraisal Requirements

In addition to complying with all HUD requirements, appraiser must comply with the following:

- The appraisal must be completed on FNMA Form 1004C and clearly support the value, marketability and property's compliance with FHA guidelines.
- Any repair completion certification must be completed on HUD Form 92051
- No outstanding repair conditions or open escrow holdbacks are permitted.
- Appraisal must contain the VIN/serial numbers. If not, proof of same must be provided via Institute for Building Technology and Safety (IBTS).
- Appraisal must include HUD labels on the appraisal. Photos are most often not clear enough to be read.
- Appraisal must have three (3) recent closed like comparables
- Appraisal should indicate the home was not installed or occupied previously at another site or location
- The appraiser is responsible for knowing the local regulations. Additions or structural modifications may bring the original unit out of compliance and if the area where the manufactured home is located has such requirements, the appraiser must comment and verify the additions/modifications are in compliance.

Appraisal Comparable Selection Requirements

The comparable selection for manufactured housing appraisal is as follows:

- The appraiser must select comparable sales of similar manufactured homes to address the marketability and comparability of a manufactured home, for example, single-width homes to multi-width homes. The appraiser must use a minimum of two comparable sales of similar manufactured homes. The appraiser may use either site-built housing or a different type of factory-built housing as the third comparable sale. The appraiser must explain why site-built housing or a different type of factory-built housing is being used for the third comparable sale, and make and support appropriate adjustments.
- An appraiser that is unable to locate sales of manufactured homes that are truly comparable to the subject property may decide it is appropriate to use either older sales of similar manufactured homes or sales of similar manufactured homes that are located in a competing neighborhood to establish a baseline for the sales comparison analysis and determine sound adjustments to reflect the differences between comparable sales that are available and the subject property.

- The appraiser must not create comparable sales by combining vacant land sales with the contract purchase price of the home. This type of information may be used as additional supporting documentation.

Appraisal Cost Approach Requirements

When required by the end agency (FNMA/FHA/VA/USDA), a detailed and supported cost approach to value is required for all manufactured homes, which must contain the information indicated on the Form 1004C. The sales comparison and cost approach to value are complementary for the valuation of manufactured housing and must support the final value conclusion. A property developed and detailed cost approach will provide the information necessary for an appraiser to:

- Recognize differences in manufactured home construction quality
- Understand the difference between the comparable sales and the subject property
- Extract from the market appropriate adjustments for the sales comparison analysis, and
- Identify sales of manufactured homes that are similar enough to the subject property to use as comparable sales.

Sources of Manufactured Housing Data

- Traditional appraisal data sources do not provide enough quality manufactured home data for the appraiser to develop a supportable and well-documented manufactured home appraisal. While sources such as MLS and public records are important and may contain some data, appraisers must utilize other data sources, such as manufactured home dealers and construction companies/builders experienced in the installation of manufactured homes.
- One important source of manufactured housing information is the NADA Manufactured Housing Appraisal Guide. That publication:
 - Lists general manufactured home depreciated replacement values based on original factory construction categories, and
 - Offers a step-by-step process for arriving at the average retail book value for a manufactured home and can be used to develop a cost approach.
- Another source of information is Marshall & Swift's Residential Cost Handbook. Marshall & Swift provides:
 - Information that enables the user to arrive at an estimate of the cost of the manufactured home when new and the replacement cost based on, among other things, the construction quality; as well as,
 - An explanation of the items that enables the appraiser to support his or her conclusion of the overall construction quality of the manufactured home.
- The appraiser must support his or her opinion about both the quality and the condition of the manufactured home.

HUD - Manufactured Housing and Standards

The following information can be found from HUD's website at the following link:

https://www.hud.gov/program_offices/housing/rmra/mhs/faqs

To ensure you have the most recent requirements, reference the link directly. ***Please note all product profile requirements/overlays must be met, regardless of the information provided here.***

What is a manufactured home?

A manufactured home (formerly known as a mobile home) is built to the Manufactured Home Construction and Safety Standards (HUD Code) and displays a red certification label on the exterior of each transportable section. Manufactured homes are built in the controlled environment of a manufacturing plant and are transported in one or more sections on a permanent chassis.

What is the difference between manufactured and modular homes?

Manufactured homes are constructed according to a code administered by the U.S. Department of Housing and Urban Development (HUD Code). The HUD Code, unlike conventional building codes, requires manufactured homes to be constructed on a permanent chassis. Modular homes are constructed to the same state, local or regional building codes as site-built homes. Other types of systems-built homes include panelized wall systems, log homes, structural insulated panels, and insulating concrete forms.

What are my options for financing the purchase of a manufactured home?

There are many alternatives for financing your home, including a growing number of lending institutions that are providing conventional and government-insured financing plans for prospective owners. The most common method of financing a manufactured home is through a retail installment contract, available through your retailer. Some lending institutions that offer conventional, long-term real estate mortgages may require the homes to be placed on approved foundations. Manufactured homes are eligible for government-insured loans offered by the Federal Housing Administration (FHA), the Veterans Administration (VA), and the Rural Housing Services (RHS) under the U.S. Department of Agriculture.

For additional assistance, you may wish to contact HUD's Housing Counseling Clearinghouse. HUD-approved housing counseling agencies provide housing counseling to renters, first-time buyers, and homeowners. Homeowners with problems that could result in default of their mortgage or foreclosure on their property need to contact a HUD-approved housing counseling agency immediately. HUD's Housing Counseling Clearinghouse operates a toll-free 24-hour-a-day automated voice response system that provides referrals to local housing counseling agencies, at (800) 569-4287. Referrals are also available to Spanish-speaking consumers.

Whom do I contact if my home was damaged during installation?

Retailers may contract with their customers for the installation of their homes, in which case the retailer is your first contact for installation-related problems. If the retailer does not arrange for the installation and you choose the installation contractor, you should contact the installer who performed the work. If you are not satisfied with the repair, contact the local authority/SAA having jurisdiction. It is important that all services related to the installation be listed separately in the contract.

What should I do if I'm having problems with my home and the Retailer and/or Manufacturer are no longer in business?

Contact your SAA or State agency that regulates manufactured home manufacturers or retailers. Your State may administer a bonding or recovery fund program for such instances.

My home was built before June 15, 1976. I've made some modifications to my home and believe it meets the HUD Standards. Can someone come inspect my home to make sure it's in compliance with the Standards?

HUD does not inspect homes. Homes built prior to June 15, 1976, even with modifications, do not meet the HUD standards and cannot be accepted as compliant with the HUD Code. As the homeowner, you may find a licensed engineer willing to inspect your home for compliance with your state's housing code. FHA does not insure mortgages on manufactured homes built prior to June 15, 1976. Most other mortgage insurance firms follow FHA's policy.

Will HUD issue certification labels (HUD tags) if my home was built before 1976?

No. The Department will not issue tags for a manufactured (mobile) home constructed prior to the enforcement of the Manufactured Home Construction and Safety Standards, effective June 15, 1976.

What kind of financing is available for my manufactured home?

HUD's FHA program insures two types of mortgages. Title II insures mortgages on qualifying manufactured homes sold with land and meeting other requirements. FHA's Title I program can provide information to consumers interested in obtaining HUD-insured loans. You may also want to contact lending institutions in your area (or the area where you want to purchase your home) for additional financing options.

What if HUD does not consider my home to meet its requirements for Title I or Title II insured loans? Are there still financing options available to me?

You may wish to consult with private lending institutions such as Freddie Mac or Fannie Mae to see if financial assistance is available to you.

I'm interested in purchasing a mobile home park or building a mobile home park. Where can I go for assistance?

You may contact the Office of Multifamily Housing at 202-708-2495 for assistance. Section 207, which is an FHA mortgage insurance program for HUD-approved lenders, promotes the creation of manufactured home communities by increasing the availability of affordable financing and mortgages.

I live in a mobile home park and I'm having problems with my landlord. Can HUD help me?

HUD does not regulate manufactured (mobile) home parks; however, most states have an association (http://www.mobilehomeparkstore.com/mhp_associations.htm) that can assist manufactured (mobile) homeowners with problems they are encountering.

I have a park model home and have made upgrades to my home. I was told I need a HUD label. How do I get one?

Regardless of the upgrades made to your park model, it is not possible to obtain a HUD label on any structure that was not produced and inspected as a manufactured home in accordance with HUD's

Manufactured Home Construction and Safety Standards and Regulations during its original construction. You may contact the Recreational Park Trailer Industry Association (<http://www.rvia.org/>) for additional information and resources regarding park model homes.

Fannie Mae Requirements

Any dwelling unit built on a permanent chassis and attached to a permanent foundation system is a manufactured home for purposes of Fannie Mae's guidelines. The manufactured home and the land on which it is situated must be titled as real property. Other factory-built housing (not built on a permanent chassis)—such as modular, prefabricated, panelized, or sectional housing—is not considered manufactured housing and mortgage loans secured by such housing are eligible Fannie Mae's Guidelines.

Government insured or guaranteed manufactured housing loans are not subject to conventional guidelines for manufactured housing and therefore are not subject to the provisions set forth in Chapter B6-1, Government Insured and Guaranteed Mortgages.

Property Eligibility

- 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 a one-unit dwelling unit that is legally classified as real property.
- The manufactured home must be secured by both the manufactured home and the land and both must be classified as real property under applicable state law and subject to taxation as real estate.
- Multi-width manufactured homes in an established condo project are eligible for a Full Lender Condo Review. PERS approval is required for new condo project consisting of manufactured homes or PUD or condo project consisting of single-wide manufactured homes.
- Incomplete items, such as a partially completed addition or renovation, or defects or needed repairs that affect safety, are not eligible until the work is paid for and complete. Exceptions may be made for minor items that do not affect the ability to obtain an occupancy permit – such as landscaping, a driveway, walkway etc.
- The borrower must own the land on which the manufactured home is located in fee simple.
- Manufactured home must be permanently affixed to the foundation on site for more than 12 months unless:
 - The borrower is the second purchaser of the property.
 - The seller is not the builder-contractor or manufactured housing dealer who installed MH unit on site

Modifications to the Manufactured Home

Manufactured homes that have an addition or have had a structural modification may be eligible:

- If the state in which the property is located requires inspection by a state agency to approve modifications to the property and there is confirmation that the property has met the requirements.
- If the state does not have these requirements, 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.

Manufactured Home Ineligible Property Types

- A manufactured home that is not titled as real estate.
- A manufactured home that was installed or occupied previously at any other site or location. The home may only have moved from the manufacturer's or dealer's lot to the current site of the home.
- Construction-to-permanent.
- A manufactured home with an accessory dwelling unit (ADU) or guest house
- A manufactured home is not classified and titled as real property at time of application.
- Title held as a leasehold estate.
- Singlewide manufactured homes

Foundation Systems Requirements

- The manufactured home must be attached to a permanent foundation system in accordance with the manufacturer's requirements for anchoring, support, stability, and maintenance.
- The foundation system must be appropriate for the soil conditions for the site and meet local and state codes.

Trade Equity in Manufactured Homes

- Trade equity from the borrower's existing manufactured home may be used as part of the borrower's minimum down payment requirement.
- The maximum equity contribution from the traded manufactured home is 90% of the retail value for the traded manufactured home based on the NADA Manufactured Housing Appraisal Guide except
 1. If the borrower has owned the traded manufactured home for less than 12 months preceding the date of the loan application, the maximum equity contribution is the lesser of 90% of the retail value or the lowest price at which the home was sold during that 12-month period, or
 2. Any costs associated with the removal of the traded home or any outstanding indebtedness secured by liens on the home must be deducted from the maximum equity contribution.

- For traded manufactured homes, Fannie Mae requires that the trade equity be documented by a lien search in the appropriate real property or personal property records to verify ownership and existence of liens on the manufactured home and land. The seller of the manufactured home must provide proof of title transfer and satisfaction of any existing liens on the traded manufactured home.

Titling the Manufactured Home as Real Property

To be eligible for purchase by Fannie Mae:

- A manufactured home mortgage loan must be secured by a perfected lien (or liens) on real property consisting of the manufactured home and the land.
- The manufactured home must be legally classified as real property under applicable state law, including relevant statutes, regulations, and judicial decisions.

The following requirements are also applicable:

- The owner of the manufactured home must own the land on which the home is situated.
- The manufactured home must be attached to a permanent foundation on the land and comply with state and jurisdictional requirements for permanent affixation.
- A mortgage, deed of trust, or security deed must be recorded in the land records and must identify the encumbered property as including both the home and the land.
- If applicable state law so permits, any certificate of title to the manufactured home must be surrendered to the appropriate state government authority.
- If the certificate of title cannot be surrendered, the lender must indicate its lien on the certificate.
- ALTA 7 or other state specific equivalent Title Endorsement is required for the final title insurance policy.

Fannie Mae prefers that a loan on the manufactured home and the land on which it is situated be secured by a single lien.

However, it is recognized that some state laws do not provide for a single lien on both the manufactured home and the land. Therefore, a loan documented by a lien on the land evidenced by a mortgage, deed of trust or security deed and by a real property lien on the manufactured home evidenced on the certificate of title or other document is acceptable.

Note: loans in which there is a chattel lien on the home plus a real property lien on the land are unacceptable.

Value of Land

The following are Fannie Mae requirements, but currently, Manufactured home must be

classified and titled as real property at time of application and manufactured home must be permanently affixed to the foundation on site for more than 12 months unless: (1) The borrower is the second purchaser of the property; OR (2) the seller is not the builder-contractor or manufactured housing dealer who installed MH unit on site.

- 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 describes how to determine the value of the land based on when and how the borrower acquired the land:

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.	The lender must document the borrower's cash investment by obtaining: a certified copy of the HUD-1 Settlement Statement or similar settlement statement, a 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(s).
The borrower acquired the land at any time as a gift, inheritance, or other non-purchase transaction.	The current appraised value.	The lender must obtain appropriate documentation to verify the acquisition and transfer of ownership of the land.

- Appraiser must follow Fannie Mae requirements for Manufactured Housing, including providing a detailed and supported cost approach to value

- The borrower and the lender must sign an Affidavit of Affixture that acknowledges their intent for the manufactured home to be permanently part of the real property that secures the mortgage and contains any specific language that may be required by applicable law. The Affidavit must be signed by both the lender and the borrower(s), preferably recorded, and must be retained in the loan file. Note: Failure to include the Affidavit of Affixture in the loan file may result in the loan being ineligible for delivery to Fannie Mae.
- If state law requires a Uniform Commercial Code (UCC) filing in order to perfect a security interest in a manufactured home, the lender must make such filing in any and all appropriate locations.

Appraisal Requirements

The list below provides FNMA's requirements and standards for manufactured housing appraisals.

For purchase money mortgages, the appraiser must be provided with:

- 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, if the manufactured home and land are purchased separately; and
- a copy of the manufacturer's invoice if the manufactured home is new.

The appraiser must analyze the contract(s) and the manufacturer's invoice for new manufactured homes, and provide a summary in the appraisal report.

The appraiser must report the results of a manufactured home appraisal on the Manufactured Home Appraisal Report (Form 1004C). The use of Form 1004C will help to ensure that the appraiser inspected, considered, and reported the appropriate information including, but not limited to, the:

- manufacturer's name,
- trade or model number,
- year of manufacture,
- serial number,
- Certification Label number(s) from either the HUD Data Plate or Certification Label(s),
- type of foundation and utility connections,
- detailed and supported cost approach,
- opinion of the market value of the site, and
- property's conformity to the neighborhood.

The appraiser must indicate a value conclusion based solely on the real property as completed consisting of the

- manufactured home,
- site improvements, and
- land on which the home is situated.

The value conclusion cannot include any non-realty items including, but not limited to, insurance, warranties, and furniture.

Manufactured Housing Appraisal Site Requirements

- The appraisal site requirements for manufactured housing are:
 - The appraiser must base his or her opinion of value on the characteristics of the subject property, including the site area. The appraisal report must indicate whether or not the site is compatible with the neighborhood, and must comment on the conforming of the manufactured home to other manufactured homes in the neighborhood.
 - The property site must be of a size, shape, and topography that is conforming and acceptable in the neighborhood. It must also have competitive utilities, street improvements, adequate vehicular access and other amenities. Because amenities, easements, and encroachments may either detract from or enhance the marketability of a site, the appraiser must reflect them in the analysis and valuation. The appraiser must comment if the site has adverse conditions or is not typical for the neighborhood.

Manufactured Housing Appraisal Comparable Selection Requirements:

- The comparable selection for a manufactured housing appraisal is as follows:
 - The appraiser should select comparable sales of similar manufactured homes to address the marketability and comparability of a manufactured home, for example, multi-width homes to multi-width home. The appraiser must use a minimum of two comparable sales of similar manufactured homes. The appraiser may use either site-built housing or a different type of factory-built housing as the third comparable sale. The appraiser must explain why site-built housing or a different type of factory-built housing is being used for the third comparable sale, and make and support appropriate adjustments.
 - An appraiser that is unable to locate sales of manufactured homes that are truly comparable to the subject property may decide it is appropriate to use either older sales of similar manufactured home or sales of similar manufactured homes that are located in a competing neighborhood to establish a baseline for the sales comparison analysis and determine sound adjustment to reflect the differences between comparable sales that are available and the subject property.
 - The appraiser must not create comparable sales by combining vacant land sales with the contract purchase price of the home. This type of information may be used as additional supporting documentation.

Manufactured Housing Appraisal Cost Approach Requirements:

- A detailed and supported cost approach to value is required for all manufactured homes, which must contain the information indicated on the Form 1004C/70B. The sales comparison and cost approach to value are complementary for the valuation of manufactured housing and must support the final value conclusion. A property developed and detailed cost approach will provide the information necessary for an appraiser to:
 - Recognize differences in manufactured home construction quality.
 - Understand the difference between the comparable sales and the subject property.
 - Extract from the market appropriate adjustments for the sales comparison analysis.
 - Identify sales of manufactured homes that are similar enough to the subject property to use as comparable sales.

Sources of Manufactured Housing Data:

- Traditional appraisal data sources do not provide enough quality manufactured home data for the appraiser to develop a supportable and well-documented manufactured home appraisal. While sources such as MLS and public records are important and may contain some data, appraiser must utilize other data sources, such as manufactured home dealers and construction companies/builders experience in the installation of manufactured homes.
- One important source of manufactured housing information is the NADA Manufactured Housing Appraisal Guide. That publication:
 - Lists general manufactured home depreciated replacement values based on original factory construction categories.
 - Offers a step-by-step process for arriving at the average retail book value for a manufactured home and can be used to develop a cost approach.
- Another source of information is Marshall & Swift's Residential Cost Handbook. Marshall & Swift provides:
 - Information that enables the user to arrive at an estimate of the cost of the manufactured home when new and the replacement cost based on, among other things, the construction quality.
 - An explanation of the items that enables the appraiser to support his or her conclusion of the overall construction quality of the manufactured home.
- The appraiser must support his or her opinion about both the quality and the condition of the manufactured home.

Requirements

- The manufactured home must be built in compliance with
 - the Federal Manufactured Home Construction and Safety Standards that were established June 15, 1976, as amended and in force at the time the home is manufactured; and
 - additional requirements that appear in HUD regulations at 24 C.F.R. Part 3280.

- Compliance with these standards will be evidenced by the presence of both a HUD Data Plate 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 for delivery to Fannie Mae.
- 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. In addition to the data required by Fannie Mae, 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.
- As an alternative to the original HUD Certification Label, the lender may be able to obtain a verification letter with the same information contained on the HUD Certification Label from the Institute for Building Technology and Safety (IBTS). A duplicate HUD Data Plate/Compliance Certificate may be available from IBTS or by contacting the In-Plant Primary Inspection Agency (IPIA) or the manufacturer. (A list of IPIA offices is posted on HUD's website.)
- 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 a one-unit dwelling unit that is legally classified as real property.
- The towing hitch, wheels, and axles must be removed. The dwelling must assume the characteristics of site-built housing.
- The borrower must own the land on which the manufactured home is situated in fee simple, unless the manufactured home is located in a co-op or condo project. (Co-ops not allowed)
- For co-ops, both the land and dwelling must be owned by the co-op. (Co-ops not allowed)
- For condos, both the land and dwelling must be subject to the condo regime.
- Mortgages secured by manufactured homes located on leasehold estates are not eligible.
- Multi-width manufactured homes may be located either on an individual lot or in a project development.
- Project approval for mortgage loans secured by multi-width manufactured homes located on individual lots in subdivisions or in PUDs is generally not required, but Fannie Mae may choose to require project approval. For further information about project approval requirements, see Chapter B4-2, Project Standards.
- Co-op or condo project developments must be Fannie Mae-approved. (Co-ops not allowed)
- Single-width manufactured homes not allowed (PRMG overlay).
- The manufactured home must be at least 12 feet wide and have a minimum of 600 square feet of gross living area.

- Fannie Mae does not specify other minimum requirements for size, roof pitch, or any other specific construction details for HUD-coded manufactured homes.
- Site preparation for delivery of the manufactured home must be completed.
- The manufactured home must be attached to a permanent foundation system in accordance with the manufacturer's requirements for anchoring, support, stability, and maintenance.
- The foundation system must be appropriate for the soil conditions for the site and meet local and state codes.
- 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.
- 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.
- There must be adequate vehicular access and there must be an adequate and legally enforceable agreement for vehicular access and maintenance. See B4-1.3-04, Site Section of the Appraisal Report (02/23/2016), for additional information about privately maintained streets.
- Mortgages secured by existing manufactured homes that have incomplete items, such as a partially completed addition or renovation, or defects or needed repairs that affect safety, soundness, or structural integrity, are not eligible for purchase until the necessary work is completed.
- Exceptions to the foregoing may be made only for minor items that do not affect the ability to obtain an occupancy permit — such as landscaping, a driveway, or a walkway — subject to all requirements and warranties for new or proposed construction provided in B4-1.2-03, Requirements for Postponed Improvements (03/29/2016).
- Manufactured homes that have an addition or have had a structural modification are eligible under certain 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. In all cases, the satisfactory inspection report must be retained in the mortgage loan file.

VA Requirements

Manufactured Home Property Eligibility

The following eligibility requirements and minimum property requirements (MPRs) must be met for all manufactured homes:

- The manufactured home must be permanently affixed to the foundation
- The manufactured home must be classified and subject to taxation as real estate
- The manufactured home must be existing construction
- Must substantially conform with VA Minimum Property Requirements (MPRs)
- Conform to applicable building code and zoning requirements for real estate.
- Manufactured Home PUD and Condos must be detached only
- The manufactured home must have been built and installed in compliance with the Federal Manufactured Home Construction and Safety Standards that HUD established June 15, 1976 and additional requirements that appear in HUD regulations at 24 C.F.R. Part 3280 as evidenced by the presence of both a HUD Data Plate and the HUD Certification Label (Tag). Manufactured homes built prior to June 15, 1976 are ineligible.
 - If the original or alternative documentation cannot be obtained for both the Data Plate/Compliance Certificate and HUD Certification Label (tag), the loan is not eligible.
 - If the HUD tag is missing, a recent "HUD Certification Verification" letter issued by the Institute for Building Technology and Safety (IBTS) or a copy of the Data Plate from the In-Plant Primary Inspection Agency (IPI) or manufacturer must be in the loan file.

Existing construction is generally defined as when the foundation for a manufactured home has been fully completed and the manufactured home unit has been installed.

There are two MPR-related requirements for existing construction manufactured homes:

- The site, manufactured home unit, and other on-site improvements (e.g. private well and septic, utilities, etc.) must meet VA MPRs for existing construction.
- The manufactured home unit must be properly attached to a permanent foundation system which is constructed to withstand both supporting loads and wind-overturning loads, and is acceptable to the State or local building authority.

If the VA fee appraiser has reasonable doubts as to the acceptability of the foundation system where there are no local requirements, a statement from a registered professional engineer is required.

The Cost Approach is not required but may be completed to supplement the indicated value in the sales comparison approach. Since VA relies on the sales comparison approach to value, the appraised value should never exceed the value indicated in the Sales Comparison Approach without detailed explanation.

If a property has a guest house which cannot be legally rented, the appraisal should be done on the URAR with no value given to any rental income. The guest house should be valued as it contributes to the residential nature of the property.

SARs are responsible for staying informed about local VA requirements unique to the VA jurisdiction in which a property is located. Local requirements for all states are available online at https://www.benefits.va.gov/HOMELOANS/appraiser_cv_local_req.asp

Ineligible Property Types

- New construction properties
- Manufactured home where the foundation has not been fully completed and the manufactured housing unit is not permanently affixed
- Manufactured home that is not titled as real estate at closing; properties in conversion from chattel to real estate
- Manufactured home that was installed or occupied previously at any other site or location. The home may only have moved from the manufacturer's or dealer's lot to the current site of the home
- Singlewide manufactured homes

Titling the Manufactured Home as Real Property

- All manufactured home units and land must be classified as real property and taxes as such by the local authority.
- The property description section (or rider) of the security instrument must include a description of the manufactured home, including the VIN or serial number, and the land.
- ALTA 7 or other state specific equivalent Title Endorsement is required for the final title insurance policy.
- When the land is purchased separately from the unit, there may be two deeds:
 - A property deed for the land.
 - A chattel deed or motor vehicle title for the unit.
- The land and unit must be deeded as one and the title policy must specifically state and validate that the manufactured home and land are classified as real estate and taxed as one parcel.
- The loan is not eligible if the original chattel deed or motor vehicle title is not purged and the property does not have clear marketable real estate title.

Appraisal Requirements

The appraiser must enter the manufactured home (MH) unless it is both:

- new, and
- has not been delivered to the dealer or to the site.

In those cases where the appraiser is unable to access and/or inspect the new MH, the appraiser must obtain the following documents to be included in his/her appraisal:

- MH plans: design or floor plans showing room layout and exterior dimensions for MH unit, and elevation 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 plan.

If other MHs classified as real estate on permanent foundations are not available for use as comparables, the appraisal report must:

- state that fact, and
- show in the market analysis grid that the sales prices of the best comparable conventional home sales available were properly adjusted.

USDA Requirements

Manufactured Home Property Eligibility

The following eligibility requirements must be met for all manufactured homes:

- Site development work must conform to standards imposed by the state and local government.
- The manufactured home must have been built and installed in compliance with the Federal Manufactured Home Construction and Safety Standards that HUD established June 15, 1976 and additional requirements that appear in HUD regulations at 24 C.F.R. Part 3280 as evidenced by the presence of both a HUD Data Plate and the HUD Certification Label (Tag). Manufactured homes built prior to June 15, 1976 are ineligible.
 - If the original or alternative documentation cannot be obtained for both the Data Plate/Compliance Certificate and HUD Certification Label (tag), the loan is not eligible.
 - If the HUD tag is missing, a recent "HUD Certification Verification" letter issued by the Institute for Building Technology and Safety (IBTS) or a copy of the Data Plate from the In-Plant Primary Inspection Agency (IPI) or manufacturer must be in the loan file.

Additional property eligibility requirements for manufactured homes:

- The manufactured home must be secured by both the manufactured home and the land and both must be classified as real property under applicable state law and subject to taxation as real estate.
- The manufactured home must be attached to a permanent foundation system in accordance with the manufacturer's requirements for anchoring, support, stability, and maintenance. The foundation must be appropriate for the soil conditions for the site and must meet local and state codes.
- The manufactured home must be attached to a permanent foundation system in accordance with the manufacturer's requirements for support, stability, and maintenance. The foundation must be appropriate for the soil conditions for the site and must meet local and state codes.
- If the manufactured home was installed prior to October 20, 2008, the anchoring system must comply with the manufacturer's design or a design by a licensed (registered) professional engineer, otherwise, the anchoring system must comply with HUD Codes.
- The manufactured home must be built on and remain on a permanent chassis with the towing hitch, wheels and axles removed.
- Must be a 1-unit dwelling.
- Incomplete items, such as a partially completed addition or renovation, or defects or needed repairs that affect safety, are not eligible until the work is paid for and complete. Exceptions may be made for minor items that do not affect the ability to obtain an occupancy permit – such as landscaping, a driveway, walkway etc.
- The finished grade level beneath the manufactured home is at or above the 100-year base flood elevation.

Ineligible Property Types

- A manufactured home that is not titled as real estate.
- A manufactured home that was installed or occupied previously at any other site or

location. The home may only have moved from the manufacturer's or dealer's lot to the current site of the home.

- Manufactured home is not classified and titled as real property at time of application.
- Singlewide manufactured homes

Titling the Manufactured Home as Real Property

- All manufactured housing units and land must be classified and taxed as real estate to be eligible.
- The manufactured home loan must be secured by a perfected lien on real property consisting of the manufactured home and land and the manufactured home must be legally classified as real property.
- Evidence must be provided to document that the manufactured home is classified as real property may be through tax certificates or title policy to validate that both land and unit are taxed as one parcel.
- The loan is not eligible if the original chattel deed or title is not purged and the property does not have marketable real estate title.
- The Preliminary Title Report or Final Title Policy must reflect the commitment or issuance of the appropriate ALTA Endorsement (e.g. ALTA 7.1-16) required to validate that the home is treated as real property.
- The Deed of Trust or Mortgage (security instrument) must include a complete legal description that includes land and manufactured unit details regarding the manufacturer name, model, year, serial number, size and any other information required by state law to identify a manufactured home.