

Introduction to Manufactured Housing

June 2025

About this Material

The information presented in these training materials is for general information only and is based on guidelines and practices generally accepted within the mortgage finance industry and is **not intended to be all-inclusive**. The MPF® Provider makes no representations or warranties of any kind with respect to the accuracy, completeness or suitability for any purpose of the information contained in this training. In addition, certain information included here speaks only as of the date or dates included in this communication, and the information in the communication may have become out of date.

The MPF Provider expressly disclaims all warranties, express or implied, including without limitation warranties of merchantability and fitness for a particular purpose regarding these materials and our training program. In no event will the MPF Provider be liable for any direct, indirect, incidental, punitive or consequential damages of any kind with respect the training or materials provided.

All examples are hypothetical and are for illustrative purposes only. Opinions and insights expressed herein do not necessarily represent the views of the MPF Program. This training is not intended and should not be interpreted or relied upon as legal advice. We encourage you to seek advice from a qualified professional.

“MPF” is a registered trademark of the Federal Home Loan Bank of Chicago and the “MPF Mortgage Partnership Finance” logo is a trademark of the Federal Home Loan Bank of Chicago.

What is a Manufactured Home?

- A single-family residence that is built in a factory and then transported to a home site
- Homes are built in sections and transported on a permanent chassis
- Once delivered, the wheels are removed, and the chassis is placed on a permanent foundation system
- Manufactured homes must be classified as real property, not personal property



To be eligible, manufactured homes must be built after what date?

- a. June 1, 1974
- b. June 15, 1976
- c. June 1, 1972
- d. June 15, 1974

b. June 15, 1976

The Federal Manufactured Home Construction Safety Standards were established on that date

The HUD data plate **or** HUD Certification label states that the home complies with those standards



Important Guideline Information

The guidelines for manufactured homes differ between Fannie Mae, Freddie Mac, and MPF Traditional

- Where possible, this presentation will identify some major differences (but not all!)
- Keep in mind that **this presentation is not all-inclusive**, so always consult the appropriate guide(s) for more details



MPF Traditional Product General Eligibility

MPF® Traditional Product Underwriting Guidelines

MPF Traditional Manually Underwritten Loans

- Follow the guidelines outlined for manufactured homes in the MPF Traditional Selling Guide **Chapter 6.8**

NOTE: MPF Traditional government loans are not covered in this presentation

MPF Traditional Loans Underwritten with DU or LPA

- Follow the applicable agency guidelines **and** refer to the AUS overlays listed in the MPF Traditional Selling Guide **Chapter 4.2.1**

General MPF Traditional Product Eligibility and Overlays*

- No single-wide units
- Subordinate financing is not permitted
- No second homes
- Cannot be in a site condo or PUD project
- No leasehold estates
- Land in lieu of a downpayment funds
- No previously modified loans

*This list is not all-inclusive

MPF Traditional AUS Overlays

The ineligible characteristics listed in **Chapter 6.8.2** of the MPF Traditional Selling Guide supersede Fannie and Freddie guidelines

MPF Xtra Product General Eligibility

MPF Xtra® Product Underwriting

MPF Xtra Product Selling Guide: 4.1.1 and Chapter 6
Fannie Mae Selling Guide: B2-3-02, B203 and B5-2



- 1-unit properties only
- Must be owner-occupied
- Primary or second homes only
- Cannot include an accessory dwelling unit (ADU)
- Primary residence can be single or multi-width
- Second homes must be multi-width
- May be located on a lot, or in a condo or PUD project

*MH Advantage guidelines may differ!

Property Eligibility

Home Eligibility

All manufactured homes must comply with Federal Manufactured Home Construction and Safety Standards (June 15, 1976)

Homes should include either a HUD data plate or a HUD Certification Label*

- HUD certification labels are red metal tags found on the exterior of each section of the home



**Freddie Mac requires both for new manufactured homes and Fannie Mae requires both for new construction*

Home Eligibility

What if the appraiser can't locate the data plate or certification label?

- The *Institute for Building Technology and Safety* (IBTS) can provide evidence of a home's compliance with the required safety standards
- Sometimes duplicate plates may be available through the *In-Plant Primary Inspection Agency* (IPIA) or the manufacturer.

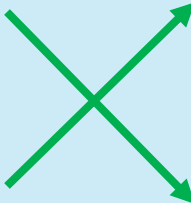



General Eligibility

- Units must be built on a permanent chassis
- Anchored to a permanent foundation system
- Towing hitch, axles, and wheels must be removed
- Not previously installed or occupied in a different location except for the manufacturer's lot
- Must be permanently connected to a septic tank/sewage system and other utilities (per local and/or state requirements)



Match the Size Restriction

- | | | |
|---|---|--|
| 1. There's no mention of a square footage restriction, but the maximum lot size is 10 acres |  | a. Fannie Mae DU |
| 2. The home must be at least 12 feet wide with no less than 400 square feet of living area | | b. MPF Traditional Manual Underwriting |
| 3. The home must be at least 12 feet wide with no less than 600 square feet of living area |  | c. Freddie Mac LPA |

If you use DU or LPA for MPF Traditional, follow the applicable agency guidelines

Appraisals

Appraisal Requirements

Full appraisals are required and must be on Fannie Mae Form 1004C or Freddie Mac Form 70B

- At least 2 comps must be manufactured homes, a third comparable may be site built or modular
- For new homes, the appraiser must be provided with the purchase contract from the dealer and the manufacturer/dealer invoice
- The serial number(s) on the HUD plate must match the invoice

The image displays two versions of the Manufactured Home Appraisal Report form. The top form is the Fannie Mae Form 1004C, and the bottom form is the Freddie Mac Form 70B. Both forms are designed to collect detailed information about the property being appraised, including its location, characteristics, and comparable sales.

Form 1004C (Fannie Mae): This form includes sections for Property Address, City, State, Zip Code, County, and Owner of Public Record. It also has fields for Legal Description, Assessor's Parcel #, Tax Year, R.E. Taxes \$, Neighborhood Name, Map Reference, Census Tract, and Occupant type (Owner, Tenant, Vacant). The form includes checkboxes for Project Type (PUD, Condominium, Cooperative, Other) and Special Assessments. It also has a section for Property Rights Appraisal (Fee Simple, Leasehold, Other) and Assignment Type (Purchase Transaction, Refinance).

Form 70B (Freddie Mac): This form includes a section for Lender/Client, asking if the subject property is currently offered for sale or has been. It also has a section for Manufactured Homes located in either a condominium or individual Condominium Unit Appraisal Report or the Individual Unit Appraisal Report. The form includes a section for Contract Price \$, Date of Contract, and a checkbox for whether there is any financial assistance (loan charges, sale concessions). It also has a section for the total dollar amount and description of the loan.

Both forms include a table for Comparable Sales, with columns for Address, Date, Price, and a checkbox for whether the property is a Manufactured Home. The table also includes a section for Adjustments, with columns for Description, +(-) \$ Adjustment, and a checkbox for whether the property is a Manufactured Home.

Appraisal Requirements (continued)

MPF Traditional Selling Guide: 6.8.11
Fannie Mae Selling Guide: B2-3-02, B4-1.4-01
Freddie Mac Selling Guide: 5703.10

- If the appraisal is performed before the home is delivered and installed on the permanent foundation, evidence of completion is required (1004D or acceptable alternatives)

Fannie Mae/Freddie Mac single-width properties

- One comparable must be a single-width closed sale
- If the appraiser is unable to find a single-width comparable sale, an active listing or “under contract” sale will qualify as a supplemental exhibit to show marketability
- The appraiser must explain why a site-built home or different type of factory-built home was used as the third comparable sale



Calculating Debt-to-Income Ratios

New Manufactured Home Purchases

Fannie Mae Selling Guide: B5-2-03
Freddie Mac Selling Guide: 5703.9
MPF Traditional Selling Guide: 6.8.3

The total sales price for a newly built/installed manufactured home may also include the following documented costs:

- Delivery costs
- Set-up
- Site development
- Installation
- Permanent utility connections

LTV Calculations for Newly Built/Installed Home

Use the lower of:

- The **current appraised value**; or
- If the land was purchased more than 12 months prior to the application date, the **sales price of the home + the current appraised value of the land**; or
- If the land was purchased less than 12 months prior to the application date, the **sales price of the home + the lowest sales price of the land during the past 12 months**

Purchase of an Existing Manufactured Home

Fannie Mae Selling Guide: B5-2-03
Freddie Mac Selling Guide: 5703.9
MPF Traditional Selling Guide: 6.8.3

LTV Calculations for Existing Homes

Use the lower of:

- The **sales price of the home and land**; or
- The **current appraised value of the home and land**; or
- If the home was built in the past 12 months, **the lowest sales price of the home during that period plus the lower of:**
 - the current appraised value of the land; or
 - the lowest land sales price during the past 12-month period (if applicable)

Existing manufactured homes are already affixed to a foundation

If the home is being sold by a developer or manufacturer acting as a developer of a new or existing subdivision, use the lower of:

- The **sales price of the home and land**; or
- The **current appraised value of the home and land**

Limited Cash-Out Refinances (LCORs)

Fannie Mae Selling Guide: B5-2-03
Freddie Mac Selling Guide: 5703.9
MPF Traditional Selling Guide: 6.8.4

LCORs Use the Lower of:

- Current appraised value of the home and land; **or**
- If owned less than 12 months, and the home and land are secured by a single lien, use the lowest sales price from that 12-month period; **or**
- If owned less than 12 months and there are separate liens for the home and land, use the lowest sales price for the home and the lowest sales price for the land during that 12-month period
- **MPF Traditional: if there are separate liens, both loans must be paid off (subordinate financing is not permitted)**



Cash-Out Refinances

Fannie Mae Selling Guide: B5-2-03
Freddie Mac Selling Guide: 5703.9
MPF Traditional Selling Guide: 6.8.5

- The **home and land** must be owned for at least 12 months prior to the loan application date
- LTV is based on the appraised value of the home and land
- **MPF Traditional (all underwriting methods):** If there are separate mortgages for the home and land, both must be paid off (overlay in Chapter 6.8.2)
- **MPF Traditional manual underwriting and LPA:** the loan term cannot exceed 20 years
- **Fannie/Freddie:** property must be a multi-width unit
- **Max LTV ratio for cash-out refinances is 65%**



Funds to Close

Funds to Close

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

- The LTV is less than or equal to 80%
- The transaction meets the guidelines for using gifts, donated grant funds, or funds received from an employer to pay for some or all the borrower's minimum contribution
- **Fannie/Freddie only:** the borrower's equity in the land can be considered the borrower's own funds (or equity requirement for a refinance)
- **MPF Traditional overlay reminder:** For **all LTVs**, at least 5% of the down payment must come from the occupant borrower's own funds



Land Value as Down Payment Funds

MPF Traditional Selling Guide: 6.8.2
Fannie Mae Selling Guide: B5-2-03
Freddie Mac Selling Guide: 5703.8

Fannie Mae and Freddie Mac* allow the land to be considered as the borrower's own funds

If the borrower holds title to the land, the value of the land may be credited towards the borrower's minimum down payment

"Land-in-lieu of a down payment" is not permitted for MPF Traditional loans, even when using DU or LPA. This is an overlay listed in Chapter 6.8.2

The land was purchased more than 12 months ago



Use the land's current appraised value

The land was purchased less than 12 months ago



Use the lower of the land's sales price or the current appraised value of the land
Obtain a copy of the settlement statement, copy of the warranty deed or evidence of any released liens

The land was obtained through a non-purchase transaction like a gift or inheritance
(Fannie Mae/Freddie Mac)



Use the land's current appraised value
Obtain appropriate documentation to verify the acquisition and transfer of ownership

Knowledge Check: DU Underwriting

Chris is purchasing a new manufactured home that will be delivered and installed on land he inherited from his grandmother 6 months ago

What is the sales price of the home?

\$105,575

Grand Homes 52 Birch Way, La Crosse, Wisconsin			
Description	Cost	Credits	Total
Doublewide Vista Breeze Model 2.3	\$85,500		\$85,500
Concrete Foundation	\$8,000		\$8,000
Site Prep: connect city utilities, septic, Driveway, parking pad	\$7,750		\$7,750
Remove wheels, axles, hitches	\$1,775		\$1,775
Deliver to Site	\$1,250		\$1,250
Install on foundation	\$1,300		\$1,300
Total Cost			\$105,575
Buyer Deposit	\$14,500		-\$14,500
Balance Due			\$91,075

Knowledge Check: DU Underwriting

The appraised value of the land is \$38,000 and the as-completed appraised value of the property is \$145,000

What value would you base the LTV on?

\$143,575

Use the *lower* of either the land value + total cost or the property's appraised value

Grand Homes 52 Birch Way, La Crosse, Wisconsin			
Description	Cost	Credits	Total
Doublewide Vista Breeze Model 2.3	\$85,500		\$85,500
Concrete Foundation	\$8,000		\$8,000
Site Prep: connect city utilities, septic, Driveway, parking pad	\$7,750		\$7,750
Remove wheels, axles, hitches	\$1,775		\$1,775
Deliver to Site	\$1,250		\$1,250
Install on foundation	\$1,300		\$1,300
Total Cost			\$105,575 + \$38,000
Buyer Deposit	\$14,500		-\$14,500
Balance Due			\$91,075

Fannie Mae's MH Advantage™

MH Advantage- MPF Xtra Only

MH Advantage is available for certain eligible manufactured homes

- Fannie Mae MH Advantage properties are built to meet specific construction, architectural, and energy efficiency requirements
- Homes include features that resemble site-built properties like higher-pitched rooflines, porches, garages, dormers and eaves
- **Eligibility labels are attached at the factory by the manufacturer**

Mortgage Financing Notice

The manufacturer of this home—identified on its HUD certificate—has determined that its features as of the date of manufacture are consistent with the eligibility requirements of MH Advantage™, a manufactured housing mortgage loan initiative of Fannie Mae®. To qualify for MH Advantage, the borrower must also meet certain eligibility requirements, and the home must be installed on land owned by the borrower.

Homeowner:
Do not remove or damage this sticker, as it is required to identify this home for participation in the MH Advantage initiative for purchase or refinancing. This notice is not an assurance of the availability of, or your qualification for, mortgage financing for this home.

For more information please visit:
www.FannieMae.com/MH

 Fannie Mae®

Identification Number: XXXXXXXX

© 2016 Fannie Mae. Trademarks of Fannie Mae.

MH Advantage- MPF Xtra Only

Financing flexibilities are available for homes that are identified with a MH Advantage Sticker

- Higher LTVs for primary residences (up to 97% LTV, 105% CLTV for approved Community Seconds®)
- Standard MI coverage like site-built homes
- The standard loan level pricing adjustment (LLPA) for manufactured homes is waived
- Use Special Feature Code (SFC) 859



Resources

Fannie Mae Selling Guide: B5-2-05
Freddie Mac Selling Guide: 5703.4
MPF Traditional Selling Guide: 6.8.12

Fannie Mae has a resource that outlines the documentation requirements for titling manufactured homes as real property

- The process and requirements vary from state to state
<https://singlefamily.fanniemae.com/media/18186/display>
- Each Selling Guide has a section related to this topic



MPF Contacts and Resources

MPF Service Center

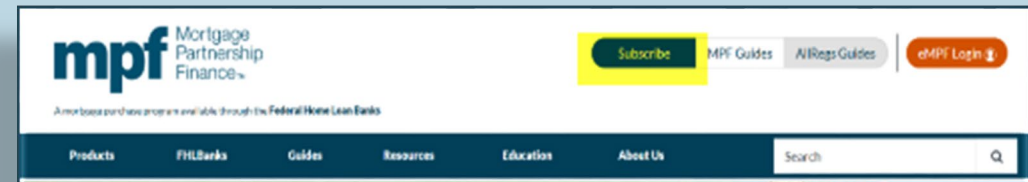
Email - MPF-Help@FHLBC.com

Hours - 8:30 am to 4:30 pm CST

Phone: (877) 345-2673

Keep up with MPF Program guideline updates by
subscribing to MPF Announcements:

www.fhlbmpf.com



MPF National Education

Attend an upcoming webinar

<https://www.fhlbmpf.com/education/upcoming-webinars>

Register for MPF University

www.fhlbmpf.com

MPF National Education

mpftraining@fhlbc.com

