

Manufactured Housing Topic Packet: Loans

Common Perception:

You can't get the same 30-year mortgage terms for manufactured housing that you can on a traditional home.

Reality:

Fannie Mae now offers manufactured housing loans that match the terms and conditions of site-built 30-year mortgages, when both the land and the home are owned by the buyer.

What home buyers (and lenders) need to know about getting a mortgage for a manufactured home.

In 2017, **Fannie Mae hosted a series of collaborative meetings** between industry leaders including manufacturers, retailers, appraisers, lenders and one with HUD representatives. The outcome was consensus on the **physical characteristics that qualifies** a Manufactured Home (MH) for the MH Advantage® program — **MH Advantage** is a new homeownership option that offers affordable financing on specially designated manufactured homes that are built to meet construction, architectural design, and energy efficiency standards that are more **consistent with site-built homes — in order to align financing as well.**

The criteria for MH Advantage include:

- A multi-section property design (i.e. no single wide homes)
- Specific architectural and aesthetic features, such as distinctive roof treatments (eaves and higher pitch roofline)
 - Eaves that are 6 inches or greater (which may be eaves no less than 4 inches to which site-completed gutters of 2 inches or more are to be added)
 - Roof pitch, following installation on site in accordance with the home's plans, will be at a ratio of 4/12 or greater (does not apply to triple wide homes, which may have any roof pitch)
- Lower profile foundation on buyer-owned lot
 - The design will accommodate a foundation that meets **all** the following criteria:
 - Masonry perimeter wall
 - HUD's Permanent Foundations Guide to Manufactured Housing
 - Engineered Foundation certified by a registered architect or professional engineer
 - Designed with low-profile finished floor set that does not exceed 30 inches from bottom of floor joist to the exterior grade for the front or entry elevation (note, this is design standard only – topography of site or other considerations may affect actual placement of home on site and does not disqualify the home from MH Advantage)
- Exterior features like garages or carports, porches, and dormers
 - The home is designed with **one** of the following pairs of features:
 - Dormer(s) and Covered Porch (minimum 72 square feet); OR
 - Dormer(s) and Attached Garage/Carport; OR
 - Covered Porch (minimum 72 square feet) and Attached Garage/Carport
 - A driveway leading to the home (or to the garage or carport, if one is present); the driveway must consist of blacktop, pavers, bricks, concrete, cement, or gravel. If the home does not have a garage or carport, the driveway can lead to a vehicular parking pad; AND
 - 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



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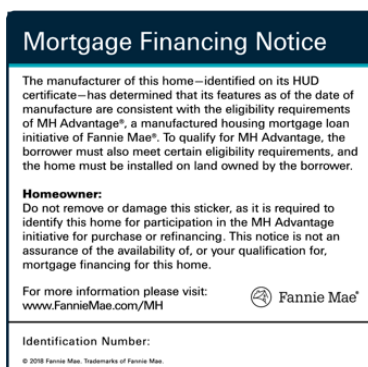
- Interior has **all** features listed below:
 - Drywall (tape and texture) throughout the home (including closets)
 - Kitchen and bath cabinets with fronts of solid wood or veneered wood
 - Fiberglass, solid surface, acrylic, composite, porcelain/enamel coated steel, or tile for all showers and/or tubs in the home
- Construction elements, including durability features like durable siding materials
 - Exterior siding is comprised of **one or more** of following – Fiber Cement Board, Hardwood Siding, Engineered Wood Siding, Masonry, Stone, Stucco, or Vinyl siding backed with Oriented Strand Board
- Energy efficiency standards (minimum energy ratings apply)

The criteria were designed so [manufacturers](#) could deliver MH Advantage homes that would be desirable to consumers in most regions of the country, leveraging existing manufacturing processes, designs and materials to make them more affordable to implement, thus keeping the cost down for the end homebuyer and decreasing resistance to adoption.

Beyond manufacturing standards, the MH Advantage program also addresses lender and borrower concerns:

- MH Advantage appraisers must use other MH Advantage homes, when available, for the comparable sales (If fewer than three MH Advantage sales are available, then the appraiser must supplement with the best and most appropriate sales available, which may include site-built homes)
- The sales price of the manufactured home may include bona fide and documented transportation, site preparation, and dwelling installation at the site. A separate construction loan is not necessary.
- MH Advantage properties feature a number of flexibilities compared with standard MH, including:
 - Higher loan-to-value (LTV) ratios, up to 97%
 - Translating to just 3% down payment for the buyer
 - Waived 0.50% LLPA applicable to standard MH mortgages, which means more homebuyer savings
 - Reduced MI coverage required for fixed-rate terms ≤ 20 years, with MI rates comparable to site-built homes

Only homes carrying this sticker qualify, so if it's present when you buy, you can be confident the home meets all the above standards. The intent of the sticker is to simplify the appraisal process and take the burden off the lenders to validate that the criteria *above* exists in the home they are underwriting.



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SOURCES:

- [manufactured-housing-overview.pdf](#)
- [mh-advantage-retailer-guide.pdf](#)

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