



Office of Housing Counseling

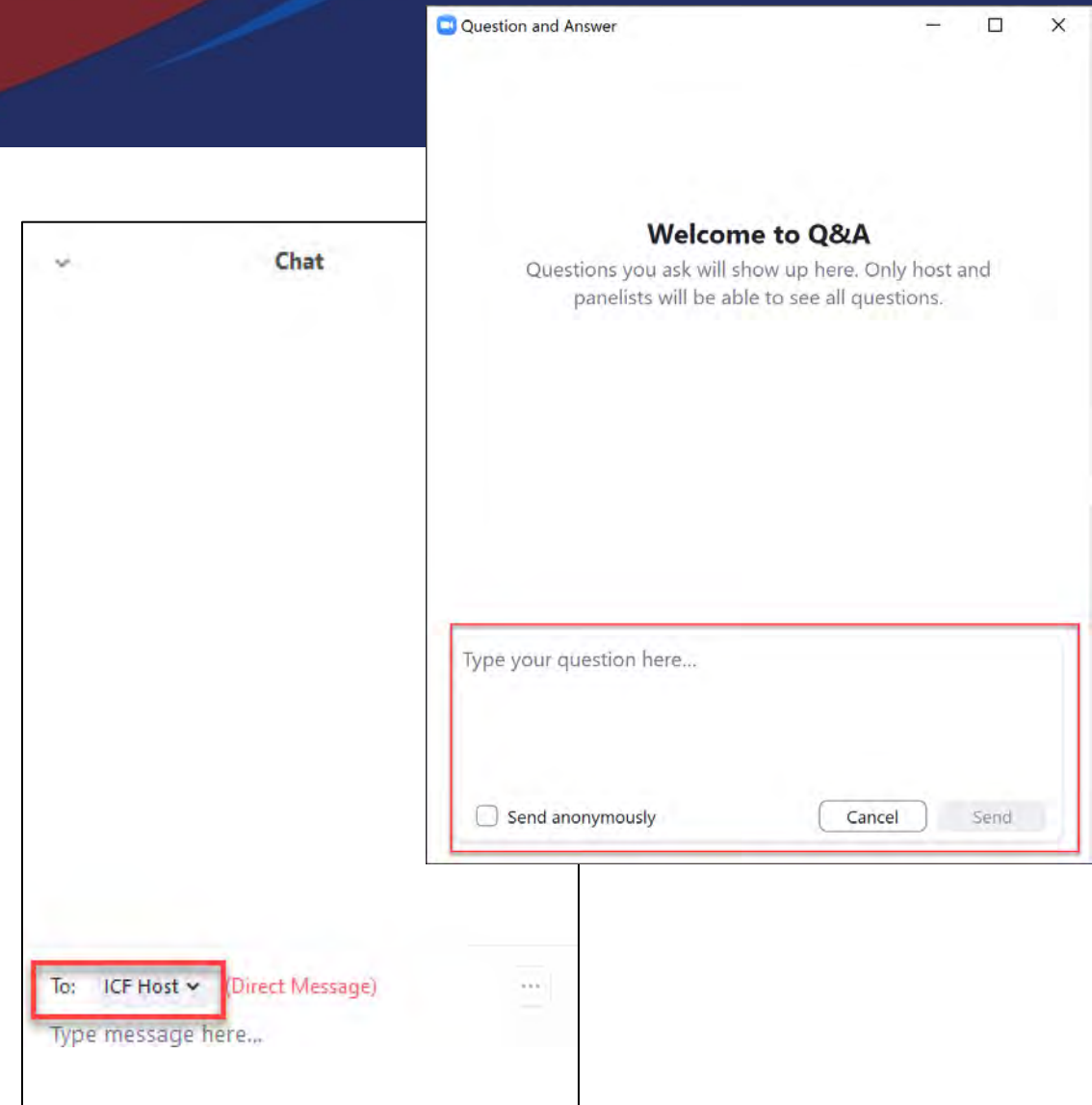
Nuts and Bolts of Manufactured Housing: Affordability, Access and Opportunity

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

June 21, 2022

Questions?

- Participants are in listen only mode
- Chat
 - Submit any technical issues via the Chat box
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- Q&A
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Materials

- The PowerPoint has been posted for this session. We will provide the link in the Chat box.
- Webinar materials are posted on the HUD Exchange in the [Webinar Archive](#) 7-14 days after the live webinar
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Housing Counseling Webinar Archives

Page Description

This page contains links to the archived versions of previously recorded webinars presented by the Office of Housing Counseling. In order to listen to the archived webinar, you will need call the 800 # listed and enter the access code. Any course materials, including the PowerPoint Presentations are also posted. You should have the presentations available when you listen to the webinar. If you have any questions regarding the webinars archived on this site, please contact [Virginia Holman](#).

Training Archive – Audio Replay and Transcript:

- Audio replay numbers are only available for 12 months after the date of the webinar
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The Office of Housing Counseling has a new page where webinars are organized by topic instead of date.

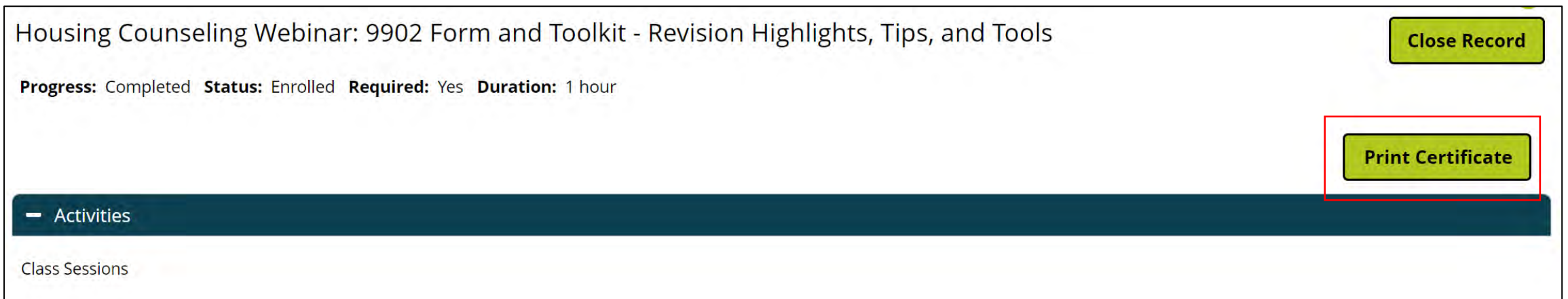
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Click on the title to view webinar materials, and get credit for viewing the webinar:

Webinar Title and Link	Description	Date
Fringe Benefit Costs	This webinar discussed the Office of Management and Budget's (OMB's) cost principles related to fringe benefits and how to properly document and calculate fringe benefits.	February 15, 2022
Training NOFO Grant Execution	This webinar was recommended for all grantees awarded funding under the 2021 Housing Counseling Training NOFO (TNOFO).	February 8, 2022

Webinar Certificate

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- Once attendance is marked you can print a Webinar Certificate by logging into your account and going to your [Learning Transcript](#).
- Select the Course Name and click “Print Certificate”. *Not all HUD Exchange training offer Webinar Certificates.*



Housing Counseling Webinar: 9902 Form and Toolkit - Revision Highlights, Tips, and Tools

Progress: Completed **Status:** Enrolled **Required:** Yes **Duration:** 1 hour

Close Record

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— Activities

Class Sessions

Feedback and Polling

- There will be questions provided in Mentimeter throughout this presentation.
- When prompted by the icon to the right, please respond to questions at www.menti.com using your computer or smart phone.



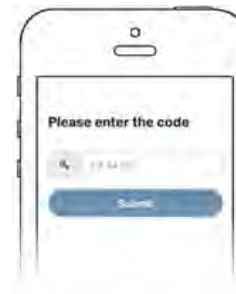
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**Time for
Mentimeter!**



Presenters

- Sid Alvarado and Scott Ledford, ICF, Technical Assistance Provider
- Jason McJury, Deputy Administrator, Office of Manufactured Housing
- Kelly Fleck, Vice President, NextStep Network

Agenda

- HUD Introduction
- The Evolution of Manufactured Housing
- Financing Options
- Myths About Manufactured Housing
- HUD Housing Counseling Certification Exam Updates:
Manufactured Housing Topics
- Resources
- Q & A



HUD Introduction



Jerrold H. Mayer

Office of Housing Counseling

Teresa Payne

Office of Manufactured Housing Programs



Affordability and Access

HUD Manufactured Housing Program Overview



ESSENTIAL MISSION

To protect the QUALITY, SAFETY, DURABILITY, and AFFORDABILITY of manufactured homes throughout the United States through the enforcement of the Federal Manufactured Home Construction and Safety Standards established by HUD.



WHAT IS A MANUFACTURED HOME?



- **Definition (HUD Standards):**

- A structure, transportable in one or more sections
 - Built on a permanent chassis
 - Designed as a dwelling unit
 - Designed for use with or without a permanent foundation
 - Can connect to required utilities (plumbing, heating, AC, electrical)
 - ≥ 8 Feet Width or ≥ 40 Feet Length; OR ≥ 320 Square Feet when built

Note: Modular Homes and Recreational Vehicles (RVs) are different. HUD Standards and Regulations DO NOT APPLY.

NATIONAL STATISTICS

Major source of unsubsidized, affordable, single family housing

7% of single family home starts

1 in 7 homes in rural America

96% of owners have annual household income of \$50,000 or less

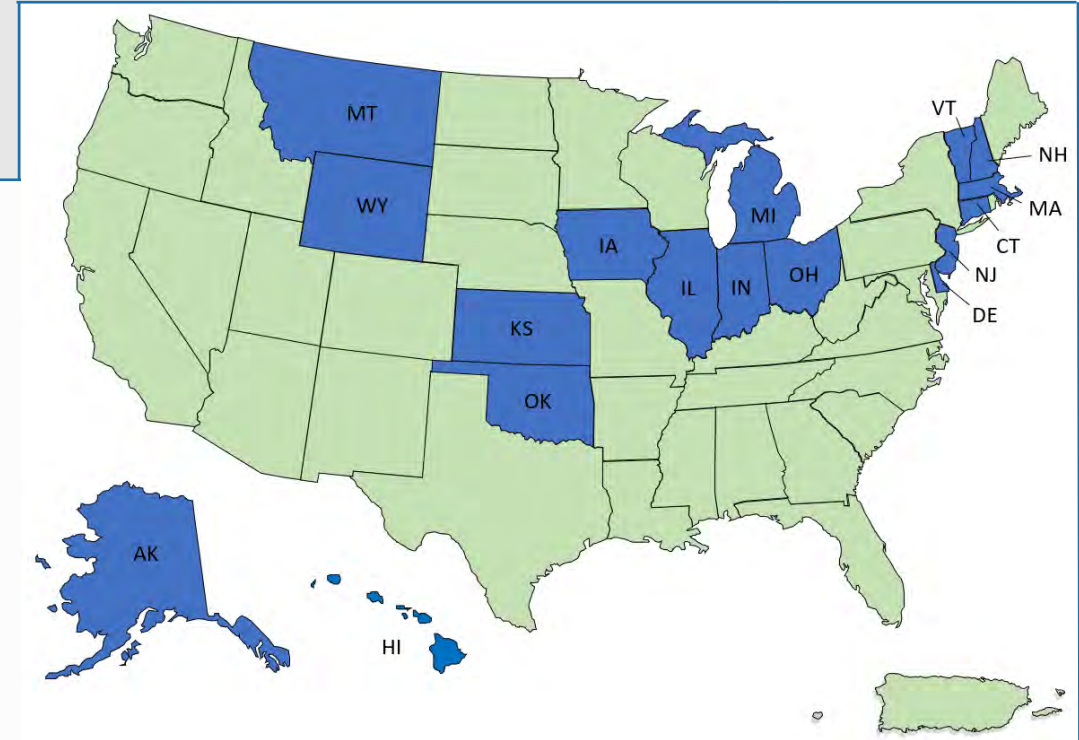
America's only national, pre-emptive building code



DESIGN AND PRODUCTION OVERSIGHT

Inspection Agencies and State Administrative Agencies (SAAs)

- SAAs are responsible to oversee manufacturer systems for handling of consumer complaints.
- SAAs review manufacturer records and ensure manufacturers are conducting appropriate investigations.
- Operations in 33 states are overseen by state-run State Administrative Agencies (SAAs)
- Operations in 17 states are overseen directly by HUD

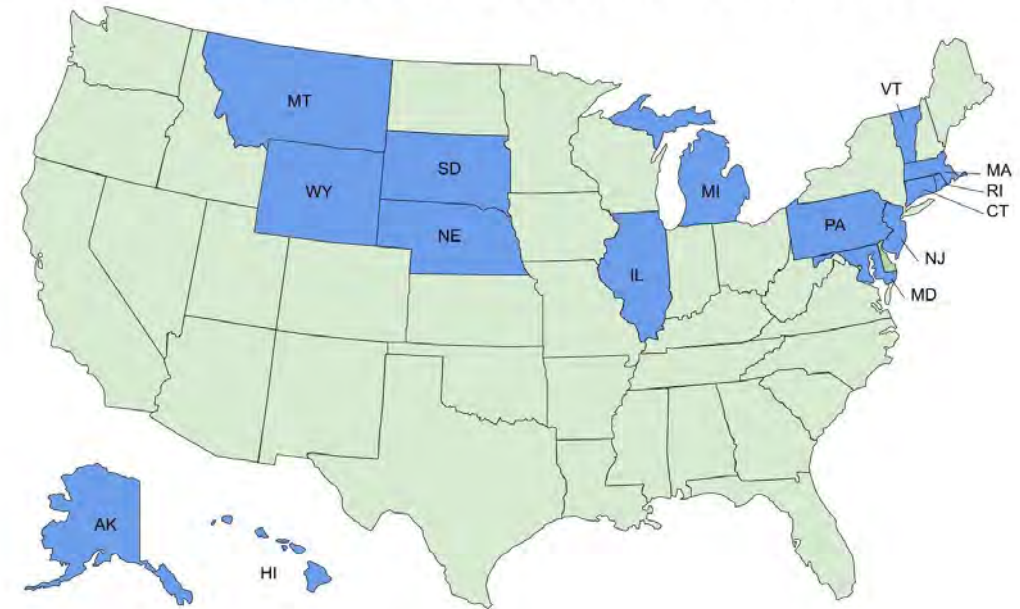


HOME INSTALLATION OVERSIGHT

HUD and Approved State Installation Programs

- HUD established Model Manufactured Home Installation Standards (3285) – minimum
- HUD published requirements for states to be approved installation program (3286 Subpart I)
- 36 states have approved installation programs
- HUD administers in remaining 14 states

HUD-Administered Installation States





BUILDING CODE UPDATES

HUD Consumer Support Programs



Protections Through Regulatory Oversight



Home
Designed

Design approved by
HUD-approved
Design Approval
Primary Inspection
Agency (DAPIA)

Built in
factory by
manufacturer
to design
specification

Production
inspected by
HUD-
approved
Primary
Inspection
Agency (PIA)

Installation
Program
(HUD or State
Administered)

Post
Purchase
Consumer
Remedies &
Protections

Post-Purchase Consumer Remedies and Protections

Manufacturer/Retailer
/installer Voluntarily
Corrects

State Consumer
Complaint Program

SAA/HUD Complaint
Handling

Subpart I Notification
and Correction
Campaigns overseen
by SAA/HUD

State or HUD Dispute
Resolution Program

Information for Consumers

OMHP maintains various resources that contain general information and guidelines for potential or current homeowners regarding purchasing, maintenance, and care of a HUD-certified manufactured home.

- [Homeowner Fact Sheet](#)
- [Support Information for Homeowners](#)
- [Purchasing and Relocation](#)
- [Installation & Setup](#)
- [Care & Warranty](#)
- [How and Where to File a Complaint](#)

Links to access all these resources:

<https://www.hud.gov/program/offices/housing/rmra/mhs/csp/mhcqa>



Advantages of Manufactured Housing



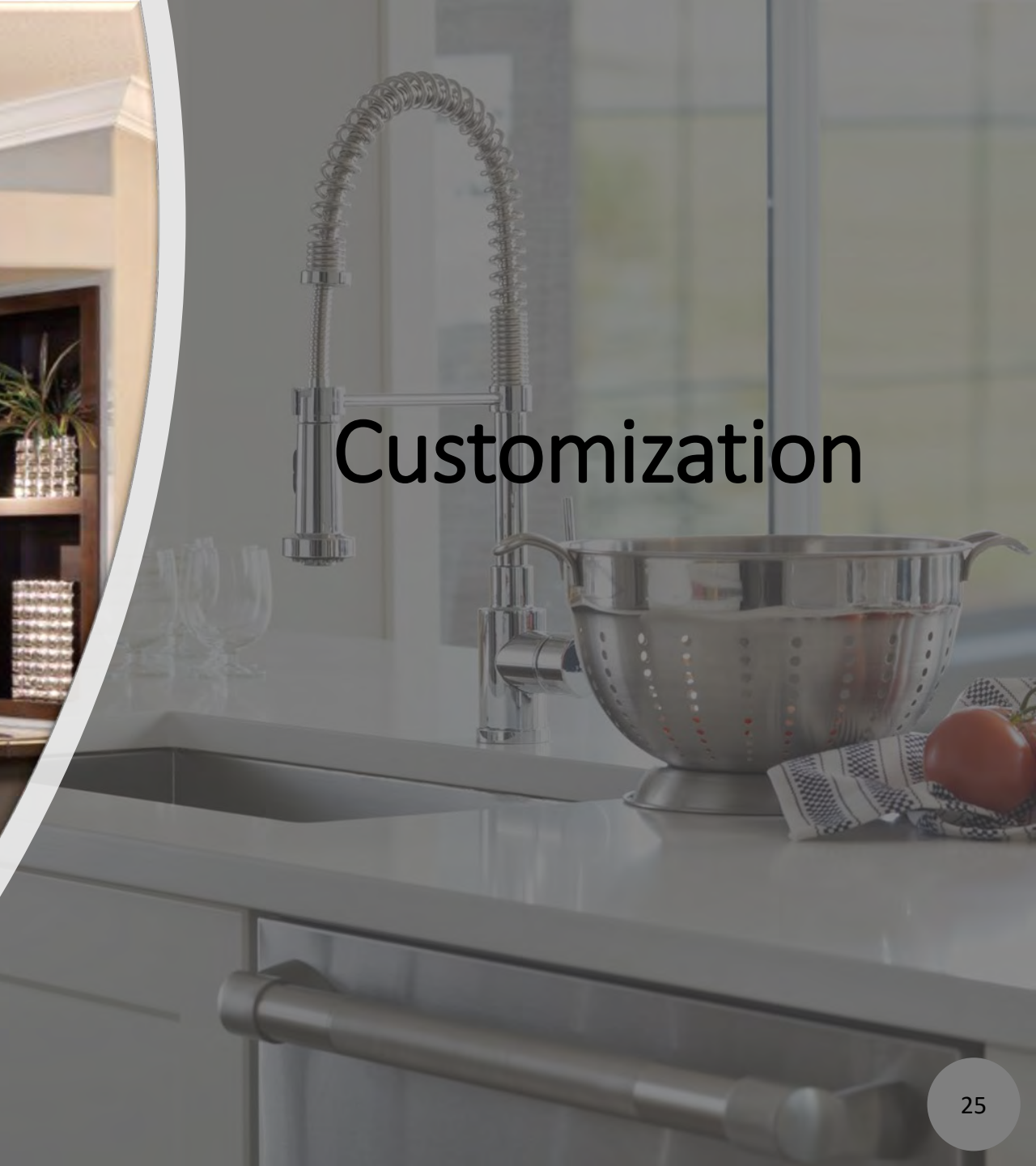
Why consider a manufactured home?



Region	Average sales price of new single-wide	Average sales price of new double-wide
Midwest	\$81,000	\$132,600
Northeast	\$74,000	\$138,700
South	\$81,900	\$136,000
West	\$85,000	\$150,400



Customization





Financing Considerations



Financing your home

Rules for financing a manufactured home can differ from those for site-built housing, mostly depending on whether the homeowner will **own or rent** the land on which the home is set.

Real Property VS. Personal Property

- Lenders consider how the home is classified or treated by the local taxing authority:
 - **Real Property.** Generally, local governments treat a manufactured home as real property when it is permanently attached to land that is owned by the homeowner.
 - **Personal Property.** Most local governments treat homes as personal property (or chattel) when the homeowner does not own the land underneath the home. However, even if a homeowner owns the land, a manufactured home may still be classified as personal property if it does not meet local laws for real property.



Interest Rates

- Interest rates on manufactured home loans vary based the age and size of the home, the amount of the down payment, the term of the loan, the site location, and the borrower's credit.
- Interest rates are generally higher on loans without insurance (e.g. FHA, VA), or when classified as private property.



Criteria for most standard bank financing

- Home must be on a permanent foundation
- Land must be titled as real property
- Certification label and Data Plate must be on home
- Can be financed as a principal residence or second home

Federal Mortgage Insurance Programs

Federal Housing Administration	Veterans Affairs	U.S. Department of Agriculture Rural Housing
<ul style="list-style-type: none">• Insures loans to protect lenders• FHA Title I insurance for private property homes• FHA Title II insurance for homes classified as real estate	<ul style="list-style-type: none">• Insures loans to protect lenders• Home Loan Guaranty Program• For permanently affixed homes classified as real property• Only for U.S. service members, veterans, and eligible spouses	<ul style="list-style-type: none">• Insures loans to protect lenders• For permanently affixed homes classified as real property• For low-to moderate income borrowers• Property located in eligible rural area

FHA Title I

General	Borrower
<ul style="list-style-type: none">• May finance the purchase or refinance of a manufactured home and/or lot• Borrowers are not required to purchase or own the land on which their manufactured home is placed• Borrowers may lease a lot, such as a site lot within a manufactured home community or mobile home park• Specific loan limits and terms would apply	<ul style="list-style-type: none">• Have minimum required down payment• Demonstrate adequate income to make loan payments and meet their other expenses• Intend to occupy the manufactured home as their principal residence• Have a suitable site on which to place the manufactured home

FHA Title II

General

- May finance the purchase of a manufactured home and land
- Borrowers are required to affix the home to the land
- Manufactured Home must bear certification label
- Foundation must meet FHA requirements to qualify as a permanent foundation
- Subject to appraisal requirements
- Traditional loan limits and terms would apply



Government Sponsored Enterprise (GSE) Programs

- Fannie Mae MH Advantage[®]
- Freddie Mac ChoiceHOME[®]





Opportunity



Next Step's Housing Counseling Discovery



Discovery Goals

- Attitudinal Change of Counselors and Consumers
- From Skeptic to Confident
- **KEY TAKEAWAY:**
 - Counselors presently lack sufficient education and confidence to guide consumers in making finance and purchase decisions related to factory-built homes.



Methodology

Focus Groups

HUD Counselors,
Clients, &
Intermediaries

Training
Feedback

In-depth
Interviews

National
Homebuyer
Survey

IKEA



Feedback

Negative perceptions can't be minimized

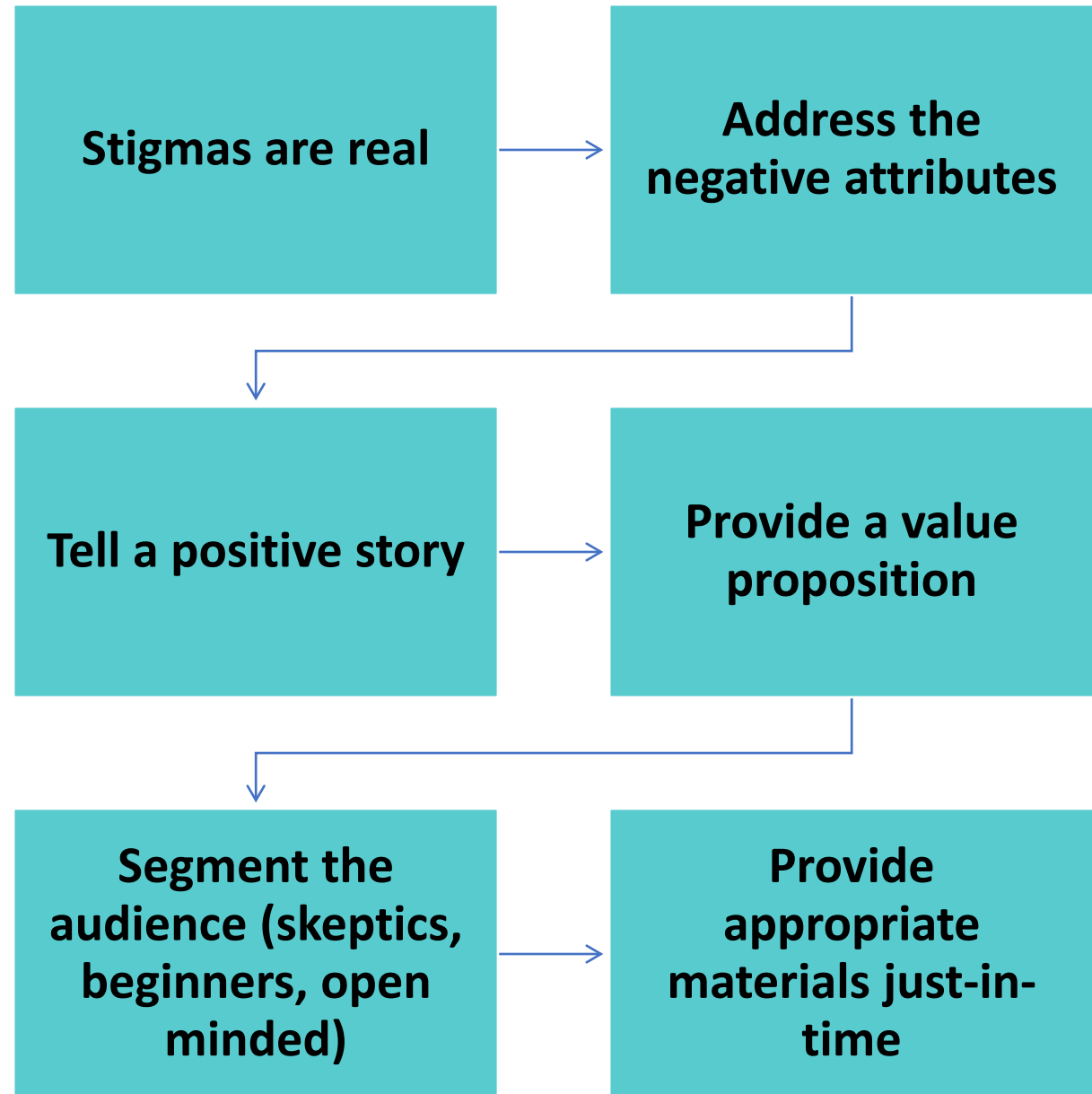
Training is too complex

Training needs to be available just-in-time and in multiple formats

Counselors spend 15 min. or less counseling clients on factory-built housing



Lessons Learned



Examples of Common Misconceptions

Concern:

Manufactured homes, or factory-built homes, are the same thing as trailers or mobile homes.



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Fact:

The terms “trailer” and “mobile home” apply to mobile dwellings built prior to June 15, 1976. Manufactured homes are NOT **mobile**; they are built on a permanent foundation.

Examples of Common Misconceptions

Concern:

Manufactured homes less expensive because they are poorly constructed with cheap materials.



Fact:

Manufactured homes are constructed in controlled conditions, with state-of-the-art assembly-line techniques and licensed building trades experts. The same or superior materials are used as for site-built homes, but they are less expensive due to construction efficiencies.

Examples of Common Misconceptions

Concern:

Manufactured homes are susceptible to storm damage.



Fact:

The HUD Code ensures that a manufactured home meets regional standards for roof load, wind resistance, thermal efficiency, safety, and durability. HUD revised this building code in the early '90s to improve the wind resistance in areas prone to hurricane-force winds.

Examples of Common Misconceptions

Concern:

Manufactured homes are not energy-efficient due to poor construction and insulation.



Fact:

Manufactured homes can be purchased with the Energy-Star rating.

Examples of Common Misconceptions

Concern:

Manufactured homes are not a good real estate investment since they don't appreciate in value.



Fact:

Manufactured homes can and do appreciate as long as they are well-maintained.

Examples of Common Misconceptions

Concern:

Manufactured homes are difficult to finance.



Fact:

Mortgage Option (real property): Home/ land together in mortgage loan.

Home-Only Loan Option (personal property): Only the home is financed. Home can be sited on private land, leased land or in an MHC.

Down Payment Seeker™

- Tool to connect home buyers to down payment resources
- Powered by a national matching engine for manufactured housing programs (Down Payment Resource®)
- Allows buyer to input information and explore options
- Is a great option for those approved for a loan who have not closed yet





Manufactured Housing Quick Tips

Quick Tips Sheet for Housing Counselors

- Purpose:
 - Condenses important elements about manufactured housing to serve as a quick reference for housing counselors

Key Topics

Definitions	Pre-Purchase
Land Property Interest	Installation
Titles and Conversions	Consumer Protection
Financing	Post-Purchase
Real Property Requirements	Foreclosure
Personal Property Requirements	Repossession
	Eviction





HUD Housing Counseling Certification Exam Updates

Exam Updates

- Manufactured Housing questions will be added to the exam and training beginning Oct 1, 2022
- HUD received Congressional requests to include this information on the test
- HUD's Office of Housing Counseling wants to make sure all counselors have relevant information, hence the quick tips sheet
- Quick tips sheet can also be used as a desk reference to assist counselors



Resources

Resources

NEW RESOURCE

- Manufactured Housing Quick Tips sheet: <https://www.hudexchange.info/programs/housing-counseling/program-guidance/#best-practices-for-service-types>

HELPFUL FEDERAL RESOURCES

- HUD Office of Manufactured Housing Programs: www.hud.gov/OMHP
- FHA Resource Center: www.hud.gov/program_offices/housing/sfh/fhresourcectr
- FHA Title I Program: https://www.hud.gov/program_offices/housing/sfh/title
- Fannie Mae MH Advantage: capmrkt.fanniemae.com/todaysmh/
- Freddie Mac Choice Home: <https://sf.freddiemac.com/>
- Veterans Administration: <https://www.va.gov/housing-assistance>
- USDA Rural Housing: <https://www.rd.usda.gov>



Questions and Answers

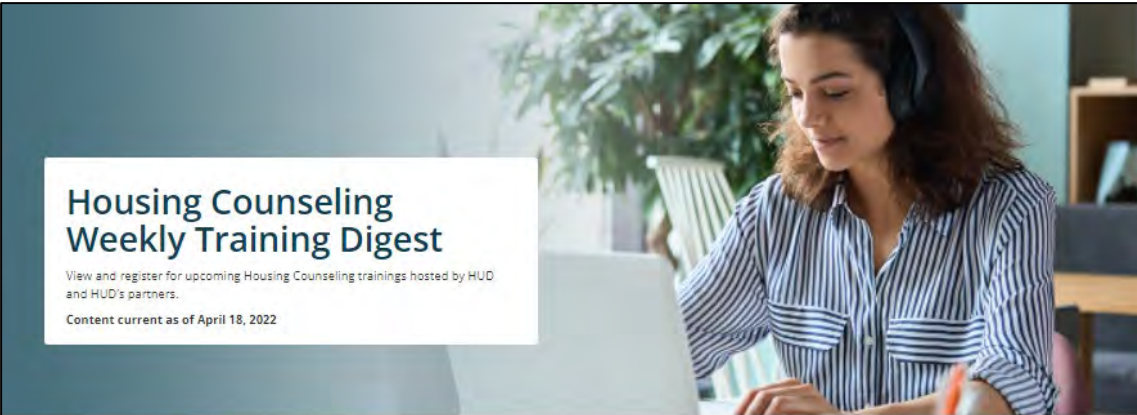


**Time for
Mentimeter!**



Housing Counseling Training Digest

- [Visit the Training Digest on the HUD Exchange](#)
 - **June 23, 2022:** An Overview of FHA Single Family Housing Purchase Programs
 - **August 9-11, 2022:** Office of Housing Counseling 2022 Community Conference



Housing Counseling Weekly Training Digest

View and register for upcoming Housing Counseling trainings hosted by HUD and HUD's partners.
Content current as of April 18, 2022

[Home](#) > [Programs](#) > [Housing Counseling](#) > [Training Digest](#)

Overview

The Housing Counseling Training Digest is updated weekly to reflect training sessions hosted by:


- HUD Office of Housing Counseling (OHC)
- OHC funded training partners
- Other partners that host training sessions of interest to housing counselors

Please email housing.counseling@hud.gov to notify HUD about upcoming training and events for housing counselors.

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Upcoming Training Calendar

View upcoming training sessions for Housing Counseling and other HUD funded programs.



Webinar Archive

View past webinars hosted by the Office of Housing Counseling and access related materials.



Online Training

Access self-paced online training modules, such as Introduction to Housing Counseling.

Office of Housing Counseling



- Find us on the [HUD Exchange Housing Counseling Page](#)
- Email us at: Housing.counseling@hud.gov
- Search for [HUD Approved Housing Counseling Agencies](#)



Office of Housing Counseling

Thank You For Attending

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