



Manufactured Housing, EnVision Centers, and the
Office of Housing Counseling
Working Together to Strengthen Communities
by Increasing Homeownership Opportunities

Audio is only available by conference call

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Participant Access Code: 7007972

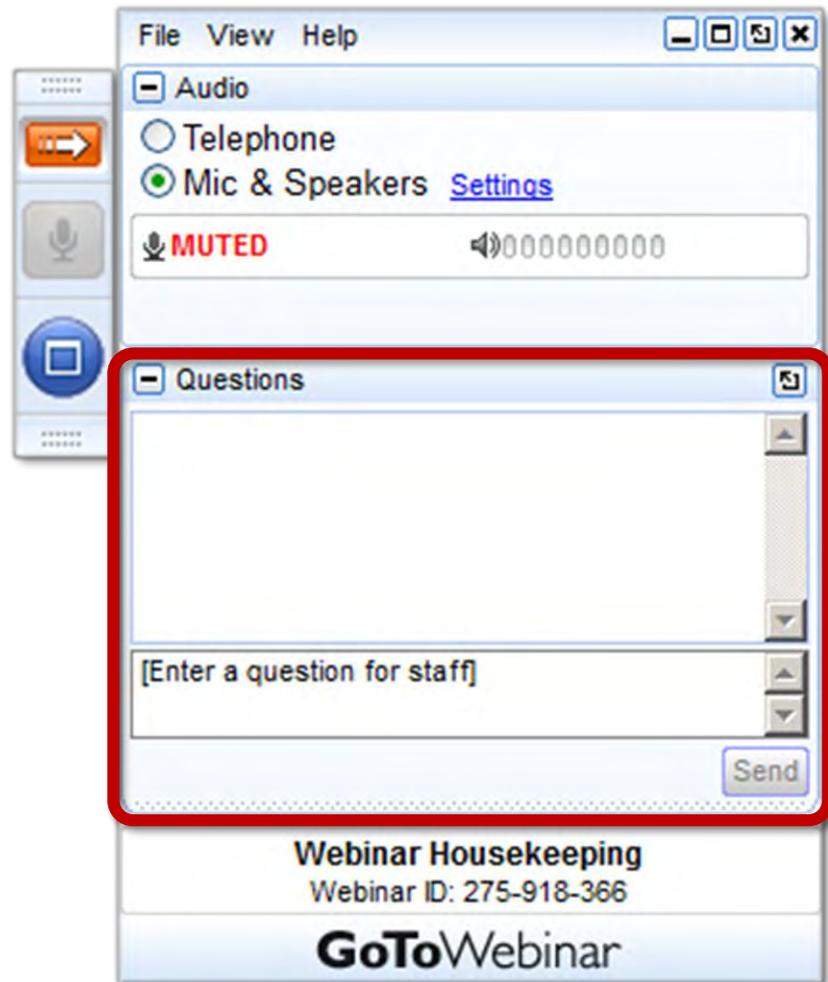
to join the conference call portion of the webinar

January 14, 2021

Webinar Logistics

- Audio is being recorded. The playback number along with the PowerPoint & a transcript will be available on the [HUD Exchange](#).
- The webinar will be posted in 7-10 days.
- Handouts were sent out prior to webinar. They are also available in the Control Panel. Click on the document name to start the download

Questions



- Please submit your text questions & comments using the Questions Panel. We will answer some of them during the webinar.
- You can also send questions & comments to:
housing.counseling@hud.gov
with the webinar topic in the subject line

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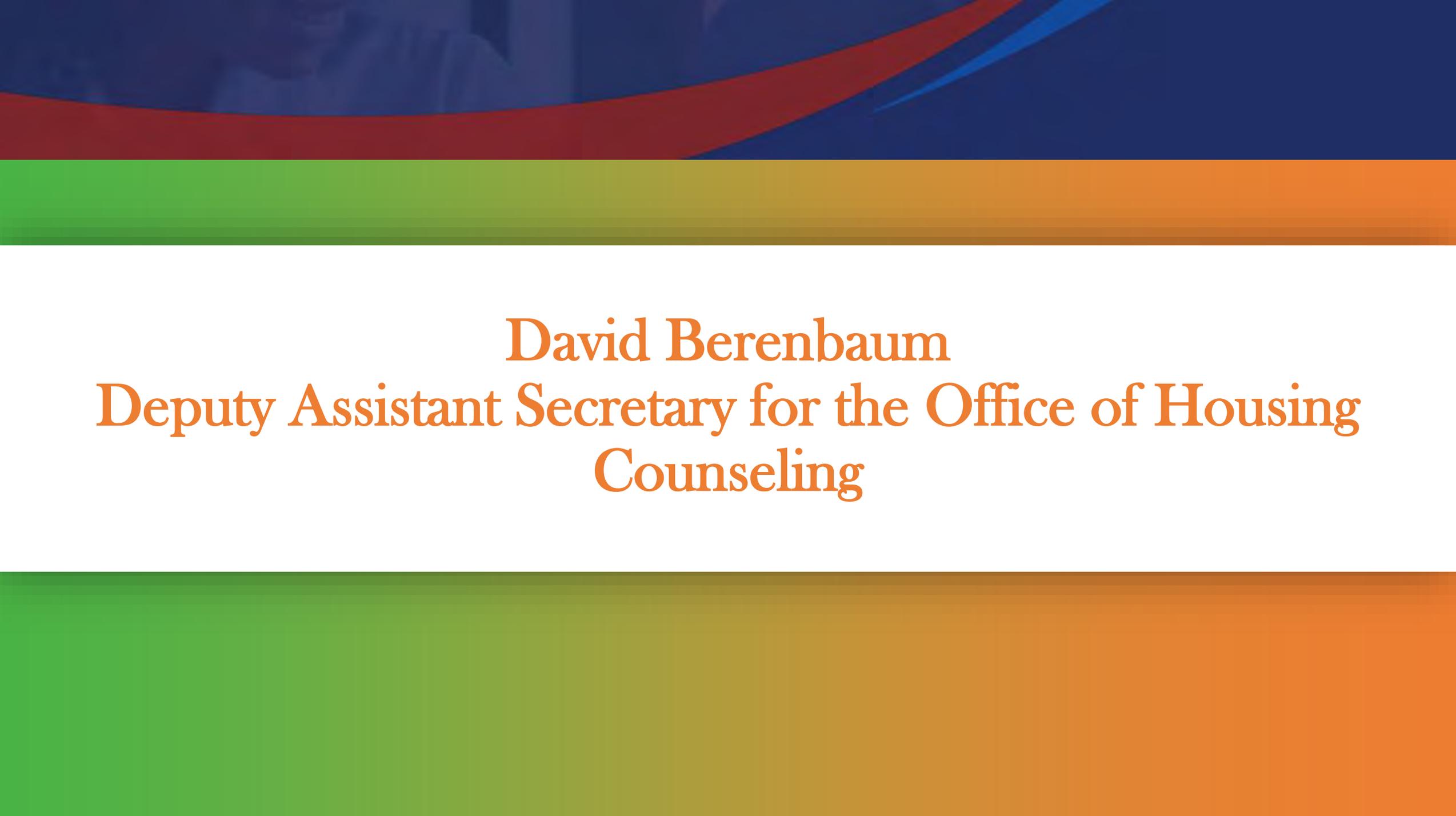
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David Berenbaum
Deputy Assistant Secretary for the Office of Housing
Counseling



Ivery Himes
Deputy Director for Disaster Initiatives





Teresa Payne
Administrator, Office of Manufactured Housing
Programs

The Office of Manufactured Housing Programs

Teresa B. Payne,
Administrator

JANUARY 14, 2021

Envision Center Outreach





HUD Program Overview



HUD's Consumer Support Programs



Advantages of Manufactured Housing



Purchase Decisions and Considerations



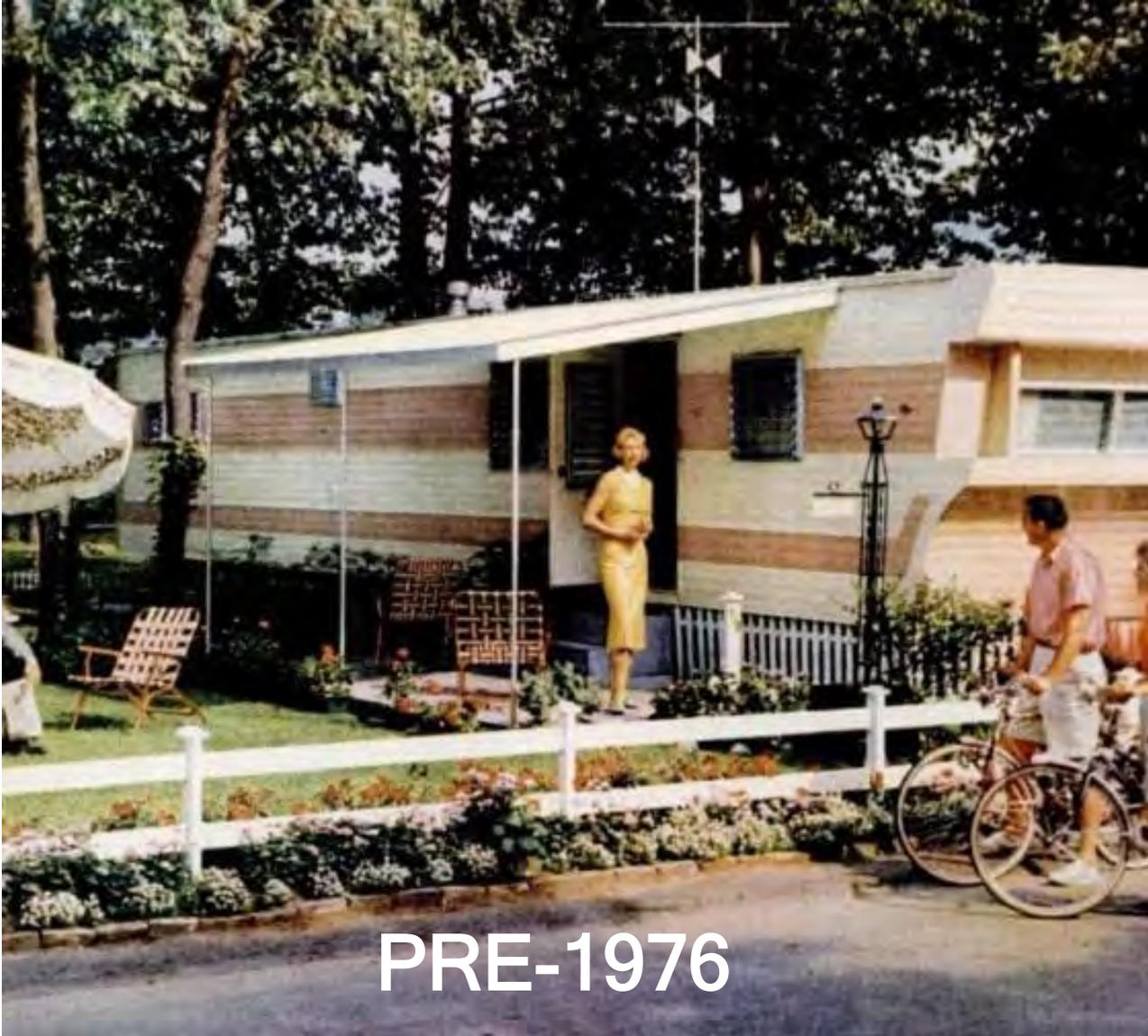
Financing Considerations



Other Resources

A photograph of a silver key and a green house-shaped tag hanging from a corkboard. The key is positioned vertically on the left side, and the tag is on the right. The text is centered over the image.

HUD MANUFACTURED HOUSING PROGRAM OVERVIEW



PRE-1976



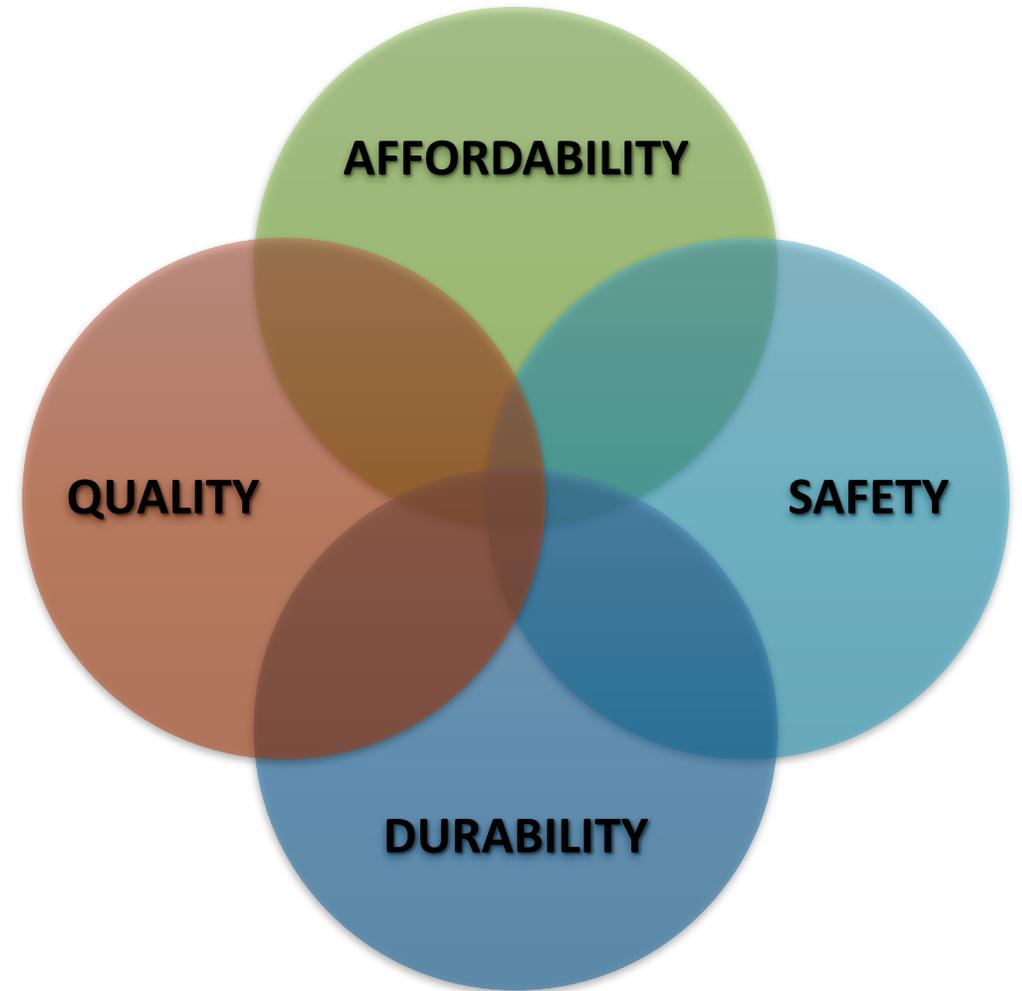
TODAY

MANUFACTURED HOUSING EVOLUTION

QUALITY, DURABILITY, SAFETY, and AFFORDABILITY

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

**Largest source of unsubsidized,
affordable, single family housing**

10% of single family home starts

1 in 5 homes in rural America

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

**America's only national, pre-emptive
building code**





PRODUCTION



**Over 8 Million
HUD Code homes
built since
Program inception
in 1976**



**Fiscal Year 2020
production:
145,984 Floors
Produced
93,936 Homes
Produced**

MANUFACTURER OVERSIGHT

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

Non-SAA States HUD Administered
(Shown in Green)

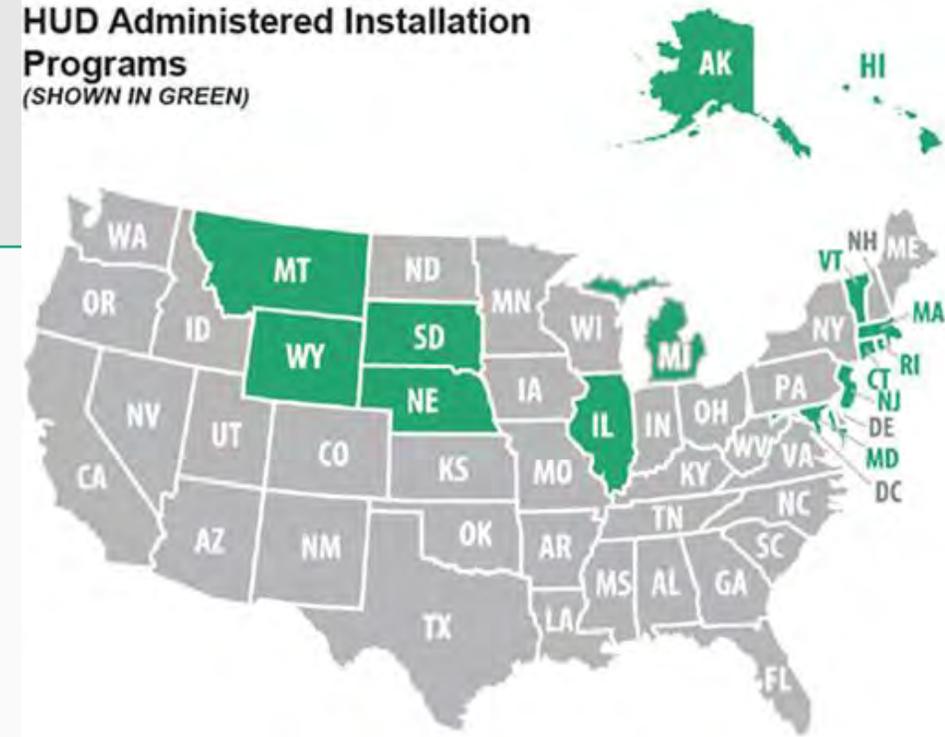


INSTALLATION PROGRAM

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

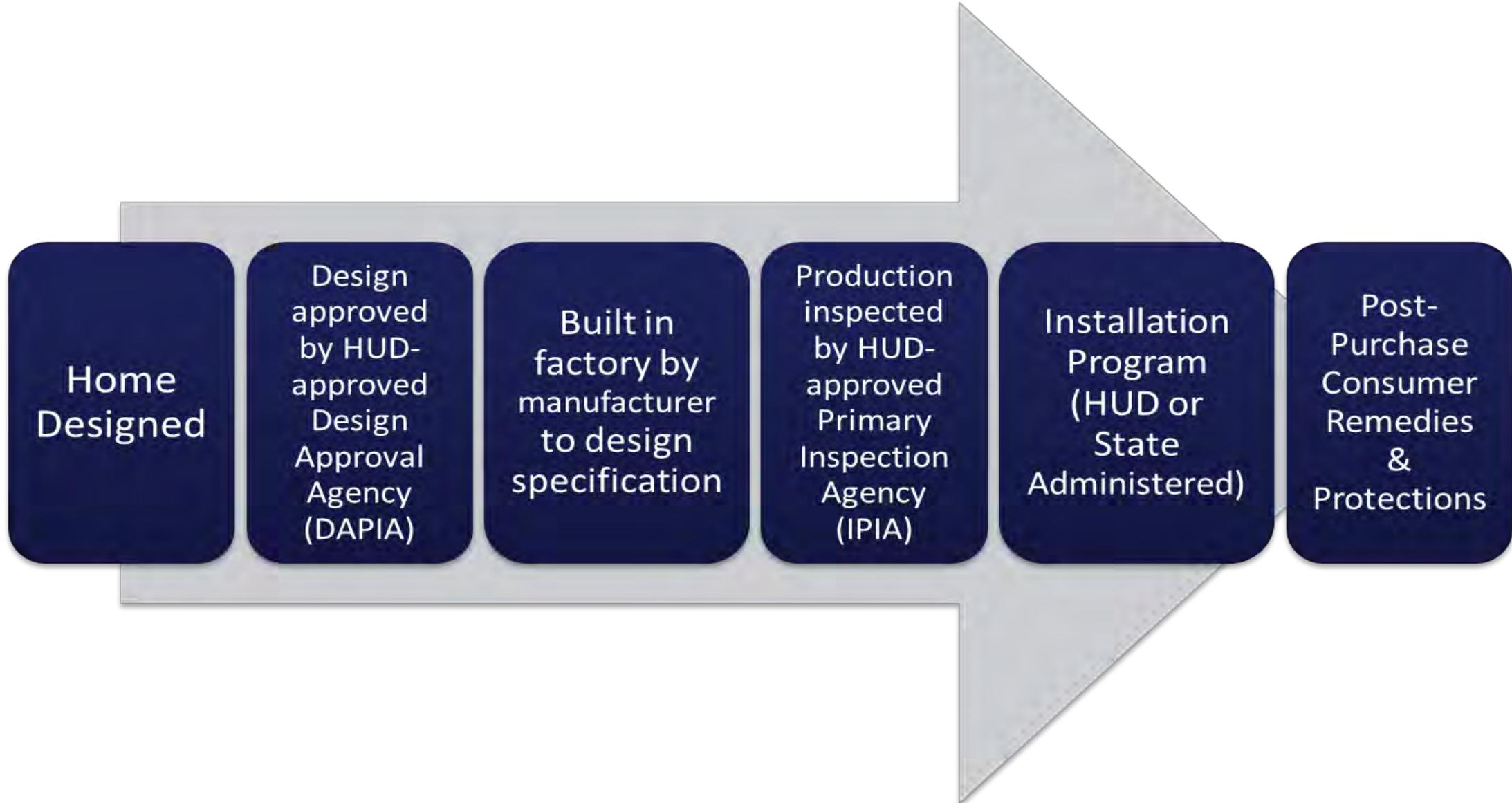
HUD Administered Installation Programs
(SHOWN IN GREEN)



A photograph of a silver key and a green paper tag shaped like a house with a heart cutout, resting on a corkboard. The key is on the left, and the tag is on the right. The text "HUD CONSUMER SUPPORT PROGRAMS" is overlaid in white, centered between the key and the tag.

• HUD CONSUMER SUPPORT PROGRAMS

Protections Through Regulatory Oversight



Post-Purchase Consumer Remedies & 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



ADVANTAGES OF MANUFACTURED HOUSING



Why consider a manufactured home?

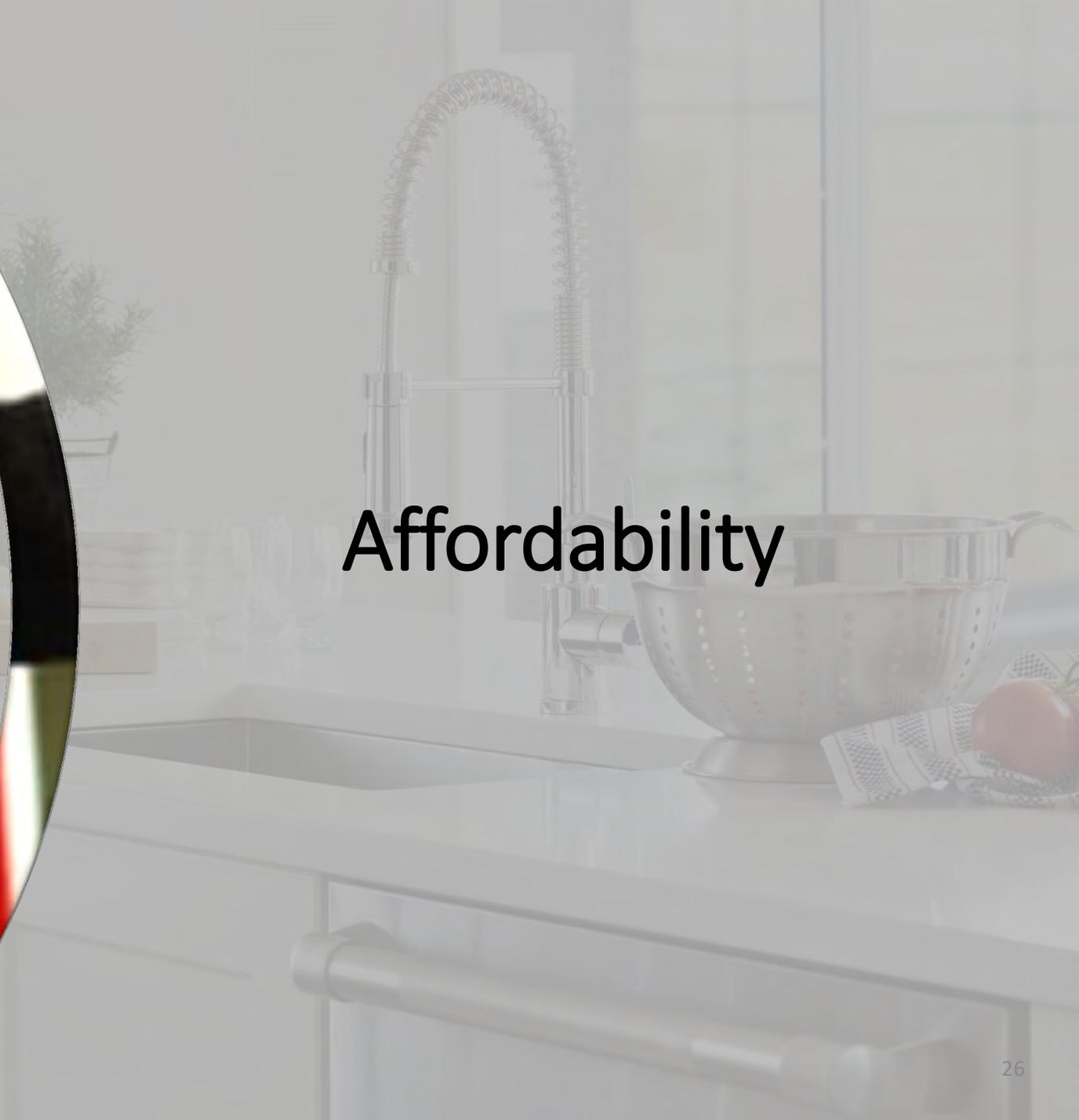


Quality and Safety





Affordability





Customization









A photograph of a silver key and a green house-shaped tag with a heart cutout, resting on a corkboard. The key is positioned diagonally from the top left towards the bottom left. The green tag is positioned diagonally from the top right towards the bottom right. The corkboard background is dark and textured. The text "PURCHASE DECISIONS AND CONSIDERATIONS" is overlaid in white, bold, sans-serif font in the center of the image.

PURCHASE DECISIONS AND CONSIDERATIONS



Custom Build or Retailer Inventory?

Retailer Inventory:

- You get what you see
- May be more price friendly
- More immediate delivery

Custom Build:

- Customer choice
- Lengthier process
- Longer delivery time frame

Find a retailer

- **Builders**

Over 40 builders or other legal entities with 135 plants

- **Retailers**

Over 2,000 retailers with about 4,000 locations



Where do you want to live?



Before purchasing a manufactured home, buyers must first determine **where** the home will be sited:

- Have land/location identified
- Be able to provide a foundation to put the new house on

Note: Manufacturers do not sell houses with land



Own or rent the land?

Most common land acquisition options:

- Private land
- Land leased in manufactured home community

Renting Land:

- Lowers initial down payment needed to secure financing
- Is more difficult to obtain traditional mortgage financing

Buying Land:

- Requires more upfront costs
- Requires extensive research into local deed restrictions and zoning laws
- Can help secure a traditional mortgage and lower interest rates
- Shelters from home depreciation and can build meaningful equity if land value appreciates



Home installation

In most cases, retailers offer construction and installation services or can direct you to contractors that can provide service. Typically the construction of your home will involve the following:

- Site Preparation
- Foundation
- Utility Connections
- Exterior Options

A photograph of a silver key and a green tag with a hole, resting on a corkboard. The key is positioned vertically, and the tag is to its right. The text "FINANCING CONSIDERATIONS" is overlaid in white, bold, sans-serif font across the center of the image.

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 Estate vs. Chattel

Lenders consider how the home is classified or treated by the local taxing authority:

- **Real Estate.** Generally, local governments treat a manufactured home as real estate when it is permanently attached to land that is owned by the homeowner.
- **Chattel.** Most local governments treat homes as chattel/personal property 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 chattel if it does not meet local laws for real estate.



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 chattel 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 chattel 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[®]







Photo courtesy of Palm Harbor Homes



A photograph of a silver key and a green paper cutout of the state of Michigan, both resting on a corkboard. The key is positioned vertically on the left, and the Michigan cutout is on the right. The text "OTHER RESOURCES" is overlaid in white, centered between the two objects.

OTHER RESOURCES

RESOURCES

Large Quantity of Information Online for Consumers from Manufacturers, Retailers, and Housing Organizations



HELPFUL FEDERAL RESOURCES:

- HUD Office of Manufactured Housing Programs: www.hud.gov/OMHP
- FHA Resource Center: www.hud.gov/program_offices/housing/sfh/fharesourcectr
- FHA Title I Program: https://www.hud.gov/program_offices/housing/sfh/title
- Fannie Mae MH Advantage: capmkt.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>

Office of Housing Counseling Resources



- [HC Technical Assistance for Industry](#)
- [HC Help for Consumers](#)
- [HC Data](#)
- [Find HCA's Online](#)
- [HC Training Digest](#)
- [Research & Studies](#)
- [Disaster Resources](#)
- **Email questions to:** Housing.counseling@hud.gov



Questions

