



Financing a Manufactured Home Purchase

As described in the [Housing Counseling: Manufactured Housing Quick Tips](#) sheet, the type of financing that can be used to purchase a manufactured home (MH) depends on how the loan is secured. Please refer to the [Quick Tips](#) sheet for further information on manufactured home titling and the default process for each property type.

- **Home-only or personal property loan** (also sometimes referred to using the legal term “chattel”): Secured by the manufactured home but not by the land. This type of loan is used when the homeowner does not own the land that the home sits on.
- **Real property loan** (also referred to as a mortgage): Secured by both the manufactured home and the land as real property. This type of loan is used when:
 - The home is on a permanent foundation
 - The homeowner owns the land and the land is titled as real property
 - The HUD Certification label and Data Plate (i.e., red tag) are attached to home

Table: Comparison of Loan/Financing Types

Features	Real Property Loan (Mortgage)	Home-Only Loan (Personal Property Loan)
Secured By	Home and land	Home only
Typical Term	30 years	10-20 years
Maximum Loan Amounts	Same as site-built housing	Typically lower than mortgage loan limits
Interest Rates	Same as site-built housing	Usually higher than mortgage interest rates
Common Lenders	FHA Title II, VA , USDA , Fannie Mae , Freddie Mac , traditional mortgage lenders	FHA Title I , Freddie Mac *, MH builder, private lenders
Loan Default Process	Foreclosure process (same as site-built housing) – may be judicial or non-judicial, depending on state	Lender uses repossession or replevin (a type of repossession process specific to MH) Land owner may use eviction process
Post-Purchase Equity Access	Refinance, home equity loan/line of credit, reverse mortgage all may be possible	Refinance available rarely; home equity loan/line of credit and reverse mortgage NOT possible
Home Maintenance Financing Options	Refinance, home equity loan/line of credit, state or local rehabilitation programs	USDA manufactured home repair program, state or local rehabilitation programs

*For homes on leasehold land, if certain requirements are met

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