MANUFACTURED HOUSING

Single Family Housing Guaranteed Loan Program

Training Objectives

• Where is the topic located?
  * 7 CFR Part 3555 and HB-1-3555

• Learning Checks
• Resources
Things change!

• Every effort has been made to ensure training references are accurate at the time of publication.

• Always reference the most recent USDA publications available online.

Guaranteed Loan Program Regulation
7 CFR Part 3555

• The regulation is the rule!
• 8 Subparts: A – H
• Appendix 1
7 CFR Part 3555
7 CFR Part 3555

Subpart E: Underwriting the Property

- .201: Site requirements
- .202: Dwelling requirements
- .203: Ownership requirements
- .204: Security requirements
- .205: Special requirements for condominiums
- .206: Special requirements for community land trusts
- .207: Special requirements for Planned Unit Developments (PUD’s)
- .208: Special requirements for manufactured homes
- .209: Rural Energy Plus loans

7 CFR Part 3555

3555.208 Special requirements for manufactured homes.
(a) Eligible costs.
(b) Loan restrictions.
(c) Construction and development.
(d) Warranty requirements.
(e) HUD requirements.
(f) Title and lien requirements
Guaranteed Loan Program Technical Handbook

HB-1-3555

- Provides guidance to support the regulation
- HB is not the rule
- 20 Chapters
HB-1-3555

SECTION 2: MANUFACTURED HOMES
13.5 DEFINITION
13.6 AUTHORIZED LOAN PURPOSES
13.7 LOAN RESTRICTIONS
13.8 ADDITIONAL LOAN PROCESSING PROCEDURES FOR PROPOSED CONSTRUCTION INVOLVING A NEW MANUFACTURED HOME
13.9 ADDITIONAL LOAN PROCESSING PROCEDURES FOR EXISTING PROPERTIES INVOLVING A MANUFACTURED HOME
13.10 CONSTRUCTION AND SITE REQUIREMENTS
13.11 LOAN CLOSING FOR MANUFACTURED HOUSING
   A. Warranty Requirements
   B. Certification Requirements
   C. Lien Release Requirements
   D. Real Estate Tax Requirements
   E. Title and Lien Requirements
   F. Eligibility of Manufactured Homes in SFHAs

TIPS

• Underwriter = USDA Approved Lender
• USDA = not an underwriter
• Research Rule & HB questions: Table of Contents
• Research Rule & HB questions: Control + F
7 CFR PART 3555 / HB-1-3555
LEARNING CHECKS

Question Slide

“Topic”

- Question will be bulleted with scenario, or
- Include a statement/question

TRUE/FALSE or other answer options will be displayed
ANSWER SLIDE

“Topic”
ANSWER: 7 CFR Part 3555 and HB-1-3555 references provided

X. Correct Response

• Additional guidance for clarification may be provided

LET'S GET STARTED.
Manufactured housing

The purchase of a site to place a new manufactured housing unit on a permanent foundation is an eligible loan purpose.

A. TRUE    B. FALSE

Manufactured housing

**ANSWER: 3555.208(a)(1), HB 13.6**

A. TRUE

- The site and unit must both be part of the collateral
- Loans without a site are ineligible: 3555.203(b)(1)
- Appraised value must support inclusion of debt
Manufactured housing

A manufactured housing unit will include all household furnishings such as sofa, recliners, bedroom suites, etc. These are eligible loan purposes.

A. TRUE    B. FALSE

Manufactured housing

ANSWER: 3555.208(b)(2), HB 13.7

B. FALSE

• Moveable furniture and other articles are ineligible
• Appliances, carpeting, and heating/AC units are eligible
Manufactured housing

Manufactured housing units must have a minimum of _____ square footage to be eligible for guarantee.

A. 400    B. 900

ANSWER: 3555.208(c)(1), HB 13.6
A. 400

• Units must have a minimum of 400 square feet of living area
• The unit may be single or double wide
Manufactured housing

Permanent foundations for manufactured housing units must meet ________________.

A. Federal Manufactured Home Construction and Safety Standards (FMHCSS)

B. International Residential Code

ANSWER: 3555.208(c)(4), HB 13.6

A. FMHCSS

Additional unit considerations include:
• Meet HUD heating and cooling requirements for the State
• Any alterations (garage, etc.) must meet FMHCSS
• All wheels, axles, towing hitches, and running gear must be removed
• Unit must meet or exceed the International Energy Conservation Code in effect at time of construction
Manufactured housing

The manufactured housing warranty must identify the unit by ____________________.

A. Model #   B. Serial #

Manufactured housing

ANSWER: 3555.208(d)(2), HB 13.6

B. Serial #

Lender must obtain from the dealer:
• Certification the unit sustained no damage
• All sections (if applicable) were sealed per manufacturers requirements
• Evidence the data plate is on the unit

Lender must retain all warranties in permanent loan file
Manufactured housing
Attachment 13-A
Optional form

ATTACHMENT 13-A
Dealer Certification - New Manufactured Home

Name of Purchaser/Owner

Manufactured Home Dealer/Owner, Address and Telephone

Manufacturer, model, size, and date of unit purchased

The undersigned hereby certifies that any cash payment or refund as a result of the purchase of the manufactured housing has been deducted from the price of the unit and was not paid to the identified manufacturer. The proposed cost of the identified unit represents the full price of the unit, excluding any purchase with personal funds by the purchaser for expenses. If the unit is purchased in conjunction with this transaction, the certificate will not be valid against the security property. The certificate requirements are valid at the time of purchase and are not refundable.

Signature

Title

Date

Manufactured housing
Attachment 13-B
Optional form

ATTACHMENT 13-B
Certificate of Builder/Contractor

Name(s) of Purchaser/Customer

Builder/Contractor’s Name, Address, and Telephone

Property Address

Manufacturer, model, size, and date of unit purchased

The undersigned hereby warrants:

- The manufactured unit identified has been erected on the subject identified property.
- The property development complies with construction plans.
- The unit of manufactured sections were properly joined and sealed according to the manufacturer’s specifications.
- The manufactured housing contained no hidden damage during transportation and erection.

Signature

Title

Date
Manufactured housing

Existing manufactured homes currently financed with FHA are eligible to be purchased with a guaranteed loan.

A. TRUE     B. FALSE

Manufactured housing

**ANSWER: 3555.208(b)(3), HB 13.7**

B. FALSE

Existing manufactures homes are only eligible if:

- Unit and site are already financed with a USDA loan
- Unit and site are sold from USDA or guaranteed lender REO, and
- Unit must be installed on an eligible permanent foundation
Manufactured housing

A manufactured home is considered “new” when the _____ is dated within 12 months of the unit’s manufacture date.

A. Installation date  B. Purchase agreement

Manufactured housing

ANSWER: 3555.208(b)(3), HB 13.9

B. Purchase agreement

• Purchase agreements must be dated within 12 months of manufacture date of unit
• This indicates a “new” unit
• Units may not be moved from another site except the dealer lot
Manufactured housing

A manufactured home may be taxed as personal property.

A. TRUE B. FALSE

Manufactured housing

ANSWER: 3555.208(f), HB 13.11 D

B. FALSE

Unit must be:

• Taxed as real estate
• Properly recorded with unit and site
• Covered by standard real property title insurance and include all applicable endorsements
GovDelivery Sign up

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