Welcome to Manufactured Housing, presented by USDA’s Single Family Housing Guaranteed Loan Program!
The objectives of the training include:

1. Demonstrating where the training topic is located in the program regulation, 7 CFR Part 3555 and the technical handbook, HB-1-3555.
2. Providing learning checks to help you gain a working knowledge of the topic, and
3. Links to online resources to assist in locating program information.
**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.

Every effort has been made to ensure this training and all references are accurate, however, new program revisions and clarifications may occur. Therefore, please ensure you always reference the most recent USDA publications available online.

This training module is not intended to replace the need to reference the regulation, technical handbook, and additional USDA published documents regarding the Guaranteed Loan Program.
Guaranteed Loan Program Regulation

7 CFR Part 3555

- The regulation is the rule!
- 8 Subparts: A – H
- Appendix 1

7 CFR Part 3555 is the program regulation. It is the first place users should look for the answers to their questions. The regulation is the rule and it cannot be overridden by the technical handbook. The 7 CFR Part 3555 is comprised of 8 subparts, A through H. You can access the full regulation online as Appendix 1 from the Regulations and Guidelines website.
The Regulations and Guidelines website is located from the link shown on the slide.

Under “Rural Development” there are many items available from this home page.

To access the regulation, select “Handbooks.”
A list of all USDA Rural Development handbooks will display.

Be sure to select the correct technical handbook: HB-1-3555.

Once HB-1-3555 is selected, the entire handbook, including all appendix will display for selection.

Appendix 1 is the full regulation, 7 CFR Part 3555.
Manufactured housing is located in Subpart E, Section 3555.208.
The regulation Table of Contents provides a quick view of the individual topics included under this Section.
The 7 CFR Part 3555 regulation cannot cover every topic and every potential scenario, therefore a technical handbook has been published to support the regulation and provide additional clarification. HB-1-3555 has 20 chapters.
The handbook may be accessed from the Regulations and Guidelines website. Manufactured housing guidance is located in Chapter 13.
This screen shot displays the Table of Contents of Chapter 13. This helps the user to locate specific topics more quickly.
A few helpful tips:
1. The underwriter of the loan is the approved lender’s underwriter.
2. USDA is NOT the underwriter of the loan.
3. When researching topics, it is helpful to begin with the Table of Contents for the regulation and the handbook.
4. A great best practice when searching for information is to open the regulation or a handbook chapter, select the “Control” button on the keyboard, hold it down, and then also select the “F” key. A keyword search box will appear. Enter a keyword or phrase to locate information more quickly.
The best way to learn information is to test your knowledge!
Each question slide will list:
• the topic
• A question or scenario, and
• potential responses.
The answer slide will list:

- The topic
- The reference to the answer from the regulation and handbook
- The correct response, and
- Any additional clarification that may be helpful.
Let’s get started!
Read the question on the slide and select a response.

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

True
USDA requires all collateral to be titled with the dwelling and the site.
Loans submitted to USDA without a site are ineligible under the 3555 regulation.
The appraised value of the dwelling must support the inclusion of the full price or any remaining balance of a lot/site loan that may apply.
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

Read the question on the slide and select a response.
Manfactured 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

False
Personal property, movable furniture, and other similar articles are ineligible.
Appliances, wall to wall carpeting, heating and air conditioning units, etc. are eligible loan purposes.
Manufactured housing

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

A. 400     B. 900

Read the question on the slide and select a response.
Response A: 400

- Manufactured housing units must have a minimum of 400 square feet of living space.
- Manufactured units may be single wide or double wide. There is no restriction on the unit type the applicant may wish to purchase.
Manufactured housing

Permanent foundations for manufactured housing units must meet _______________.

A. Federal Manufactured Home Construction and Safety Standards (FMHCSS)
B. International Residential Code

Read the question on the slide and select a response.
Manufactured housing
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

Response A: Federal Manufactured Home Construction and Safety Standards
Additional considerations for manufactured home construction and set up include:
• The unit must meet the HUD requirements for heating and cooling that apply to the State where the unit will be set up.
• Any alterations to a unit such as an attached garage must meet the FMHCSS requirements.
• All wheels, axles, towing hitches, and gear must be removed.
• The unit must also meet or exceed the International Energy Conservation Code that is in effect at the time of construction.
Manufactured housing

The manufactured housing warranty must identify the unit by ________________.

A. Model #  B. Serial #
Response B: Serial Number
The lender must obtain the following from the dealer:
• Certification from the dealer that the unit sustained no damage during transportation to the site.
• Certification that all sections (if applicable) were sealed according to the manufacturer’s requirements, and
• Evidence the data plate is affixed to the unit.

The lender must retain all warranties from the dealer and manufacturer in their permanent loan file.
Attachment 13-A is an optional form that lenders may ask the dealer to complete to certify to the New Manufactured Home which includes:

- Any cash payments or rebates due from the purchase of the manufactured unit have been deducted from the price of the unit,
- The proposed purchase price of the unit, excluding any purchase with personal funds by the borrower for furniture or other ineligible loan purposes, and
- If furniture was purchased as part of the transaction, a lien will not be filed against the security property.

This form is optional. If the lender has additional forms, or documentation to support any applicable certification required, USDA will accept it.
Attachment 13-B is a Certification of the Builder/Contractor. This is also an optional form that the lender may use to certify:

- The manufactured unit has been erected on the identified subject property,
- The development complies with construction plans,
- The unit, if manufactured in separate sections, was properly joined and sealed per manufacturers guidelines, and
- The unit sustained no hidden damage during transportation and erection.

This form is optional. If the lender has additional forms, or documentation to support any applicable certification required, USDA will accept it.
Manufactured housing

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

A. TRUE      B. FALSE

Read the question on the slide and select a response.
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

False
An existing manufactured home is only eligible for a new guaranteed loan under the regulation if:
- The unit and site are already financed with a Section 502 direct or guaranteed loan,
- The unit and site are being sold from USDA or an approved guaranteed lender’s REO inventory and the lender holds a Loan Note Guarantee on the property, and
- All units are installed on an eligible permanent foundation.

USDA may offer pilot programs to allow for additional flexibilities in eligible states.
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

Read the question on the slide and select a response.
Response B: Purchase agreement

Purchase agreements for manufactured homes must be dated within 12 months of the manufacture date of the unit. This meets the definition of a “new” unit. Units may not be moved from another site except for an eligible unit that is moved from the dealer’s lot to the permanent site.
Read the question on the slide and select a response.
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

False
Manufactured home units must be taxed as real estate. The unit and site must be properly recorded as real estate with the proper taxing authorities. The unit must also be covered by standard real property title insurance and include all applicable endorsements.
Way to go! You have completed the learning checks!
Don’t forget the Regulations and Guidelines website is a wonderful source of USDA guideline knowledge.
Please sign up for GovDelivery messages. USDA sends out origination (including GUS) and servicing messages to alert lenders of new publications, clarifications, and additional program updates.
Thank you for supporting the USDA Single Family Housing Guaranteed Loan Program! We appreciate the opportunity to help you serve more rural homebuyers!
This will conclude the training module. Thank you and have a great day!