

**Manufactured Housing Program - Conventional
 Conforming and High Balance**
Summary

Product Types	30yr, 20yr, 15yr and 10yr Fixed
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 For Conforming Loan Amounts, view State/County limits: <https://www.fanniemae.com/singlefamily/loan-limits>
Conforming & High Balance
Primary Residence

Loan Purpose	Minimum FICO	Units	Max LTV/CLTV/HCLTV
Purchase or Rate/Term	660	1	95%
Cash-Out	660	1 Term ≤ 20 yrs	65%

Second Home

Loan Purpose	Minimum FICO	Units	Max LTV/CLTV/HCLTV
Purchase or Rate/Term	660	1	90%

***** In the absence of a Guideline, refer to our posted Fannie Mae and Freddie Mac Matrices*****

Requirements and Eligibility

Manufactured Housing Overview	<p>Any dwelling unit built on a permanent chassis and attached to a permanent foundation system is a manufactured home for purposes of Nations Direct Mortgage’s guidelines.</p> <p>The manufactured home and the land on which it is situated must be titled as real property.</p> <ul style="list-style-type: none"> • Other factory-built housing (not built on a permanent chassis)—such as modular, prefabricated, panelized, or sectional housing—is not considered manufactured housing.
General Loan Eligibility Criteria	<p>Nations Direct Mortgage will lend on properties secured by manufactured homes that meet the following general criteria:</p> <ul style="list-style-type: none"> • first-lien mortgages only, • fully amortizing fixed-rate mortgages or • principal residences and second home dwellings.
AUS	<ul style="list-style-type: none"> • DU or LP • Must be Approve/Eligible; No manual underwrites • When entering the property information into the AUS, the underwriter must correctly identify the property type as manufactured housing. The AUS checks the subject property addresses against manufactured home property addresses in the AUS property database. If the database indicates the property may be a manufactured home, The AUS will return a message alerting the underwriter. The AUS’s issuance of this message does not necessarily mean the property is a manufactured home, nor does the absence of this message indicate that the property type as it was submitted is accurate. • Underwriters must research the subject property type. If it is determined the property is a manufactured home, the underwriter must correct the property type and resubmit the loan casefile to the AUS. If it is NOT a manufactured home, the loan may be delivered with the appraisal recommendation provided by the AUS.
Ineligible Manufactured Housing Criteria	<p>The following are ineligible for mortgage loans secured by manufactured homes:</p> <ul style="list-style-type: none"> • temporary buydowns; • investment properties; • single-width manufactured homes • homes located on leasehold estates.
Manufactured Housing Standards	<ul style="list-style-type: none"> • The mortgage loan must be secured by both the manufactured home and the land on which it is situated • both the manufactured home and the land must be legally classified as real property under applicable state law. • The purchase, conveyance, and financing (or refinancing) of the land and the manufactured home must be evidenced and secured by a single valid and enforceable note and first lien mortgage, deed of trust or security deed that is recorded in the land records, in states where applicable state law clearly provides for such a single lien.
Sales Price and Original Loan Amount	<ul style="list-style-type: none"> • The sales price of the manufactured home may include bona fide and documented transportation, site preparation, and dwelling installation at the site. • Any personal property items (non-realty items) purchased in conjunction with the manufactured home must be deducted from the sales price and cannot be financed as part of the mortgage. • In addition to the cost of the manufactured home and land, if applicable, the original loan amount may also include: <ul style="list-style-type: none"> ○ the financing of borrower-purchased mortgage insurance premiums; ○ the cost of bona fide and documented transportation, site preparation, and dwelling installation at the site.

Down Payment	<p>A minimum down payment of 5% must come from the borrower’s own funds unless:</p> <ul style="list-style-type: none"> • the LTV or CLTV ratio is less than or equal to 80%; or • the borrower is purchasing a one-unit principal residence and meets the requirements to use gifts, or donated grant funds. • The borrower's equity in the land is considered the borrower’s own funds. Where the borrower holds title to the land on which the manufactured home will be permanently attached, the value of the land may be credited toward the borrower’s minimum down payment requirement. The borrower’s equity contribution will be the difference between any outstanding liens against the land and the market value of the land. 												
Own Land	<table border="1"> <thead> <tr> <th data-bbox="332 548 777 606">Date of Land Purchase</th> <th data-bbox="777 548 935 606">Value of the Land</th> <th data-bbox="935 548 1533 606">Documentation Requirements</th> </tr> </thead> <tbody> <tr> <td data-bbox="332 606 777 701">More than 12 months preceding the loan application.</td> <td data-bbox="777 606 935 701">The current appraised value.</td> <td data-bbox="935 606 1533 701">None.</td> </tr> <tr> <td data-bbox="332 701 777 995">12 or fewer months preceding the date of the loan application.</td> <td data-bbox="777 701 935 995">The lesser of the sales price or the current appraised value.</td> <td data-bbox="935 701 1533 995"> <p>The underwriter must document the borrower’s cash investment by obtaining:</p> <ul style="list-style-type: none"> • A certified copy of the Final HUD-1 Settlement Statement (loan applications on/before 10/02/2015) or Closing Disclosure (loan applications on/after 10/03/2015) or similar settlement statement • A copy of the warranty deed of that shows there are no outstanding liens against the property, or • A copy of the release of any prior lien(s). </td> </tr> <tr> <td data-bbox="332 995 777 1089">The borrower acquired the land at any time as a gift, inheritance, or other non-purchase transaction.</td> <td data-bbox="777 995 935 1089">The current appraised value.</td> <td data-bbox="935 995 1533 1089">The underwriter must obtain appropriate documentation to verify the acquisition and transfer of ownership of the land.</td> </tr> </tbody> </table>	Date of Land Purchase	Value of the Land	Documentation Requirements	More than 12 months preceding the loan application.	The current appraised value.	None.	12 or fewer months preceding the date of the loan application.	The lesser of the sales price or the current appraised value.	<p>The underwriter must document the borrower’s cash investment by obtaining:</p> <ul style="list-style-type: none"> • A certified copy of the Final HUD-1 Settlement Statement (loan applications on/before 10/02/2015) or Closing Disclosure (loan applications on/after 10/03/2015) or similar settlement statement • A copy of the warranty deed of that shows there are no outstanding liens against the property, or • A copy of the release of any prior lien(s). 	The borrower acquired the land at any time as a gift, inheritance, or other non-purchase transaction.	The current appraised value.	The underwriter must obtain appropriate documentation to verify the acquisition and transfer of ownership of the land.
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Property Eligibility	<ul style="list-style-type: none"> • The manufactured home must be built in compliance with <ul style="list-style-type: none"> • The Federal Manufactured Home Construction and Safety Standards that were established June 15, 1976, as amended and in force at the time the home is manufactured; and • Additional requirements that appear in HUD regulations at 24 C.F.R. Part 3280 • Compliance with these standards will be evidenced by the presence of both a HUD Data Plate and the HUD Certification Label. If the original or alternative documentation cannot be obtained for both the Data Plate/Compliance Certificate and the HUD Certification Label, the loan is not eligible for delivery to Fannie Mae. • The HUD Data Plate/Compliance Certificate is a paper document located on the interior of the subject property that contains, among other things, the manufacturer’s name and trade/model number. In addition to the data required by Fannie Mae, the Data Plate includes pertinent information about the unit, including a list of factory-installed equipment. The HUD Certification Label, sometimes referred to as a HUD “seal” or “tag,” is a metal plate located on the exterior of each section of the home. The Manufactured Home Appraisal Report (Form 1004C) must show evidence of both the HUD Data Plate/Compliance Certificate and the HUD Certification Label. • As an alternative to the original HUD Certification Label, the Underwriter may be able to obtain a verification letter with the same information contained on the HUD Certification Label from the Institute for Building Technology and Safety (IBTS). A duplicate HUD Data Plate/Compliance Certificate may be available from IBTS or by contacting the In-Plant Primary Inspection Agency (IPIA) or the manufacturer. (A list of IPIA offices is posted on HUD’s website.) 												

	<ul style="list-style-type: none"> • The unit must not have been previously installed or occupied at any other site or location, except from the manufacturer or the dealer’s lot as a new unit. • The manufactured home must be a one-unit dwelling unit that is legally classified as real property. • The towing hitch, wheels, and axles must be removed. The dwelling must assume the characteristics of site-built housing. The borrower must own the land on which the manufactured home is situated in fee simple • Single-width manufactured homes must be located in a Fannie Mae-approved subdivision, or PUD project development. • The manufactured home must be at least 12 feet wide and have a minimum of 600 square feet of gross living area. Site preparation for delivery of the manufactured home must be completed • The manufactured home must be attached to a permanent foundation system in accordance with the manufacturer’s requirements for anchoring, support, stability, and maintenance. The foundation system must be appropriate for the soil conditions for the site and meet local and state codes • The manufactured home must be permanently connected to a septic tank or sewage system, and to other utilities in accordance with local and state requirements • If the property is not situated on a publicly dedicated and maintained street, then it must be situated on a street that is community owned and maintained, or privately owned and maintained. • Mortgages secured by existing manufactured homes that have incomplete items, such as a partially completed addition or renovation, or defects or needed repairs that affect safety, soundness, or structural integrity, are not eligible for purchase until the necessary work is completed. • Manufactured homes that have an addition or have had a structural modification are eligible under certain conditions. If the state in which the property is located requires inspection by a state agency to approve modifications to the property, then the lender is required to confirm that the property has met the requirement. However, if the state does not have this requirement, then the property must be inspected by a licensed professional engineer who can certify that the addition or structural changes were completed in accordance with the HUD Manufactured Home Construction Safety Standards. In all cases, the satisfactory inspection report must be retained in the mortgage loan file.
<p>Purchase Money Transactions</p>	<ul style="list-style-type: none"> • Purchase money transactions are those in which the mortgage proceeds are used to finance the purchase of the manufactured home or the manufactured home and the land. The land may be previously owned by the borrower, either free of any mortgage or subject to a mortgage that will be paid off with the proceeds of the new purchase money mortgage. • Note: The borrower does not receive any cash back with a purchase money transaction. <p>New Manufactured Homes</p> <ul style="list-style-type: none"> • The LTV ratio (and CLTV/HCLTV ratio, if applicable) for a loan secured by a newly built manufactured home that is being attached to a permanent foundation system in connection with a purchase transaction will be based on the lower of: <ul style="list-style-type: none"> ○ the sales price of the manufactured home plus; ○ the lowest sales price at which the land was sold during that 12 month period if the land was purchased in the 12 months preceding the loan application date; or ○ the current appraised value of the land if the land was purchased more than 12 months preceding the loan application date. ○ the “as completed” appraised value of the manufactured home and land. <p>Existing Manufactured Homes</p> <ul style="list-style-type: none"> • The LTV ratio (and CLTV/HCLTV ratio, if applicable) for a loan secured by a manufactured home that already exists on its foundation will be based on the lowest of: <ul style="list-style-type: none"> ○ the sales price of the manufactured home and land; ○ the current appraised value of the manufactured home and land; or ○ if the manufactured home was built in the 12 months preceding the loan application date, the lowest price at which the home was previously sold during that 12-month period, plus the lower of <ul style="list-style-type: none"> • the current appraised value of the land, or • the lowest price at which the land was sold during that 12-month period (if there was such a sale).

<p>Limited Cash-Out Refinance Transactions</p>	<ul style="list-style-type: none"> • Limited cash-out refinance transactions involve the payoff of an existing mortgage secured by the manufactured home and land (or existing liens if the home and land were encumbered by separate liens). The maximum LTV ratio (and CLTV ratio, if applicable) for a limited cash-out refinance transaction for a loan secured by a manufactured home and land will be based on the lower of: <ul style="list-style-type: none"> • the current appraised value of the manufactured home and land; or • if the manufactured home was owned by the borrower for less than 12 months on the loan application date and: <ul style="list-style-type: none"> ○ if the home and land are secured by separate liens, the lowest price at which the home was previously sold during that 12-month period plus the lower of the current appraised value of the land, or the lowest sales price at which the land was sold during that 12-month period (if there was such a sale); ○ if the home and land are secured by a single lien, the lowest price at which the home and land were previously sold during that 12-month period. • Proceeds of a limited cash-out refinance mortgage may be used to: <ul style="list-style-type: none"> • pay off the outstanding principal balance of an existing first lien mortgage secured by the manufactured home and land (or existing liens if the home and land were encumbered by separate first liens); • pay off the outstanding principal balance of an existing subordinate mortgage or lien secured by the manufactured home and/or land, but only if it was used to purchase the manufactured home and/or land; • finance closing costs (including prepaid expenses); and • provide cash back to the borrower in an amount not to exceed the lesser of 2% of the balance of the new refinance mortgage or \$2,000.
<p>Cash-Out Refinance Transactions</p>	<ul style="list-style-type: none"> • A cash-out refinance: <ul style="list-style-type: none"> ○ involves the payoff of an existing first lien mortgage secured by the manufactured home and land (or existing liens if the home and land were encumbered by separate first liens); or ○ enables the property owner to obtain a mortgage on a property that does not already have a mortgage lien against it, and permits the Borrower to take equity out of the property in the form of mortgage proceeds that may be used for any purpose. ○ Maximum loan term for cash-out is 20 years ○ To be eligible for a cash-out refinance, the borrower must have owned both the manufactured home and land for at least 12 months preceding the date of the loan application. The LTV ratio (and CLTV/HCLTV ratio, if applicable) for a cash-out refinance for a loan secured by a manufactured home and land will be based on the current appraised value of the manufactured home and land.
<p>Title Issues and Lien Requirements</p>	<ul style="list-style-type: none"> • To be eligible for financing with Nations Direct Mortgage: <ul style="list-style-type: none"> ○ A manufactured home mortgage loan must be secured by a perfected lien (or liens) on real property consisting of the manufactured home and the land. ○ The manufactured home must be legally classified as real property under applicable state law, including relevant statutes, regulations, and judicial decisions. ○ The following requirements are also applicable: <ul style="list-style-type: none"> ○ The owner of the manufactured home must own the land on which the home is situated. ○ The manufactured home must be attached to a permanent foundation on the land and comply with state and jurisdictional requirements for permanent affixation. ○ A mortgage, deed of trust, or security deed must be recorded in the land records and must identify the encumbered property as including both the home and the land. ○ If applicable state law so permits, any certificate of title to the manufactured home must be surrendered to the appropriate state government authority. ○ If the certificate of title cannot be surrendered, the lender must indicate its lien on the certificate. <p>Note: loans in which there is a chattel lien on the home plus a real property lien on the land are unacceptable.</p>
<p>Title Insurance</p>	<ul style="list-style-type: none"> • The mortgage must be covered under a standard real property title insurance policy that insures that the manufactured home is part of the real property that secures the loan. • American Land Title Association® (ALTA®) Endorsement 7, 7.1, or 7.2 or any other endorsement required in the applicable jurisdiction for manufactured homes to be treated as real property must be included in the file.

<p>Manufactured Housing Appraisal and Property</p>	<ul style="list-style-type: none"> Nations Direct Mortgage requires market-based property valuations for manufactured homes demonstrated by a well-developed sales comparison approach to value that is further supported by the cost approach to value.
<p>Manufactured Housing Appraiser Qualifications</p>	<ul style="list-style-type: none"> The valuation principles for appraising manufactured homes are essentially the same as for other types of residential property. However, not all appraisers are knowledgeable and experienced about the unique construction process, as well as the manufacturers’ and federal, state, and local requirements for both construction and installation. The underwriter must ensure that the appraiser is knowledgeable about the local manufactured home market and the unique construction process for manufactured homes, and has access to appropriate data sources in order to render an opinion of value for the manufactured home. Underwriters must establish policies and procedures to ensure that qualified individuals are being selected in accordance with Nations Direct Mortgage requirements as well as the Appraiser Independence Requirements.
<p>Manufactured Housing Appraisal Requirements and Standards</p>	<p>The list below provides requirements and standards for manufactured housing appraisals.</p> <ul style="list-style-type: none"> For purchase money mortgages, the underwriter must provide the appraiser with <ul style="list-style-type: none"> a complete copy of the executed contract for sale of the manufactured home and land; or a complete copy of the executed contract for both, if the manufactured home and land are purchased separately; and a copy of the manufacturer’s invoice if the manufactured home is new. The appraiser must analyze the contract(s) and the manufacturer’s invoice for new manufactured homes, and provide a summary in the appraisal report. The appraiser must report the results of a manufactured home appraisal on the Manufactured Home Appraisal Report (Form 1004C). The use of Form 1004C will help to ensure that the appraiser inspected, considered, and reported the appropriate information including, but not limited to, the: <ul style="list-style-type: none"> manufacturer’s name, trade or model number, year of manufacture, serial number, Certification Label number(s) from either the HUD Data Plate or Certification Label(s), type of foundation and utility connections, detailed and supported cost approach, opinion of the market value of the site, and property’s conformity to the neighborhood. The appraiser must indicate a value conclusion based solely on the real property as completed consisting of the <ul style="list-style-type: none"> manufactured home, site improvements, and land on which the home is situated. <p>The value conclusion cannot include any non-realty items including, but not limited to, insurance, warranties, and furniture.</p>
<p>Manufactured Housing Appraisal Site Requirements</p>	<ul style="list-style-type: none"> The appraisal site requirements for manufactured housing are as follows: <ul style="list-style-type: none"> The appraiser must base his or her opinion of value on the characteristics of the subject property, including the site area. The appraisal report must indicate whether or not the site is compatible with the neighborhood, and must comment on the conformity of the manufactured home to other manufactured homes in the neighborhood. The property site must be of a size, shape, and topography that is conforming and acceptable in the neighborhood. It must also have competitive utilities, street improvements, adequate vehicular access, and other amenities. Because amenities, easements, and encroachments may either detract from or enhance the marketability of a site, the appraiser must reflect them in his or her analysis and valuation. The appraiser must comment if the site has adverse conditions or is not typical for the neighborhood.

<p>Manufactured Housing Appraisal Comparable Selection Requirements</p>	<ul style="list-style-type: none"> • The comparable selection requirements for manufactured housing appraisals are as follows: <ul style="list-style-type: none"> ○ The appraiser must select comparable sales of similar manufactured homes to address the marketability and comparability of a manufactured home, for example, multi-width homes to multi-width homes. The appraiser must use a minimum of two comparable sales of similar manufactured homes. The appraiser may use either site-built housing or a different type of factory-built housing as the third comparable sale. The appraiser must explain why site-built housing or a different type of factory-built housing is being used for the third comparable sale, and make and support appropriate adjustments in the appraisal report. ○ An appraiser that is unable to locate sales of manufactured homes that are truly comparable to the subject property may decide it is appropriate to use either older sales of similar manufactured homes or sales of similar manufactured homes that are located in a competing neighborhood to establish a baseline for the “sales comparison analysis” and determine sound adjustments to reflect the differences between comparable sales that are available and the subject property. ○ The appraiser must not create comparable sales by combining vacant land sales with the contract purchase price of the home. This type of information may be used as additional supporting documentation.
<p>Manufactured Housing Appraisal Cost Approach Requirements</p>	<ul style="list-style-type: none"> • Nations Direct Mortgage requires a detailed and supported cost approach to value for all manufactured homes which must, at a minimum, contain the information indicated on the Form 1004C. The appraiser may choose to report the results of the cost approach on Form 1004C or by using a report form from a published cost service as an addendum to the appraisal report form. Whatever format the appraiser chooses to report the cost approach, the information must be sufficient to allow the underwriter to replicate the cost figures and calculations. The sales comparison and cost approach to value are complementary for the valuation of manufactured housing and must support the final value conclusion. A properly developed and detailed cost approach will provide the information necessary for an appraiser to <ul style="list-style-type: none"> ○ recognize differences in manufactured home construction quality, ○ understand the difference between the comparable sales and the subject property, ○ extract from the market appropriate adjustments for the sales comparison analysis, and ○ identify sales of manufactured homes that are similar enough to the subject property to use as comparable sales.
<p>Sources of Manufactured Housing Data</p>	<ul style="list-style-type: none"> • Traditional appraisal data sources do not provide enough quality manufactured home data for the appraiser to develop a supportable and well-documented manufactured home appraisal. While sources such as MLS and public records are important and may contain some data, appraisers must utilize other data sources, such as manufactured home dealers and construction companies/builders experienced in the installation of manufactured homes. <ul style="list-style-type: none"> ○ One important source of manufactured housing information is the NADA Manufactured Housing Appraisal Guide. That publication lists general manufactured home depreciated replacement values based on original factory construction categories, and ○ offers a step-by-step process for arriving at the average retail book value for a manufactured home and can be used to develop a cost approach. <p>Note: NADA chart values assume the home is in average condition. The publication provides definitions for “excellent,” “good,” “average,” “fair,” and “poor” to appropriately identify the condition of the manufactured home.</p> • Another source of information is Marshall & Swift’s Residential Cost Handbook. Marshall & Swift provides <ul style="list-style-type: none"> ○ information that enables the user to arrive at an estimate of the cost of the manufactured home when new and the replacement cost based on, among other things, the construction quality; as well as ○ an explanation of the items that enables the appraiser to support his or her conclusion of the overall construction quality of the manufactured home. • The appraiser must support his or her opinion about both the quality and the condition of the manufactured home because they play a very important role in the value and marketability of manufactured homes. The NADA guide or the Marshall & Swift handbook may be used as additional sources to provide support for the appraiser’s conclusions about the quality and value of a manufactured home.