

## Manufactured Home Loan Lending Summary

Loan Type	Occupancy Type	Max LTV w/sec. Fin.	Max TLTV w/sec. Fin	Max HTLTV w/sec. Fin	Max LTV w/o Sec. Fin.
<b>PURCHASE AND "NO CASH-OUT" REFINANCE TRANSACTIONS</b>  Fixed-rate, 7/1 ARM and 10/1 ARM with a maximum 30-year loan term	Primary Residence	95%	90%	95%	95%
<b>CASH-OUT REFINANCE TRANSACTIONS</b>  Fixed-rate, 7/1 ARM and 10/1 ARM with a maximum 20-year loan term	Primary Residence	65%	60%	65%	65%

Topic	Requirement
<b>Property Characteristics</b>	<ul style="list-style-type: none"> <li>• Single-wide or Multi-wide, 1-unit Primary Residence</li> <li>• Built on or after 6/15/76</li> <li>• At least 12 ft wide, with 600 sq ft</li> <li>• HUD Certification Label permanently affixed to each transportable section</li> <li>• Built on non-removable, permanent steel frame/chassis in compliance with HUD regulations</li> <li>• Permanently affixed to permanent foundation in way that makes it part of the real property with wheels, axel, and hitch removed</li> <li>• Stabilizing devises comply with manufacturer's design or design of engineer</li> <li>• Foundation designed for site conditions, and home design and loads in accordance with manufacturer's instructions or engineer design</li> <li>• Permanently connected to utilities</li> <li>• Legally classified as real property</li> </ul>
<b>Property Type</b>	<ul style="list-style-type: none"> <li>• Primary residence or second home, with land owned fee simple</li> </ul>
<b>Property Location</b>	<ul style="list-style-type: none"> <li>• Single-wide – In PUD or condominium only</li> <li>• Multi-wide – In PUD, condominium, individual lot or subdivision</li> </ul>
<b>Loan Prospector</b>	<ul style="list-style-type: none"> <li>• Assessed as Single-wide or Multi-wide Manufactured Home</li> <li>• Accept or Caution risk class, including A-minus eligible</li> </ul> <p><b>Note:</b> If Invalid, Ineligible or Incomplete AUS Status, the mortgage may be manually underwritten if corrected/new information does not change status upon resubmission</p>

<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• Refinance (no cash-out and cash-out)</li> </ul>
<b>Mortgage Products</b>	<ul style="list-style-type: none"> <li>• Fully amortizing fixed-rate mortgage</li> <li>• Home Possible mortgage</li> <li>• 7/1 or 10/1 ARM</li> </ul>

## Manufactured Home Underwriting Checklist

Topic	Requirement
<b>Purchases</b>	<p>Maximum 30-year term. Mortgage proceeds may be used for:</p> <ul style="list-style-type: none"> <li>• Manufactured home and land</li> <li>• Documented costs for delivery and setup, site development, installation, and utility connection</li> <li>• Sales tax</li> </ul> <p><b>Note:</b> Credits for wheels/axles, retailer rebates, and sales concessions must be deducted from purchase price.</p>
<b>No Cash-out Refinances</b>	<p>Maximum 30-year term. Mortgage proceeds may be used for payoff of:</p> <ul style="list-style-type: none"> <li>• First mortgage regardless of age, including separate liens for manufactured home and land</li> <li>• Junior lien(s) used in their entirety to purchase manufactured home and/or land</li> <li>• Related closing costs, financing costs and prepaids/escrows</li> </ul> <p><b>Note:</b> Disbursements of cash to borrower(s) may not exceed the lesser of 2% of the mortgage or \$2,000</p>
<b>Cash-out Refinances</b>	<p>Maximum 20-year term. Mortgage proceeds may be used for:</p> <ul style="list-style-type: none"> <li>• Payoff of existing mortgages(s) secured by the manufactured home and land</li> <li>• Cash disbursement to borrower(s)</li> </ul> <p><b>Note:</b> Requires manufactured home and land to have been owned by borrower(s) for at least 12 months prior to refinance</p> <ul style="list-style-type: none"> <li>• No Cash-out refinances may include loan amounts limited to paying off interim construction financing and land (no closing costs, financing costs and/or prepaids). Land must have been owned by the borrower(s) for at least 12 months prior to refinance.</li> </ul> <p><b>Note:</b> Installation must be 100% complete and new note/security instrument must be executed</p>
<b>Property Taxes</b>	Taxed as real estate or personal property according to state law and local taxing authority

## Determining Value for Manufactured Home Transactions

If Transaction Type Is...	Use the Lower of....	For Example
<p><b>Purchase</b> - Newly built, never occupied, and not permanently affixed at the time of loan application</p> <p><b>Note:</b> Purchase transactions of previously owned manufactured homes that are not affixed at the time of loan application are not permitted</p>	<p>1. Purchase price of manufactured home (MH) <i>and</i> land*, <b>or</b></p> <ul style="list-style-type: none"> <li>• If land was purchased by the borrower(s) less than 12 months prior to application, use the lowest price at which the land sold during that 12 months</li> <li>• If land was purchased by the borrower(s) 12 months or more prior to application, use the current appraised value of the land</li> </ul> <p>2. Current appraised value of MH and land</p>	<p><b>Scenario:</b> Interim construction financing was used to purchase a new \$53,000 multi-wide MH that was placed on a 5-acre lot. The lot was purchased for \$40,000 5 months ago and is currently valued at \$41,000. The current appraised value of the manufactured home and land is \$94,000. What value should be used to calculate the loan-to-value (LTV)?</p> <p><b>Answer:</b> The value should be calculated based on the lower of:</p> <ol style="list-style-type: none"> <li>1. Purchase price of MH (\$53,000) and land (\$40,000) = \$93,000, <b>or</b></li> <li>2. Appraised value of MH and land = \$94,000</li> </ol> <p>The Value is \$93,000</p>
<p><b>Purchase</b> – Existing, and permanently affixed to land</p>	<p>If affixed to land <b>more than</b> 12 months prior to application:</p> <ol style="list-style-type: none"> <li>1. Purchase price of MH and Land, <b>or</b></li> <li>2. Current appraised value of MH and land</li> </ol> <p>If affixed to land less than 12 months prior to application, use lowest price at which the MH was sold during that previous 12 months plus the lower of:</p> <ol style="list-style-type: none"> <li>1. Current appraised value of land, <b>or</b></li> <li>2. Lowest price at which the land was sold during that previous 12 months (if applicable)</li> </ol>	<p><b>Scenario:</b> An existing multi-wide MH was affixed to a lot. The MH and land were sold to the Seller six months ago for \$45,000 and \$26,000, respectively. The purchase price is \$83,000. The appraised value is \$81,000, with the land valued at \$29,000. What value should be used to calculate the LTV?</p> <p><b>Answer:</b> The MH was affixed less than 12 months ago, so the value should be calculated based on the lowest purchase price of the MH, and the lower of the land purchase price or appraised value:</p> <ol style="list-style-type: none"> <li>1. Purchase price of MH (\$45,000) and land (\$26,000) = \$71,000, <b>or</b></li> <li>2. Purchase price of MH (\$45,000) and appraised value of land (29,000) = \$74,000</li> </ol> <p>The Value is \$71,000.</p>

If Transaction Type Is...	Use the Lower of....	For Example
<p><b>No Cash-out Refinance</b></p>	<p>1. Current appraised value of MH and land, <b>or</b>  2a. If MH and land owned by the borrower(s) less than 12 months prior to application, the purchase price at which the MH and land were sold during the previous 12 months, <b>or</b>  2b. If MH and land are secured by separate liens and owned by the borrower(s) for less than 12 months prior to application, use the purchase price at which the MH sold during the previous 12 months, <b>and</b></p> <ul style="list-style-type: none"> <li>• The lower of the land's current appraised value, <b>or</b></li> <li>• The price at which the land sold during the previous 12 months, if applicable</li> </ul>	<p><b>Scenario:</b> The borrowers purchased a MH three months ago as a second home, and affixed it to land they had purchased 13 months ago. The land was purchased for \$32,000, and now appraises for \$33,000. The MH was purchased for \$49,000 with interim construction financing, and now appraises for \$49,500. The borrowers need to pay off the interim construction loan and want one lien. What value should be used to calculate the LTV?</p> <p><b>Answer:</b> Since the MH was owned for less than 12 months and the land was owned more than one year, the value should be calculated based on the lower of the appraised value of the MH and land, or the purchase price of the MH and appraised value of the land:</p> <ol style="list-style-type: none"> <li>1. Appraised value of MH (\$49,500) and land (\$33,000) = \$82,500, <b>or</b></li> <li>2. Purchase price of MH (\$49,000) and appraised value of land (\$33,000) = \$82,000</li> </ol> <p>The value is \$82,000.</p>
<p><b>Cash-out Refinance</b></p>	<p>Current appraised value of MH and land</p> <p>Note: Ownership of MH and land by the borrower(s) must be more than 12 months prior to application</p>	<p><b>Scenario:</b> The borrowers have owned their MH for five years and want use their existing equity to make some improvements. The MH and land appraises for \$92,000 (the MH is valued at \$60,000 and the land \$32,000). What value should be used to calculate the LTV?</p> <p><b>Answer:</b> The value is the current appraised value of the MH and land.</p> <p>The value is \$92,000.</p>