

CMG FHA Guidelines

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Loan Matrices – LTV/CLTV & Minimum Credit Score

Loan Eligibility Matrix- MANUFACTURED HOMES (FHA) – Fixed Rate Only ^{1,2,3,5}						
Transaction Type	Occupancy	#Units	Maximum LTV/CLTV	Minimum Credit Score	Ratios	Reserves
Purchase	Primary	1	FRM: 96.5%	<u>640</u>	Per AUS	PER TOTAL Scorecard
Rate-Term Refinance	Primary	1	FRM: 97.5%	<u>640</u>	Per AUS	PER TOTAL Scorecard
Cash Out	Primary	1	FRM: 75%	<u>640</u>	Per AUS	PER TOTAL Scorecard

Loan Eligibility Matrix- MANUFACTURED HOMES (VA) – Fixed Rate Only ^{1,2,4,5}						
Transaction Type	Occupancy	#Units	Maximum LTV/CLTV	Minimum Credit Score	Ratios	Reserves
Purchase	Primary	1	FRM: 100%	<u>640</u>	Per AUS	PER AUS
Regular Refinance (Rate/Term & Cash Out)	Primary	1	FRM: 85%	<u>640</u>	Per AUS	PER AUS

1. Subordinate financing not permitted
2. Gifts of equity not permitted
3. Streamline refinances not permitted
4. IRRRL Transactions not permitted
5. Refer to [Ineligible Property and Financing Characteristics](#) and [Additional Appraisal/Property Requirements](#).

Reminder: Additional [Manufactured Home Documentation Requirements](#) documentation requirements for manufactured homes must be adhered to.

Underwriting Method:

AUS approved only (accurately identified as a manufactured home, not SFR). Refers & Manual Downgrades not permitted.

LLPA's

- Refer to ratesheet.

Manufactured Home Documentation Requirements

AUS must reflect property type of manufactured home.

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.

Insured closing protection letter, unless the letter is not allowed under State law or regulations.

Single Lien on the MH and the land on which it is permanently affixed secures the mortgage, and the lien has been properly created, evidenced and perfected.

Manufactured Home is legally classified as real property.

Appraisal must be completed on the 1004MC.

Manufactured Home Borrower Affidavit (CMG/Lender form). Must be recorded.

Any documentation required under state law to confirm classification as real property. May include, but is not limited to:

- Affidavit of Affixture (state required version)
- Documentation Evidencing Certificate of Title surrendered
- Manufacturer's Certificate of Origin

Documentation supporting one time move from dealer to subject site. May require:

- Copy of final building permit or equivalent

Legally enforceable road maintenance agreement, when applicable.

Closing instructions must advise closing agents to obtain the required documentation necessary to ensure that the manufactured home is attached to a permanent foundation system on the land, thus becoming part of the real property

All other FHA/VA requirements, as applicable, must be met.

Supplements CMG's Conventional FHA and VA Guidelines with guidance specific to manufactured home financing.

Ineligible Property and Financing Characteristics

- CMG does not permit manufactured homes in certificate of title non surrender states. These states include, but may not be limited to, New York, New Jersey, and Louisiana.
- Properties with:
 - Health / Safety Issues
 - Less than average condition noted on appraisal
 - No permanent heat source
- Subordinate Financing not eligible
- Gifts of Equity are not permitted
- Appraisals in a declining market
- Homes installed or previously occupied at another site or location. (Manufactured home was not moved from the factory or dealer directly to the site)
- Manufactured homes less than 400 square feet
- Single Wide
- In MH Park and do not own land
- Leasehold Properties
- Co-Ops
- Condominium
- Property located in an area that is deemed an environmental risk;
- No hardship case manufactured home
- Properties with previous Sink Hole (as noted on contract, prelim (recorded permit and/or remediation), sellers disclosures, etc.)
- Investment Properties and Second Homes
- Streamline or IRRRL Refinances
- New Construction not permitted. Must be existing construction, permanently attached >12 months prior to case number/application and previously occupied.
- Where appraiser states manufactured homes are declining in subject area
- Properties located in a flood zone
- HUD REPO with Repair Escrow transactions are not eligible.
- Texas transactions when converting a home equity loan (A6) to a non-home equity loans are not eligible
- Manufactured homes with non-standard utilities. Examples of non-standard utilities include, but are not limited to, solar power, hauled water, cistern, on-site wastewater treatment systems (other than acceptable septic systems), and off-grid properties. **Note:** Standard wells and septic systems meeting local requirements and standard FHA/VA eligibility are acceptable
- Retail: Manufactured homes are not eligible in conjunction with HFA/Bond/Government Assistance programs (as noted in the Government Assistance and HFA Guideline Addendum).

Additional Appraisal/Property Requirements

- Maximum site size / acreage = Ten acres
- Maximum age of structure = 20 years. Manufactured homes older than 20 years with an equivalent condition rating of C2 or better on the appraisal may be considered on a case by case basis by the underwriter. (Average + is eligible for consideration if the appraiser is not using C ratings.)
- The manufactured home appraisal must be completed on Form 1004C, Manufactured Home Appraisal Report.
- For purchase money mortgages, the lender must provide the appraiser with a complete copy of the executed contract for sale of the manufactured home and land.
- FHA: Certification required from licensed engineer attesting to compliance with Permanent Foundation Guidelines for Manufactured Homes (PFGMH)
- VA: The manufactured home must

Supplements CMG's Conventional FHA and VA Guidelines with guidance specific to manufactured home financing.

- 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.
- conform with VA MPRs (Chapter 12), and
- conform with applicable building code and zoning requirements for real estate.
- Certification from a licensed engineer is at underwriter discretion
- Properties must be classified and taxed as real property
- Minimum floor area of 400 square feet
- Units cannot have structural additions or have been moved from original set-up. Note: Attached decks, patios, and porches are eligible with copy of building permit/engineer's cert.
- The crawl space must be properly enclosed (if it is a crawl area with no basement) with a continuous perimeter enclosure of a permanent foundation-type construction, i.e., poured concrete, block, brick, stone, treated wood, etc.
- The value conclusion cannot include any non-realty items such as insurance, warranties, furniture, etc.
- Comparable Sales:
 - 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. When site-built housing or a different type of factory-built housing are used as the third comparable, 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.
- Manufactured Homes are identified by two certifications:
 - **HUD Certification Label:** HUD Certification Label, also known as a HUD seal or HUD tag, refers to a two inch by four inch aluminum plate permanently attached to Manufactured Housing. Manufactured Homes must have an affixed HUD Certification Label located at one end of each section of the house, approximately one foot up from the floor and one foot in from the road side, or as near that location on a permanent part of the exterior of the house as practicable. Etched on the HUD Certification Label is the certification label number, also referred to as the HUD label number. Label numbers are not required to be sequential on a multi-section house. **Required Analysis and Reporting:** The Appraiser must report the HUD label number for all sections, or report that the HUD Certification Label is missing or that the Appraiser was unable to locate it. IBTS alternative documentation must be provided and cross referenced to additional documentation available in the file.
 - **Data Plate:** Data Plate refers to a paper document located on the interior of the Property that contains specific information about the unit and its manufacturer. Manufactured Homes have a Data Plate affixed in a permanent manner, typically adjacent to the electric service panel, the utility room or within a cabinet in the kitchen. **Required Analysis and Reporting:** The Appraiser must report the information on the Data Plate within the appraisal, including the manufacturer name, serial number, model and date of manufacture, as well as wind, roof load and thermal zone maps. If the Data Plate is missing or the Appraiser is unable to locate it, the Appraiser must report this in the appraisal and is not required to secure the Data Plate information from another source. IBTS alternative documentation must be provided and cross referenced to additional documentation available in the file.
- FHA Skirting/Perimeter Enclosure
 - Perimeter Enclosure refers to a continuous wall that is adequately secured to the perimeter of the unit and allows for proper ventilation of the crawl space.
 - Skirting refers to a non-structural enclosure of a foundation crawl space intended to ensure the crawl space is free from exposure to the elements and free from vermin, trash, and debris. Typically, but not always, it is a lightweight material such as vinyl or metal attached to the side of the Structure, extending to the ground (generally, not installed below frost depth).
 - The space beneath Manufactured Homes must be properly enclosed. The perimeter enclosure must be a continuous wall that is adequately secured to the perimeter of the unit and allows for proper ventilation of the crawl space.

Supplements CMG's Conventional FHA and VA Guidelines with guidance specific to manufactured home financing.

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- Skirting, when applicable, must extend from the bottom of the Manufactured Home to the permanent foundation, or to the perimeter enclosure, whichever is appropriate for the situation. This skirting must be permanently affixed to both the Manufactured Home and the foundation or perimeter enclosure, as appropriate.
- Required Analysis and Reporting - The Appraiser must notify the Mortgagee and report a deficiency of MPR or MPS if the Manufactured Housing unit is not properly enclosed or the skirting is not properly affixed and/or is not serving its intended purpose. The Appraiser must call for repairs or further inspection, when warranted.
- Per [FHA ML 2020-48](#), FHA has issued a temporary exception for certain eligible manufactured homes to the requirement that the appraiser must include at least two manufactured homes in the comparable sales grid:

**Single Family
Housing Policy
Handbook
4000.1**

Section II.D.5.k.

Sales Comparison Approach for Manufactured Housing

i. Required Analysis and Reporting

The Appraiser must include a sufficient number of sales to produce a credible value. The Appraiser must include at least two Manufactured Homes in the comparable sales grid.

ii. Exception (Expires on December 31, 2022)

For a Manufactured Home certified based on the construction requirements of Fannie Mae's MH Advantage® or Freddie Mac's CHOICEHome® program, the Appraiser must include at least two comparable sales with similar certification, when available. If less than two comparable MH Advantage® or CHOICEHome® sales are available, the Appraiser may utilize other factory-built or site-built construction and must provide detailed justification to support the Appraiser's selection of comparable properties and the adjustments made for dissimilarities to the subject property.

A Manufactured Home certified based on the construction requirements of Fannie Mae's MH Advantage® or Freddie Mac's CHOICEHome® programs must have Fannie Mae's MH Advantage® Sticker or Freddie Mac's CHOICEHome® Label affixed near the HUD data plate. The appraiser must include photos of the Fannie Mae's MH Advantage® Manufacturer Sticker or Freddie Mac's CHOICEHome® Label in the appraisal report for the Manufactured Home to meet the documentation requirement.

Part Z - Recent Updates / 90 Day Lookback

2/22/2021 Added reference to FHA's temporary exception for MH Advantage and CHOICEHomes comparables.

12/7/2020 Added additional FHA guidance from 4000.1 Handbook updates regarding skirting/perimeter enclosure.

2/21/20 Expanded to allow underwriters to decision eligibility for manufactured homes older than 20 years on a case by case basis.

9/11/2019 Added that CMG does not finance manufactured homes in non-surrender certificate of title states.

Supplements CMG's Conventional FHA and VA Guidelines with guidance specific to manufactured home financing.