

VA Manufactured Home

PRIMARY RESIDENCE PURCHASE				
Units	Maximum Base LTV	Maximum CLTV	Minimum FICO	Maximum DTI
1	100%	N/A	620	Per AUS

Funding Fee Table* Funded Prior To 4-7-2023			
Type of Loan	Down payment	% for First Time Use	% for Subsequent Use
Purchase	None	2.30%	3.60%
	5% but less than 10%	1.65%	1.65%
	10% or more	1.40%	1.40%

*Funding Fee waived for members of the Armed Forces who are serving on active duty and provide, on or before the date of loan closing, evidence of having been awarded the Purple Heart. See the Funding Fee Waiver Section below for eligibility requirements.

Funding Fee Table* Funded On or After 4-7-2023			
Type of Loan	Down payment	% for First Time Use	% for Subsequent Use
Purchase	Less Than 5%	2.15%	3.30%
	5% but less than 10%	1.50%	1.50%
	10% or more	1.25%	1.25%

NOTE: Reduced funding fee rates apply to loans made to purchase or construct a dwelling with a Down payment of five percent or more of the purchase price. Reduced funding fee rates do not apply to refinance loans.

*Funding Fee waived for members of the Armed Forces who are serving on active duty and provide, on or before the date of loan closing, evidence of having been awarded the Purple Heart. See Funding Fee Waiver Section below for eligibility requirements.

General Information	
General Description	30-year, fixed-rate, fully amortizing loan designated specifically for Manufactured (Mobile) Housing. Manufactured Housing is defined as any dwelling unit built on a permanent chassis and attached to a permanent foundation system.
Foundation Inspection / Structural Report	Foundation Inspection <ul style="list-style-type: none"> A foundation certification by a licensed professional engineer is required to validate the foundation meets all FHA/HUD codes when the foundation is new or if the appraiser calls out an issue with the foundation. This inspection report must be in the file at the time of underwriting. Structural Report <ul style="list-style-type: none"> A structural report is only required if there is an addition that is not permitted.
Lock Period	<ul style="list-style-type: none"> 90-120 days
Prepayment Penalty	<ul style="list-style-type: none"> Not permitted
Special Fees	<ul style="list-style-type: none"> Manufactured Home Structural Engineer Certification: \$445 when required Foundation Certification \$445 when required
Temporary Buydowns	<ul style="list-style-type: none"> Not allowed
Underwriting	<ul style="list-style-type: none"> AUS Approve/Eligible Loans must be underwritten by a VA Underwriter All loans must be submitted through DU No manual underwrites/downgrades Housing Payment Shock: 100% maximum. Ineligible <ul style="list-style-type: none"> Out of Scope

Borrower Eligibility

Co-Borrowers / Co-Signers

- Non occupying co-borrower and/or co-signers are not allowed

Funding Fee Waiver

Eligibility

Members of the Armed Forces serving on active duty who are in receipt of the Purple Heart award are eligible for the VA funding fee waiver, *even if the Purple Heart was awarded during a prior period of military service*. For example,

- The Veteran was awarded the Purple Heart in May 2018 and was honorable discharged from the military in July 2018. The Veteran later returned to active duty military service in October 2019 to present. The Veteran (now active duty Servicemember) is eligible for the Purple Heart waiver (exemption) of the VA funding fee unless discharged or released from active duty on or before the date of loan closing.

Evidence

VA will accept the following as sufficient evidence to demonstrate eligibility for the Purple Heart funding fee waiver:

- Purple Heart Certificate, a DD214 clearly showing the Purple Heart award, or military orders. Evidence of the Purple Heart award must be received by VA or CMHL on or before the date of loan closing. DO NOT send original documents to VA. If evidence is received by CMHL on or before the date of loan closing but is unable to verify waiver eligibility with VA prior to loan closing, then CMHL must follow current policies related to uncertain exemption status. In such cases, VA will issue a refund to the Veteran if eligibility for the Purple Heart waiver of the funding fee is established. However, if evidence of the Purple Heart award is received *after* the date of loan closing, the active duty Servicemember will **not** be entitled to a refund of the funding fee paid to VA.

Certificate of Eligibility (COE)

The following conditions on the COE will denote eligibility for the funding fee waiver: *Active Duty Servicemember, Purple Heart Recipient, and Funding Fee*. **Note:** All three conditions must be present to establish the waiver.

- A COE that indicates a Purple Heart funding fee waiver expires upon discharge of the active duty Servicemember. If the active duty Servicemember is discharged or scheduled to be discharged on or prior to loan closing, a new COE is required.
- If the COE does not include the referenced COE conditions and the active duty Servicemember is eligible for the Purple Heart funding fee waiver, evidence of the Purple Heart award must be uploaded into the COE record in the VA portal for review on or before the date of loan closing.

Residual Income Requirements

Below are the tables for Residual income requirements by region. NOTE: Loans with ratios exceeding 41% will require the Veteran to have an additional 120% in residual income.

Residual incomes for loan amounts <\$80,000				
Family Size	Northeast	Midwest	South	West
1	\$390	\$382	\$382	\$425
2	\$654	\$641	\$641	\$713
3	\$788	\$772	\$772	\$859
4	\$888	\$868	\$868	\$967
5	\$921	\$902	\$902	\$1,004
\$75 for each additional family member up to 7				

Residual incomes for loan amounts +> \$80,000				
Family Size	Northeast	Midwest	South	West
1	\$450	\$441	\$441	\$491
2	\$755	\$738	\$738	\$823
3	\$909	\$889	\$889	\$990
4	\$1,025	\$1,003	\$1,003	\$1,117
5	\$1,062	\$1,039	\$1,039	\$1,158
\$80 for each additional family member up to 7				

To determine residual income:

- Determine Gross Income minus Federal, State, Social Security, Medicare and Works Comp.
 - Calculator for deductions can be accessed at paycheckcity.com
- Subtract from that all debt including childcare expenses.
- Subtract from that the total housing payment plus maintenance and utilities.
- The remaining amount is the residual income.
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Residual Income Requirements (cont.)	Key to Geographic Regions on the Above Tables	
	Northeast	Connecticut, Maine Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont
	Midwest	Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota Wisconsin
	South	Alabama, Arkansas, Delaware, District of Columbia Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, Puerto Rico South Carolina, Tennessee, Texas, Virginia West Virginia
	West	Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming
Real Estate Owned (REO)	Maximum # of Properties Financed <ul style="list-style-type: none"> Maximum one property owned and/or financed, including the subject property 	
Financing Types		
Escrow Waivers	<ul style="list-style-type: none"> Ineligible 	
Financing Types	<p>Purchase</p> <ul style="list-style-type: none"> The LTV ratio for a loan secured by a manufactured home that already exists on its foundation will be based on the lower of: <ul style="list-style-type: none"> The sales price of the manufactured home and land or The current appraised value of the manufactured home and land. <p>New Construction</p> <ul style="list-style-type: none"> Newly completed properties (completed less than one year and never owner-occupied) are eligible if either: <ul style="list-style-type: none"> Covered by a one-year VA builder's warranty, Enrolled in a HUD-accepted ten-year insured protection plan, or Built by a veteran, as the general contractor, for his/her own occupancy. Property is eligible for appraisal prior to construction or during construction, if: <ul style="list-style-type: none"> The appraisal is based on proposed construction exhibits, and The property is inspected by VA or HUD during construction All NOV requirements must also be met. <p>Ineligible Financing Types:</p> <ul style="list-style-type: none"> Non-arm's length transactions Cash-Out Refinance High Balance ARM programs 	
Occupancy	<ul style="list-style-type: none"> 1 unit Primary Residence Only 	
Secondary Financing	<ul style="list-style-type: none"> Loans with secondary financing are ineligible <ul style="list-style-type: none"> Includes loans utilizing down payment assistance 	
Credit		
Bankruptcy / Deed-in-Lieu / Foreclosure / Short Sale	<p>Bankruptcy</p> <ul style="list-style-type: none"> Chapter 7 <ul style="list-style-type: none"> Discharged minimum of 2 years Chapter 13 <ul style="list-style-type: none"> If the borrower has satisfactorily made at least 12 months' worth of payments, and The Trustee or Bankruptcy judge approves of the new credit, the lender may give favorable consideration. If Chapter 13 BK is discharged seasoning requirements do not apply. 	
Bankruptcy / Deed-in-Lieu / Foreclosure / Short Sale (cont.)	<p>Deed-in-Lieu / Foreclosure / Short Sale</p> <ul style="list-style-type: none"> 2 years from discharge date to closing date 	

Collections	<p>Isolated collection accounts do not necessarily have to be paid off as a condition for loan approval. A credit report may show numerous satisfactory accounts and one or two unpaid medical (or other) collections. In such instances, while it would be preferable to have collections paid, it would not necessarily be a requirement for loan approval.</p> <p>However, collection accounts must be considered part of the borrower's overall credit history and unpaid collection accounts should be considered open, recent credit.</p> <p>Borrowers with a history of collection accounts should have re-established satisfactory credit in order to be considered a satisfactory credit risk.</p> <p>While VA does not require that collection accounts be paid-off prior to closing if the borrower's overall credit is acceptable, an underwriter must address the existence of the collection account(s) with an explanation on VA Form 26-6393, Loan Analysis, for excluding the negative credit history they represent.</p> <p>If the collection account is listed on the credit report with a minimum payment, then the debt should be recognized at the minimum payment amount.</p>
Housing Payment History	<ul style="list-style-type: none"> Evaluated by AUS. Maximum 0x30 days reported within 12 months prior to the credit report date
Income	
Employment / Income	<ul style="list-style-type: none"> All loans require IRS Form 4506-C <ul style="list-style-type: none"> Form 4506-C must be processed per AUS
Assets	
Reserves	<ul style="list-style-type: none"> Per AUS
Property	
Accessory Units	<ul style="list-style-type: none"> Properties with accessory units are not eligible. <ul style="list-style-type: none"> An accessory unit is defined as an additional living area with a kitchen and bathroom which may be attached to or detached from the primary dwelling. Examples include a living area over a garage, a converted garage, a basement unit, guest quarters, guest home, etc.
Appraisal Requirements	<ul style="list-style-type: none"> Full interior and exterior appraisal must be completed using Manufactured Home Appraisal Report Form 1004C. The appraisal must indicate evidence of both the HUD Data Plate/Compliance Certificate and the HUD Certification Label Appraiser must use a minimum of three comparable sales of similar manufactured homes An existing manufactured home that has been permanently attached to its foundation for less than 12 months prior to the loan application date must have new construction documents in file <p>The following are ineligible:</p> <ul style="list-style-type: none"> If the site or manufactured home is substantially non-conforming with the neighborhood Creating comparable sales by combining vacant land sales with the contract purchase price of the home. This may only be used as additional supporting documentation only
Escrow Repair	<ul style="list-style-type: none"> Ineligible
Flood Insurance	<p>Flood Insurance – LOMA/LOMR/Elevation Certificate</p> <ul style="list-style-type: none"> 24 CFR 203.43f (c) (i) and (d) (ii) require that the finished grade level beneath the manufactured home shall be at or above the 100-year return frequency flood elevation. If any portion of the property improvements (the dwelling and related structures/equipment essential to the property value and subject to flood damage) for both new and existing manufactured homes are located within a SFHA, the property is not eligible for FHA mortgage insurance without: (1) a FEMA issued LOMA or LOMR (in these cases, neither an elevation certificate nor flood insurance is required) or (2) an elevation certificate prepared by a licensed engineer or surveyor stating that the finished grade beneath the manufactured home is at or above the 100 year return frequency flood elevation. When utilizing an elevation certificate, the property remains in an SFHA and flood insurance is required.

Property Requirements	<p>Manufactured Housing Requirements</p> <ul style="list-style-type: none"> • Must be a one-unit dwelling comprised of multiple sections (multi-wide Manufactured Home). No single-wide. • Minimum 700 square feet. • Maximum of 10 acres. • Property must be attached to a permanent foundation system and permanently connected to the septic or sewage system, in addition to being permanently connected to all necessary utilities (water, electricity, gas, service, etc.). • Must not have been installed or occupied previously at any other location or site. • Property must have been existing in place for at least 12 months prior to application. • The land where the manufactured home rests must be owned by the borrower in fee simple. • Must be a one-unit dwelling legally classified as real property. • The towing hitch, wheels, and axles must be removed. • Manufactured home must assume the same characteristics of site-built housing. • Must have sufficient square footage / room dimensions to be acceptable to purchasers in the subject market area. • Must not have any additions or structural modifications to the original structure. This includes additional room count or additional living area square footage which is not allowed. <ul style="list-style-type: none"> ○ Typical porches and decks installed at time of siting, as well as adjacent carports and garages are allowed with structural engineer cert. • Must have been built in compliance with 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 as evidenced by: <ul style="list-style-type: none"> ○ HUD Data Plate/Compliance Certificate – 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 HUD, the data plate includes pertinent information about the unit including a list of factory-installed equipment; and ○ HUD Certificate Label (sometimes referred to as a HUD “seal” or “tag”) – A metal plate located on the exterior of each section of the home. • Property must be located on publicly maintained road • Property must be hooked up to public water source <p>Ineligible</p> <ul style="list-style-type: none"> • Condo manufactured housing • Co-op manufactured housing • HUD Repo’s • Leasehold Property • Manufactured Home in parks • Manufactured Home that has been moved from original installation (re-sitting) • Properties with wells, cisterns, spring fed water systems, or hauled water, etc.
Closing	
Closing Requirements	<ul style="list-style-type: none"> • If applicable state law permits, any Certificate of Title must be surrendered to the state. Documentation must be included in the loan file showing that the Certificate of Title has been surrendered. If the Certificate of Title has not been surrendered, the loan is not eligible. • Confirm the property is legally classified as real property, on a permanent foundation, and owner owns both land and manufactured home • ALTA Endorsement 7, 7.1, or 7.2 or any other endorsement required for manufactured homes to be treated as real property • Deed of Trust (or other security instrument) must include a comprehensive description of the manufactured home and the land in the property description section or on a separate attached rider. The description must include the serial or VIN number for each unit or section, make, model, size, and any other information required by applicable law to definitively identify the manufactured home. • Affidavit of Affixture – Borrower and Lender must sign and notarize acknowledging their mutual intent that the manufactured home be a permanent part of the real property securing the mortgage. Affidavit must be recorded simultaneously with security instrument.