



USDA Property Types

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1A.1 Eligible Property Types

1A.1(a) Single-Family Residence

A detached, semi-detached, or attached single-family dwelling, including town homes and row homes.

1A.1(a)(i) Accessory Dwelling Unit

An ADU (Accessory Dwelling Unit) refers to a habitable living unit, within, or detached from a single-family dwelling, which constitutes a single interest in real estate. The presence of a single ADU does not automatically classify property as ineligible.

Design features as converted portions of existing homes that include a kitchenette or additional attached living area (e.g. bedroom and/or bathroom) without a separate address or independent utilities (e.g. water, gas, electricity) are not restricted, provided the ADU functions in support of household members only.

ADU's which function in support household members, such as multigenerational households are acceptable; however, those designated to create a potential rental income stream are not.

The appraiser will:

- determine if the ADU represents a second single family housing dwelling unit; and,
- document the highest and best use considering all property characteristics, including the status of utilities if they are separate, when making this determination; and,
- include their evaluation in the site analysis and highest and best use section of the appraisal report, as applicable.

1A.1(b) Modular Home

A modular home is a factory built home constructed to the state, local or regional building codes where the home will be located. A modular home is constructed in two or more three-dimensional sections, including interior and exterior finish, plumbing, wiring and mechanical systems.

Upon completion, the modular home is transported to the property site and then joined together on a permanent foundation. A modular home may be transported on a steel undercarriage, but that is not a permanent structural component of the improvements, and it is usually removed at the time the house is attached to the foundation. The modular home assumes the characteristics of a site-built home.

1A.1(c) Condominium

A condominium is a unit in a project in which each unit owner has title to his or her individual unit, an undivided interest in the project's common areas, and in some cases, exclusive use of certain limited common areas.

A condominium project is created according to local and state statutes. The structure is two (2) or more units with the interior airspace individually owned. The balance of the property (land and building) is owned in common by the individual unit owners.

For additional insurance requirements, see the Condominium Insurance section in Chapter 5, Insurance and Survey Requirements in the Operations Guide.

Complete requirements for Condominium warranties and Planned Unit Developments may be accessed through [USDA Chapter 12 -Property and Appraisal Requirements](#). These requirements are located in Section 5: Condominiums, 12.11 Condominiums and Planned Unit Developments (pages numbered 12-33 through 12-36)

Condominium projects governed by a HOA can be approved in accordance with HUD/FHA, VA, Fannie Mae or Freddie Mae eligibility guidelines.

1A.1(d) Planned Unit Development (PUD)

A PUD is a project or subdivision that consists of common property and improvements that are owned and maintained by an HOA for the benefit and use of the individual PUD units. For a project to qualify as a PUD, all of the following requirements must be met:

- Each unit owner's membership in the HOA must be automatic and non-severable;
- The payment of assessments related to the unit must be mandatory; and
- Common property and improvements must be owned and maintained by an HOA for the benefit and use of the unit owners.

Zoning is not a basis for classifying a project or subdivision as a PUD. Units in project or subdivisions simply zoned as PUDs that include the following characteristics are not defined as PUD projects.

These projects:

- Have no common property and improvements;
- Do not require the establishment of and membership in an HOA; and
- Do not require payment of assessments.

For additional insurance requirements, see the Condominium Insurance section in Chapter 5, Insurance and Survey Requirements in the Operations Guide.

1A.1(e) Mixed-Use Property

A mixed-use property is defined as a property primarily used as a residence, but is also being used for a small, commercial purpose, such as a property with space set aside for a day care facility, a beauty or barber shop, doctor's office, a small neighborhood grocery or specialty store.

A mixed-use property must meet all of the following:

- The property must be a one-unit property that the borrower occupies as his or primary residence;
- The borrower must be both the owner and the operator of the business;
- The property must be primarily residential in nature, located in a residential neighborhood, and be typical for properties in the market area;
- The use must represent a legal, permissible use of the property under local zoning laws;
- The dwelling may not be modified in a manner that has an adverse impact on its marketability as a residence;
- The commercial use must not have an adverse effect on the habitability and safety of the property or site; and

1A.1(f) Manufactured Housing

A manufactured home is any dwelling unit built on a permanent chassis and attached to a permanent foundation system. **The primary distinction between manufactured homes and modular lies in the construction standards or code and the inspection processes that must be adhered to.**

1A.1(f)(i) Manufactured Home Eligibility

The following eligibility requirements must be met for all manufactured homes:

- Site development work must conform to standards imposed by the state and local government;
- Subject must be One-unit dwelling;

1A.1(f)(ii) New Construction Manufactured Homes

- Eligible for financing for the purchase of an eligible new unit, transportation, and set up costs.
- The following criteria outlines an eligible manufactured unit for guarantee with the Single-Family Housing Guaranteed Loan program (SFHGLP):
 - Must be a new unit in stock that has never been installed or occupied at any other site or location. Manufactured units may be moved only from the manufacturers or dealer's lot to the site on which the unit will be financed.
 - Must have a floor area of not less than 400 square feet.
 - Must be placed on a permanent foundation built to FHA guidelines in effect at the time of certification. Guidelines are published in the [Permanent Foundation Guide for Manufactured Housing](#) (HUD-4930.3G)
 - Meet or exceed the Federal Manufactured Home Construction and Safety Standard (FMHCSS) Uo Value Zone for the geographic area the unit will be placed. The Uo Value Zone refers to a geographical region and is the measure of the overall heat transfer coefficient of a building. The Value Zone will be indicated on the Comfort Heating and Cooling Certificate. Builder must certify thermal requirements at time of purchase have been met.
- Must have a manufacture date that is within 12 months of the date of loan closing. The manufactured home must be affixed with a data plate inside the home in which the date the unit was manufactured can be found. The certification label must be affixed in a location that will remain visible after all work is completed that is necessary to complete the installation of the home at the home site.
 - As an alternative to the original documentation HUD Certification Label(s), obtain a recent "HUD Certification Verification" letter issued by the [Institute for Building Technology and Safety](#) (IBTS). A duplicate **HUD Data Plate** may be available from the IBTS or by contacting the In-Plant Primary Inspection Agency (IPI) or manufacturer.

1A.1(f)(iii) Existing Manufactured Homes

The purchase of an eligible existing manufactured home and site must meet following criteria for guarantee:

- The existing unit must have never been previously installed on a different homesite.
- Must have a floor area of not less than 400 square feet.
- After factory construction no other alterations, except for: porches, decks or other structures which were built to engineered designs or were approved and inspected by local code officials
- Certification of proper foundation installation is required to confirm installed on a permanent foundation to comply with both:
 - Manufacturer requirements and
 - HUD Installation standards as shown in [HUD-4930.3G](#), Permanent Foundation for Manufactured Housing.
- Manufactured date is within 20 years from the date of loan closing and meets or exceeds the Federal Manufactured Home Construction and Safety Standard (FMHCSS) as evidenced by both:
 - An affixed HUD Certification label and
 - A HUD Data Plate.
- Note: The manufacture date can be found on the data plate located inside the home.
 - If the original **HUD Certification Label(s)** are not available, alternatives are:
 - Obtain a verification letter with the same information contained on the HUD Certification Label(s) from the Institute for Building Technology and Safety (IBTS).
 - A duplicate **HUD Data Plate** may be available from the:
 - Institute for Building Technology and Safety (IBTS), or
 - by contacting the In-Plant Primary Inspection Agency (IPIA) of the manufacturer. A list of the IPIA and DAPIA Offices is posted at [US Department of Housing and Urban Development Program Offices](#)
- Financing of an existing unit due to transfer of an existing Section 502 Direct Guarantee loan or purchase of a real estate Owned (REO) Property. Repairs associated with these transactions may be included.

1A.1(f)(iv) Construction and Site Requirements for New Dwellings

The borrower will contract with a licensed manufactured dealer. Manufactured homes must meet the site and other requirements for new dwellings. The permanent loan file must contain the following:

- An itemized cost breakdown of the total package, including:
 - the base unit, and
 - eligible options, and
 - site development, and
 - installation, and
 - set-up, and
 - lot costs, and
 - any credit for wheels and axles.
- Dealer certification that any cash payment or rebate as a result of the purchase will be deducted from the price of the unit and not paid directly to the borrowers.
- Dealer certification that proposed cost is the full price of the unit. If furniture is being purchased by the applicants with personal funds, a lien will not be filed against the security property.
- Foundation plan designed to meet HUD Handbook 4930.36< Permanent Foundations Guide at Manufactured Housing (PFGMH), guidelines. This guide is available at:
<https://www.huduser.gov/portal/publications/destech/permfound.html>
- Plot and site development plans.
- Inspections in accordance with USDA Handbook guidelines.
- Contractor for certification for multi-sectioned units were;
 - properly joined and sealed according to the manufacturer's specifications, and
 - The home sustained no damage during transportation and set-up.

The primary distinction between manufactured homes and modular lies in the construction standards or code and the inspection processes that must be adhered to.

1A.1(f)(v) Modifications to the Manufactured Home

Additions or structural modifications may make the original unit structurally unsound bring the original unit out of compliance with the HUD Manufactured Home Construction Safety Standards (MHCSS) and make the home ineligible.



However, manufactured homes that have an addition or have had a structural modification may be eligible

- if the state in which the property is located requires inspection by a state agency to approve modifications to the property and there is confirmation that the property has met the requirements; or
- if the state does not have these requirements, 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 MHCS.

1A.1(f)(vi) Ineligible Manufactured Home Property Types

The following are ineligible property types:

- A manufactured home that is not titled as real estate;
- Construction-to-permanent

1A.1(f)(vii) Lien Release Requirements

The dealer must furnish a manufacturer's certificate of origin indicating that the unit is free and clear of all legal encumbrances. A copy of the manufacturer's statement or certificate of origin will be retained in the lender's mortgage permanent loan file.

1A.1(f)(viii) Titling the Manufactured Home as Real Property

All manufactured housing units and land must be classified, zoned and taxed as real estate to be eligible.

The manufactured home loan must be secured by a perfected lien on real property consisting of the manufactured home and land and the manufactured home must be legally classified as real property.

Evidence must be provided to document that the manufactured home is classified as real property may be through tax certificates or title policy to validate that both land and unit are taxed as one parcel.

The loan is not eligible if the original chattel deed or title is not purged, and the property does not

have marketable real estate title.

The mortgage must be insured by a standard real property title insurance policy. Both the unit and site must be evidenced by a recorded mortgage or deed of trust. Preliminary Title Report or Final Title Policy must reflect the commitment or issuance of the appropriate ALTA Endorsement (e.g. ALTA 7.1-16) required to validate that the home is treated as real property.

A combination of a chattel and real estate mortgage is not acceptable. If a certificate of title cannot be surrendered, the lien must be indicated on the certificate of title.

The Deed of Trust or Mortgage (security instrument) must include a complete legal description that includes land and manufactured unit details regarding the manufacturer name, model, year, serial number, size, and any other information required by state law to identify a manufactured home.

1A.2 Solar Panels

If the property owner (seller) is the owner of the solar panels and the solar panels will be included as part of the purchase transaction then standard eligibility requirements apply (e.g., appraisal, insurance, and title). If the solar panels are subject to a lease agreement, power purchase agreement (PPA), or similar type of agreement the following requirements apply:

- Leases and contracts will vary by company and should be considered on a case by case basis to ensure all terms/regulations are met;
- First lien position, by the lender, should be protected and maintained;
- The property should maintain access to an alternative source of electric/gas power that meets community standards;
- The energy company or lessee should not block any foreclosure or servicing actions;
- The lease agreement or PPA should indicate that any damage that occurs as a result of installation, malfunction, manufacturing defect, or the removal of the solar panels is the responsibility of the owner of the equipment and the owner is obligated to repair the damage and return the improvements to their original or prior condition;
- The lease agreement, PPA, or other agreement should indicate that the owner of the solar panels cannot be a loss payee on the homeowner's insurance policy; and
- Leased solar panels are considered personal property and are not included in the appraised value.

1A.2(a) Ineligible

The following make financing the subject property with solar panels ineligible:

- The agreement for an energy system lease or PPA could cause restriction upon transfer of the house, the property is subject to impermissible legal restrictions; and
- Properties with Property Assessed Clean Energy (PACE) loans or assessments.

1A.3 Deed/Resale Restriction

Resale restrictions on the property purchase price are not acceptable.

If the property is restricted to low- or moderate-income borrowers or for an age restricted communities (55+) then the property is acceptable subject to the following Fannie Mae guidelines:

- To provide affordable housing for low-income and moderate-income persons, some state and local governments have introduced the concept of "inclusionary zoning." First mortgages that are subject to this type of zoning restriction or land-use regulation are permitted. In such cases, the deed restrictions must be subordinate to our mortgage and CW Lend must have the first claim to any hazard insurance settlement or condemnation award. In addition, the restrictions cannot impair our legal rights to remedy a default under the mortgage terms, nor should they require us to send a notice of default or foreclosure to any third party;
- The source of the deed restrictions must be included in the public land records so that it is readily identifiable in a routine title search; and
- Any resale controls that affect the restricted units must be for a fixed period. They must be administered by an authorized governmental unit that has established procedures for screening and processing applicants. The zoning authority or local jurisdiction may retain the "right of first refusal" to purchase a restricted unit that is being resold. This right must be exercised within 90 days after the property is listed for sale. However, the deed restrictions cannot obligate us to notify the zoning authority or local jurisdiction separately about a pending foreclosure sale of the restricted unit.

1A.4 Ineligible Property Types/Characteristics

The following property types or characteristics are ineligible:

- Assisted living projects
- Bed and breakfast properties
- Boarding houses



- Builder model leaseback (purchase transactions)
- Commercial properties
- Condo hotels
- Container homes
- Cooperative units
- Existing manufactured home that was previously installed on a different homesite
- Farm-related property
- Fraternity or sorority houses
- Hawaii Lava Zones 1 & 2
- Houseboats
- Hobby farms
- Income producing properties
- Industrial properties
- Investment securities
- Mixed Use Property Types
- Mobile home
- Multi-family dwelling containing more than four units
- Non-warrantable condos
- Other transient housing
- Properties located in a Coastal Barrier Resources System (CBRS)
- Properties not suitable for year-round occupancy
- Properties served by cisterns
- Properties used primarily for agriculture, farming, or commercial enterprise
- Properties without full utilities installed to meet all local health and safety standards
- Rehabilitation loans
- Residential property with a permanently affixed manufactured home on the property
- Tax-sheltered syndicate
- Timeshare unit/project
- Tourist housing
- Two to Four Unit Property
- Unimproved or vacant land
- Unique properties (3D printed homes, geodesic home, berm homes, shouses, barndominiums)



- Vacation homes
- Working farm, ranch, or orchard

Due to the agricultural land and property characteristics of rural areas, only properties that are predominantly residential in use, character and appearance are eligible. The subject property cannot have any land or buildings (e.g., barns, silos, greenhouses, or livestock facilities) that have income-producing uses for agricultural, farming, or commercial purposes.

A minimal income-producing activity, such as maintaining a garden that generates a small amount of additional income may be eligible. Other examples are below:

- Barns used for storage and outbuildings, such as storage sheds, are permitted if they are not used primarily for income producing agricultural, farming, or commercial enterprise.
- Residential site that houses a windmill, billboard or cellphone tower.
- Home-based operations such as childcare, product sales, or craft production that do not require specific building features are not restricted.

Revision History	Date
USDA updated Manufactured Home Eligibility effective 05.05.2025 to include: <ul style="list-style-type: none">• New Construction Manufacture date is within 12 months of the loan closing date• Construction and Site Requirements for New Dwellings• Purchase of an existing Manufactured home and site.• Clarification for Title and Lien requirements• Ineligible Property Types - Added Existing manufactured home that was previously installed on a different homesite	5/5/2025