

CPM Community Lending Program **Summary Manufactured Home Guidelines**

FHA general guidelines

- 15, 20 and 30 year fixed rate products
- Owner Occupied Only
- Rate and Term Refinances Eligible
- Home can never have been moved from original installation site
- 620-649 FICO max 90% LTV
- 650+ FICO max 96.5% LTV
- Funds to close from borrowers own sourced funds or sourced gift
- Engineered, permanent foundation with Engineer's certification for:
 1. Grading
 2. Skirting
 3. Foundation
- Must be elected real property prior to closing or by CPM post closing
- Appraisal must be "as is" or contract must state seller addressing items needed for "as is" appraisal prior to closing
- Multi-Section manufactured homes only
- Home must be HUD code built post June 15th, 1976
- New construction <12 months old or never previously occupied will fall subject to all construction documentation required for construction to permanent financing (septic, well inspection, termite treatment, pre pour inspection, etc.)

Conventional Guidelines

- 15, 20 and 30 year fixed rate products
- Owner occupied, 2nd home (2nd home requires 6 months PITI reserves, 720 fico score and <=70% CLTV)
- Rate and term and limited cash out refinances eligible
- Home is still eligible if moved from original installation site
- 80% max LTV
- Does not require engineered foundation but must have a permanent foundation per manufacturers specifications (appraiser to confirm)
- Adjustments to rate based on FICO score/LTV (see rate card)
- Any required repairs by appraiser must be addressed prior to closing and final inspection by appraiser must be completed
- Home must meet HUD code built post June 15th, 1976

General Property Guidelines

- Although there are no set guidelines for maximum distances for comparisons, comparisons that are better suited to give an accurate market value of the property cannot be passed over in an effort to obtain a higher appraised value. The appraiser must also address any comparisons used that are outside normal distances in the appraisal with an acceptable reason for their use. Age of comps must be between 0 and 12 months from the date of closing.

- Other characteristics of the property such as large tracts of land, solar power properties that are not on the grid, excessive land values in comparison to improvements to the property are only acceptable if the marketability of these properties is supported by similar comparisons and that the property is conducive to that specific area. Home must have at least 900 sq feet of living space.

Seasoning and Property Flipping

- If land equity is being used as down payment for new construction, the land must have been owned for 6 months if using FHA financing and 12 months if using Conventional financing in order to use appraised value of land in calculating the land value. If the property has been owned less than this amount of time, the difference between the original purchase price and the current principle owed can be used as equity in lieu of down payment. Appraised value of Gifted land can be used immediately as can gifts of equity in land. Conventional loans require that the borrower have 5% of their own funds unless gifted down payment or land brings total LTV to 80% or lower.
- Properties owned by seller less than 180 days may require 2 appraisals if being sold to a borrower that is utilizing FHA financing to acquire the property (as of February 1st 2011 HUD's original rule which states the seller must own the property for 90 days prior to resale will be in effect if borrower is using FHA financing to obtain the property. HUD has waived this rule for a one year period lasting from February 1st 2010 through February 1st 2011).