

# Manufactured Homes

Single Family Housing Guaranteed Loan Program  
(SFHGLP)



November 2020



Welcome to the Manufactured Homes online training module presented by USDA's Single Family Housing Guaranteed Loan Program.

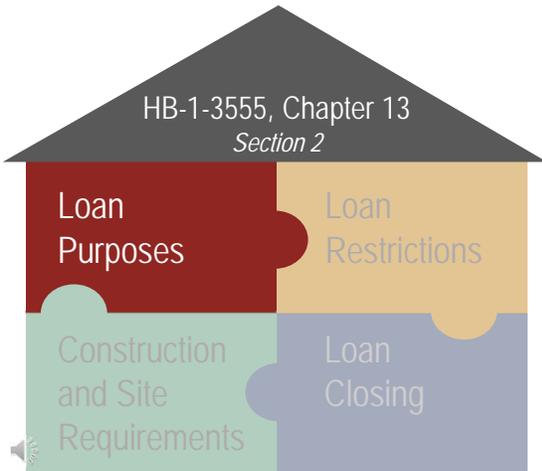
# EXPANDING *Affordable* HOMEOWNERSHIP



Manufactured homes may be financed with USDA's Single Family Housing Guaranteed Loan Program when the unit meets program requirements. This can be an excellent option for affordable homeownership.

## Manufactured Homes: Authorized Loan Purposes

7 CRF 3555.208, HB-1-3555 Chapter 13.6



### Units Must:

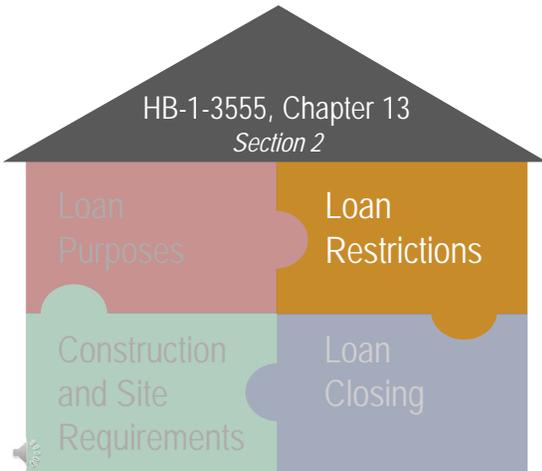
- Have a site that conforms to state and local standards.
- Be a new unit in stock that has never been installed or occupied at any other site or location.
- Have a floor area of not less than 400 square feet.
- Be placed on a permanent foundation.
- Meet or exceed the FMHCSS standards for the geographic area the unit will be placed.

To be eligible for the Single Family Housing Guaranteed Loan Program, manufactured homes must meet the following requirements:

- The site development work must conform to standards imposed by state and local governments.
- The unit must be new and never been installed or occupied at any other site or location other than the dealer's lot.
- The unit must have at least 400 square feet of floor area and be placed on a permanent foundation.
- The unit must meet or exceed the FMHCSS standards for the geographic area where the unit will be placed.

## Manufactured Homes: Loan Restrictions

7 CRF Part 3555.208, HB-1-3555 Chapter 13.7



### The Agency Will Not Guarantee:

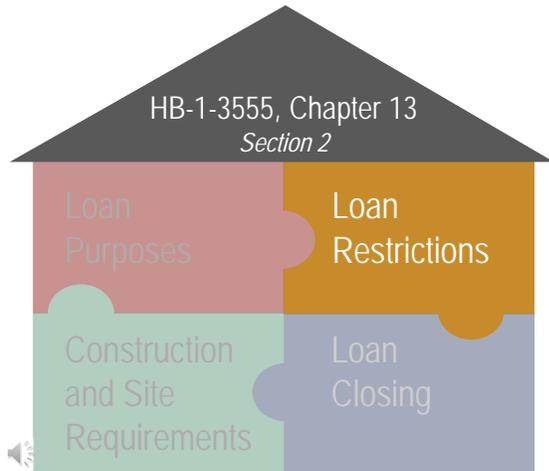
- The purchase of a unit without an eligible site.
- Repairs not associated with a unit already financed by USDA.
- Furniture or any other movable articles of personal property.
  - Wall to wall carpeting, refrigerators, ovens, washing machines, etc. are allowed.
- Additions or modifications other than structures built to engineered designs.

Rural Development will not guarantee loans used to finance the following:

- The purchase of a unit without an eligible site.
- Repairs that are not associated with a unit already financed by USDA.
- Furniture or any other movable articles of personal property. Wall to wall carpeting, refrigerators, ovens, washing machines, or similar items that are typically conveyed with a dwelling are allowed.
- Additions or modifications are also ineligible except for porches, decks, or other structures that are built to engineered designs and are inspected and approved by a local building official.

## Manufactured Homes: Loan Restrictions

7 CRF Part 3555.208, HB-1-3555 Chapter 13.7



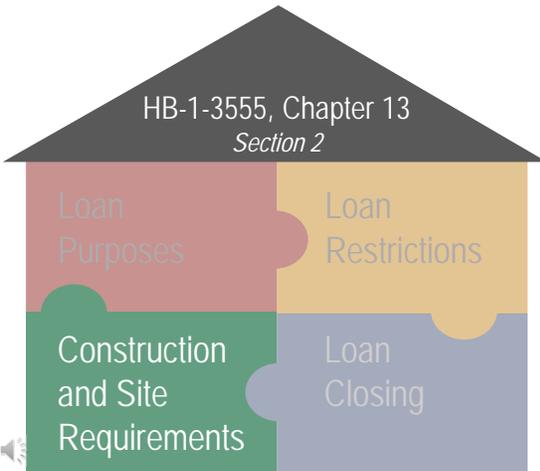
### The Agency Will Not Guarantee:

- The purchase of a unit moved from a site other than a dealer's lot.
- Units older than 12 months from date of purchase agreement.
- A unit with a tow hitch or running gear remaining.

- The purchase of a unit moved from a site other than a dealer's lot.
- Units older than 12 months from the date of the purchase agreement.
- A unit with a tow hitch or running gear remaining are also ineligible.

## Manufactured Homes: Construction & Site Requirements

7 CRF Part 3555.208, HB-1-3555 Chapter 13.8



### Lender's Permanent File Must Contain:

- An itemized cost breakdown of the total package.
- Dealer certification that no cash back will be paid directly to the applicant.
- Dealer certification that proposed cost is the full price of the unit.

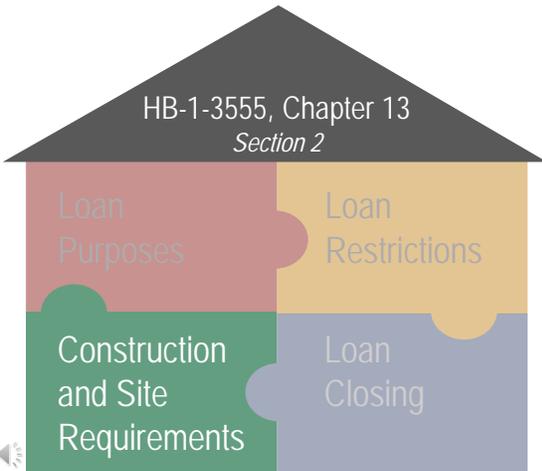
The borrower will work with a licensed manufactured home dealer through the completion of the project. It is the lender's responsibility to obtain all required certifications and documentation of the project and retain it in their permanent loan file.

Documents are to include:

- An itemized cost breakdown of the complete construction package.
- Dealer certification that any cash payment or rebate will be deducted from the price of the unit and not paid directly to the applicant.
- Dealer certification that the proposed cost is the full price of the unit.

## Manufactured Homes: Construction & Site Requirements

7 CRF Part 3555.208, HB-1-3555 Chapter 13.8



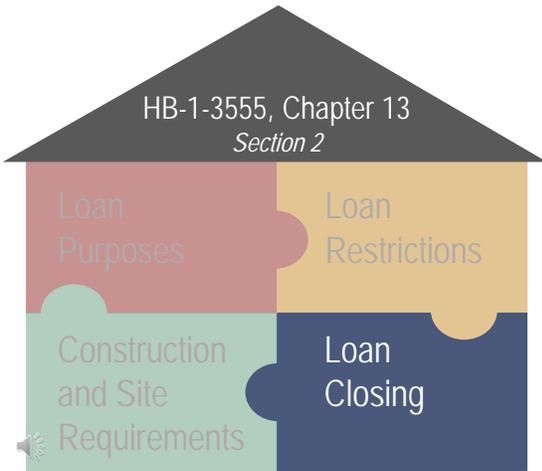
### Lender's Permanent File Must Contain:

- Foundation plan that meets HUD Handbook 4960.3 guidelines.
- Plot and site development plans.
- Inspections required per HB-1-3555, Chapter 12.
- Contractor certification that units were properly joined and sealed and sustained no damage during transportation and set up.

- Evidence that the foundation meets HUD Handbook requirements.
- Plot and site development plans.
- All inspections required and outlined in HB-1-3555, Chapter 12.
- And lastly, certifications from the dealer and the builder/contractor that all units were properly joined and sealed and sustained no damage during transportation and set up.

## Manufactured Homes: Loan Closing

7 CRF Part 3555.208, HB-1-3555 Chapter 13.9



### Additional Closing Requirements:

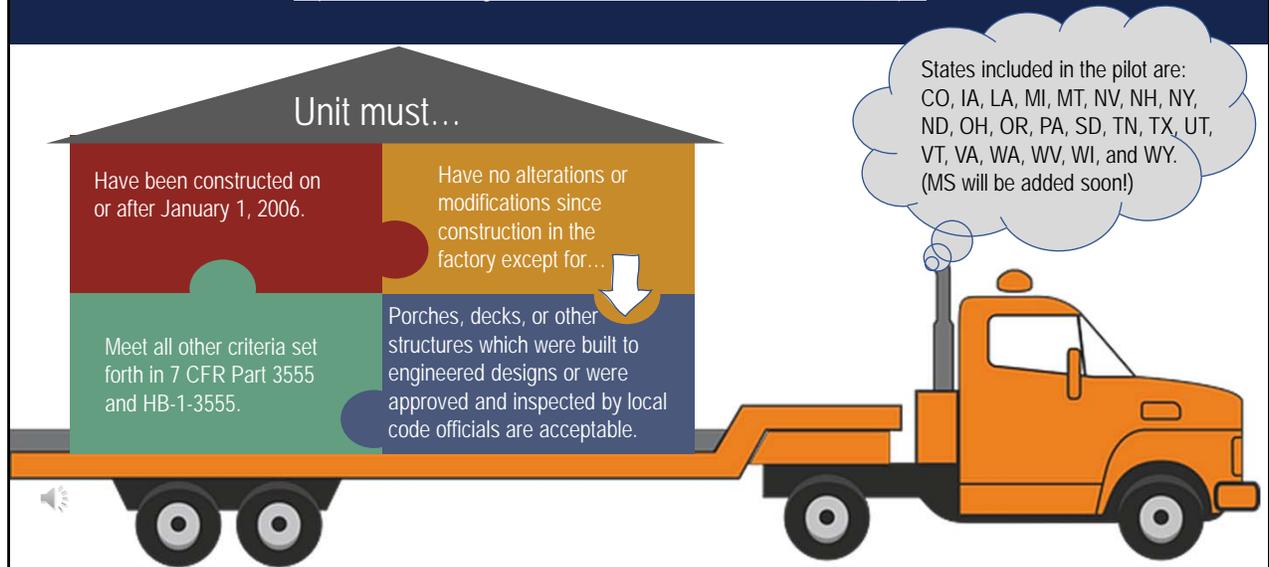
- **Warranty:** Dealer must provide the borrower with a copy of all manufacturer warranties.
- **Certifications:** Attachments 13-A and 13-B may be used to document manufactured dealer and contractor certifications.
- **Real Estate Tax:** Unit and site must be classified, zoned, and taxed as real estate.
- **Title and Lien:** Both the unit and the site must be evidenced by a recorded mortgage or deed of trust.

Loan closing procedures are the same whether the guarantee is made for the purchase of a manufactured home or another type of single-family home. However, the lender should be aware of the following additional requirements:

- The dealer must provide the borrower with a copy of all manufacturer warranties.
- Attachments 13-A and 13-B which can be found in Chapter 13 of HB-1-3555, may be used to document manufactured dealer and contractor certifications.
- The unit and site must be classified, zoned, and taxed as real estate.
- Both the unit and the site must be evidenced by a recorded mortgage or deed of trust.

## Manufactured Homes: Pilot Program

Unnumbered Letter: [https://www.rd.usda.gov/sites/default/files/RDUL-Sec502-Pilot\\_0.pdf](https://www.rd.usda.gov/sites/default/files/RDUL-Sec502-Pilot_0.pdf)



To further expand the opportunity for affordable homeownership in certain states, Rural Development has implemented a pilot program where existing manufactured homes may be eligible in certain cases. Some of the key highlights of the pilot program include:

- The unit must have been constructed on or after January 1, 2006.
- The unit must not have had any alterations or modifications to it since construction in the factory, except for porches, decks or other structures which were built to engineered designs or were approved and inspected by local code officials.
- The applicant and property must meet all other criteria set forth in 7 CFR Part 3555 and HB-1-3555.
- These loans must be processed manually and the GUS may not be utilized.
- For more information on this pilot program, view the complete Unnumbered Letter listed here.

# LEARNING CHECKS

7 CFR Part 3555 / HB-1-3555



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The best way to learn information is to test your knowledge!

# QUESTION

Topic

- Question will be bulleted with scenario, or
- Include a statement/question

TRUE/FALSE or other answer options will be displayed



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Each question slide will list:

- the topic
- A question or scenario, and
- potential responses.

# ANSWER

Topic

*7 CFR Part 3555 and HB-1-3555 references provided*

## **X. Correct Response**

- Additional guidance for clarification may be provided



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The answer slide will list:

- The topic
- The reference to the answer from the regulation and handbook
- The correct response, and
- Any additional clarification that may be helpful.

*Ready?*

LET'S GET  
STARTED!



Let's get started!

## QUESTION

Manufactured Homes

- The purchase of a site to place a new manufactured housing unit with a permanent foundation is an eligible loan purpose.

A. TRUE      B. FALSE



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Read the question on the slide and select a response.

## ANSWER

Manufactured Homes

*3555.208(a)(2) and HB 13.6*

### **A. TRUE**

- The site and unit must both be part of the collateral.
- Loans without a site are ineligible.



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- True.
- USDA requires all collateral to be included with the dwelling and the site.
- Loans submitted to USDA without a site are ineligible.
- The appraised value of the dwelling must support the full price, or any remaining balance, of a lot/site loan that may apply.

## QUESTION

Manufactured Homes

- A manufactured housing unit purchase will also include household furnishings such as sofas and bedroom suites.
- This is an eligible loan purpose.

A. TRUE      B. FALSE



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Read the question on the slide and select a response.

## ANSWER

Manufactured Homes

*3555.208(b)(2), HB 13.7*

### **B. FALSE**

- Moveable furniture and other similar articles are ineligible.
- Appliances, carpeting, and heating and air units are eligible.



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- False.
- Personal property, movable furniture, and other similar articles are ineligible to be included in the loan amount.
- Appliances, wall to wall carpeting, heating and air conditioning units, etc. are eligible loan purposes.

## QUESTION

Manufactured Homes

Manufactured housing units must have a minimum of \_\_\_\_\_ square feet to be eligible for a guarantee.

- A. 750
- B. 500
- C. 400
- D. 1000



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Read the question on the slide and select a response.

## ANSWER

Manufactured Homes

*3555.208(c)(1) and HB 13.6*

### **C. 400 square feet**

- Units must have a minimum of 400 square feet of living area.
- The unit may be single or double wide.



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- C. 400
- Manufactured housing units must have a minimum of 400 square feet of living space.
- Manufactured units may be single wide or multi-sectional.
- There is no restriction on the unit type the applicant may wish to purchase.

## QUESTION

Manufactured Homes

Permanent foundations for manufactured housing units must meet\_\_\_\_\_.

- A. Federal Manufactured Home Construction and Safety Standards (FMHCSS)
- B. International Residential Code



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Read the question on the slide and select a response.

## ANSWER

Manufactured Homes

*3555.208(c)(4) and HB 13.6*

### A. FMHCSS

Additional unit considerations include:

- Meet HUD heating and cooling requirements for the state.
- Any alterations, such as garages, must also meet FMHCSS.
- All wheels, axles, towing hitches, and running gear must be removed.

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- Answer: A
- Federal Manufactured Home Construction and Safety Standards.
- Additional considerations for manufactured home construction and set up include:
- The unit must meet the HUD requirements for heating and cooling that apply to the State where the unit will be set up.
- Any alterations to a unit such as an attached garage must meet the FMHCSS requirements.
- All wheels, axles, towing hitches, and gear must be removed from the unit.

## QUESTION

### Manufactured Homes

A manufactured home is considered new when the purchase agreement is dated within \_\_\_\_\_ months of the unit's manufacture date.

- A. 36
- B. 24
- C. 12
- D. 18



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Read the question on the slide and select a response.

## ANSWER

Manufactured Homes

*3555.208(b)(3), HB 13.7*

### **C. 12 months**

- Purchase agreements must be dated within 12 months of the manufacture date of the unit.
- Units may not be moved from a site other than the dealer's lot.



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- Answer: C. 12 months.
- Purchase agreements for manufactured homes must be dated within 12 months of the manufacture date of the unit.
- This meets the definition of a “new” unit.
- Units may not be moved from another site to a new site except for an eligible unit that is moved from the dealer’s lot to the permanent site.

*Way to Go!*  
LEARNING CHECK  
COMPLETED!



Way to go! You have completed the learning checks!

## Lender Toolkit



Rural Development has developed numerous tools and resources to assist lenders with originating, processing, and servicing guaranteed loans.

- This training module has provided you with an overview of the key requirements of Manufactured Homes.
- Complete program requirements and guidance can be found in 7 CFR Part 3555, Subpart E, Section 3555.208 and Chapter 13 Section 2 of HB-1-3555.
- Be sure to bookmark these references, save yourself valuable time by using Ctrl-F to quickly search and find answers, and always ensure you are referencing the most current publications.
- The “Program Overview Training” module will assist you in learning how to navigate through all the resources and tools Rural Development has created to assist you.

**Have a question on POLICY?**

*Contact the PAC team!*



TOPIC	CONTACT
<b>File-Specific Questions</b> Information to include in email: <ul style="list-style-type: none"> <li>Identify the state the application is located, if applicable;</li> <li>Provide applicant's name and USDA borrower ID, if applicable;</li> <li>GUS loan number, if applicable</li> <li>Include contact information; and</li> <li>Indicate if you would like a call back (otherwise you will receive an email reply)</li> </ul>	Production Team One: <a href="mailto:SFHGLPONE@usda.gov">SFHGLPONE@usda.gov</a> AK, AL, AZ, CA, CO, GU, HI, IA, ID, KS, MT, NM, NV, OR, SD, TX, UT, WA, WI, WY, WY Production Team Two: <a href="mailto:SFHGLPTWO@usda.gov">SFHGLPTWO@usda.gov</a> AR, KY, LA, MN, MO, MS, ND, NE, NJ, NY, OK Production Team Three: <a href="mailto:SFHGLPTTHREE@usda.gov">SFHGLPTTHREE@usda.gov</a> CT, DE, GA, IL, MA, MD, ME, MI, NC, NH, RI, SC, VT, WV Production Team Four: <a href="mailto:SFHGLPTFOUR@usda.gov">SFHGLPTFOUR@usda.gov</a> FL, IN, OH, PA, PR, TN, VA, VI
Lender Approval	<a href="mailto:sfhold.compliance@usda.gov">sfhold.compliance@usda.gov</a>
Lender Recertification	<a href="mailto:sfhold.compliance@usda.gov">sfhold.compliance@usda.gov</a>
Program Training	<a href="mailto:sfhold.lenderpartner@usda.gov">sfhold.lenderpartner@usda.gov</a>
Program Marketing & Outreach	<a href="mailto:sfhold.lenderpartner@usda.gov">sfhold.lenderpartner@usda.gov</a>
General Loan Scenario Questions	<a href="mailto:sfhold.program@usda.gov">sfhold.program@usda.gov</a>
Loan Policy/Regulation/Handbook	<a href="mailto:sfhold.program@usda.gov">sfhold.program@usda.gov</a>
Loan Servicing	<a href="mailto:sfhlpservicing@usda.gov">sfhlpservicing@usda.gov</a>
Technical Issues: e-Authentication	<a href="mailto:eAuthHelpDesk@fnc.usda.gov">eAuthHelpDesk@fnc.usda.gov</a> 800-457-3642, option 1 (USDA e-Authentication <a href="#">Issues</a> )
Technical Issues: GUS	<a href="mailto:RD.HD@STL.USDA.GOV">RD.HD@STL.USDA.GOV</a> 800-457-3642, option 2 (USDA Applications); then option 2 (Rural Development)
Loss Claims	<a href="mailto:guarantee.nrc@stl.usda.gov">guarantee.nrc@stl.usda.gov</a>
Monthly & Quarterly Status Reporting	<a href="mailto:rd.nfaoc.hsb@stl.usda.gov">rd.nfaoc.hsb@stl.usda.gov</a>
GUS User Agreements	<a href="mailto:rd.nfaoc.hsb@stl.usda.gov">rd.nfaoc.hsb@stl.usda.gov</a>
TOOLS & RESOURCES	
Regulation and Handbook: <a href="https://www.rd.usda.gov/resources/directives">https://www.rd.usda.gov/resources/directives</a> Lender Webpage—Turn times, contact information, and helpful links: <a href="https://www.rd.usda.gov/page/sfh-guaranteed-lender">https://www.rd.usda.gov/page/sfh-guaranteed-lender</a> USDA LINC—Training modules, user guides, and more useful resources: <a href="https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library">https://www.rd.usda.gov/programs-services/lenders/usda-linc-training-resource-library</a> GovDelivery—Receive notifications regarding origination, servicing, and GUS updates: <a href="https://public.govdelivery.com/accounts/USDARD/subscribe/new">https://public.govdelivery.com/accounts/USDARD/subscribe/new</a>	

**Need TRAINING?**

*Contact the LPA team!*



**Have a question on a SPECIFIC FILE?**

*Contact the OPD!*





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- Users should first look for answers to their questions in the regulation and handbook, but if you still have a question after reviewing your resources, we're here to help.
- All policy and regulation questions regarding the topic we just covered should be sent to our Policy, Analysis, and Communications Branch and
- If you would like to request additional program training, contact our Lender and Partner Activities Branch.

Thank you for supporting the USDA Single Family Housing Guaranteed Loan Program and America's rural homebuyers!



[www.rd.usda.gov](http://www.rd.usda.gov)

1 (800) 800-670-6553

 *USDA is an equal opportunity provider, employer, and lender.*



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This will conclude the training module. Thank you and have a great day!