Fannie Mae Works with HFAs: Supply & Change in Manufactured Housing

Single Family Business

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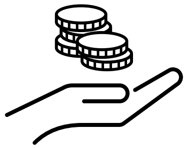
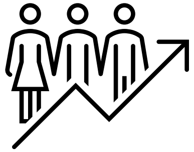
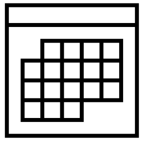
MH Housing Stock

MH - an affordable option that performs[1]

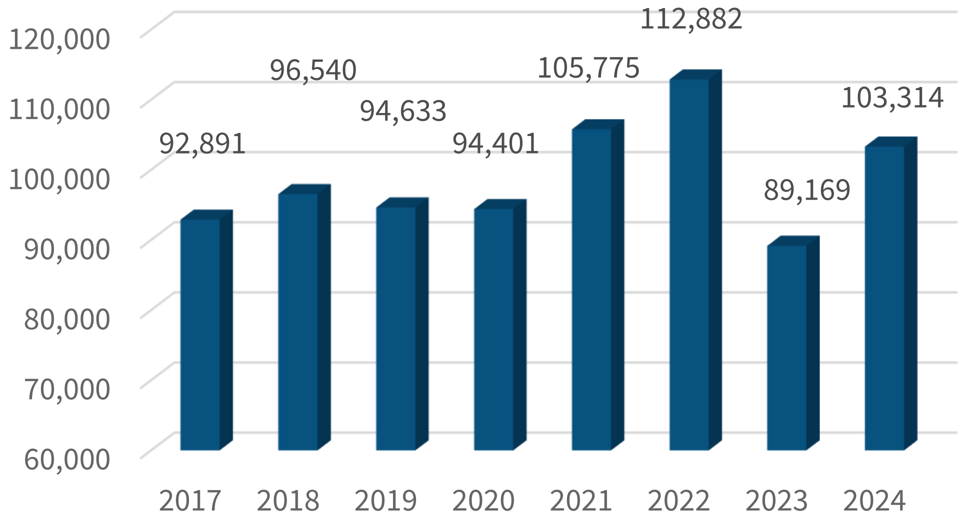
- **20.6 million people live in MH**
- **9.3% of new single-family home starts**
- **$109,400 average new MH**
- **Avg. Price per Sq. Ft. $93.71**
- **Streamlined Build Time**
  - **Months vs. Year(s)**
  - **Purchasing, production, and installation efficiencies**
- **MH appreciates at nearly identical rates to site-built[2]**







Demand for MH is strong



38 manufacturers operating from 152 plants produced 103,314 housing units in the U.S. in 2024.

1 Industry statistics per https://mhinsider.com/manufactured-housing-industry-trends-statistics/
2 https://www.urban.org/urban-wire/manufactured-homes-increase-value-same-pace-site-built-homes

MH is a critical source of affordable supply

Special pricing is available for eligible MH loans.

Loan Level Price Adjustments (LLPAs) are waived for borrowers that meet certain requirements:

- **Area median income (AMI) ≤ 100%**
- Property is an owner-occupied **principal residence**
- **Purchase money** or **limited cash-out refinance** transactions

See the LLPA Matrix and Duty to Serve eligibility requirements for details.

What is a Manufactured Home?

Definition of Manufactured Homes

- The U.S. Department of Housing and Urban Development (HUD) establishes and enforces the national code for the construction, design, performance, and installation of manufactured homes to assure their quality, durability, affordability, and safety
- Manufactured homes are built in compliance with the U.S. HUD code

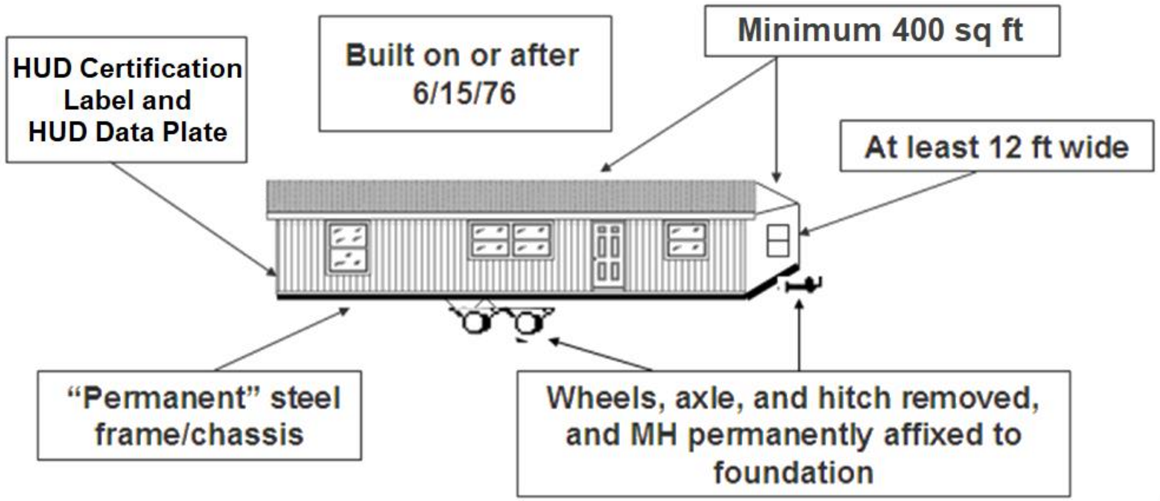
Manufactured HUD code homes are:

- Built on or after June 15, 1976
- Built on a permanent metal chassis or frame and pulled to the site with axles and wheels
- Titled as a trailer or personal property

Fannie Mae requires:

- Wheels, axles and hitches to be removed
- Connection to utilities – comply with local and state requirements
- Permanently affixed to a foundation
- Converted and titled as real property
- Must be a minimum of 400 sq. ft.

Home Specifications and Requirements



Must be acceptable to typical purchasers in market area.

Manufactured/ Modular Housing Types

For Fannie Mae Eligibility	Stick-Built Traditionally built home that uses a standard foundation and frame made of wood or steel	Modular Factory-built in sections and assembled on-site	MH Advantage® Innovative homeownership option pairs affordable financing with specially designated manufactured housing (MH) having characteristics typical of site-built homes	Manufactured (Standard) Factory-built and transported to site
Code Requirement	Local building code	Local building code	HUD MH code and MH Advantage sticker or CHOICEHome® label	HUD MH code
Foundation	Permanent	Permanent	Permanent	Permanent
Title Type	Real property	Real property	Real property	Real property
Financing	Max LTV/CLTV 97%	Same as stick-built, max LTV/CLTV 97%	Same as stick-built, max LTV/CLTV 97%; standard MH LLPA waived	Max LTV/CLTV 95%; 0.50% Loan-Level Price Adjustment (LLPA)
Appraisal Report and Comparables	Form 1004	Same as stick-built, Form 1004	Form 1004C; comparable sales include MH Advantage homes, CHOICEHome homes, or best and most appropriate sales available, which must include site-built homes	Form 1004C; Minimum of 2 similar MH comparable sales

Refer to the Fannie Mae *Selling Guide* for details.

*Loan-level price adjustments (LLPAs) are waived for first-time homebuyers who meet certain income requirements and Duty to Serve loans. See the LLPA Matrix and Duty to Serve eligibility requirements for details.

CHOICEHome is a registered trademark of the Federal Home Loan Mortgage Corporation.

MH offers solutions to suit a variety of needs

- **Variety of homes meet homebuyer needs:**
  - Deeply affordable to “like site-built”
- **New Market applications:**
  - 2 to 4-unit configurations and ADUs
  - Fannie Mae research suggests that optional performance standards can improve energy efficiency by as much as 38% relative to base code
- **Well-Integrated into Affordable Housing Ecosystem**:
  - Loan-Level Pricing Adjustments waived by Fannie Mae for qualified borrowers
  - 250% increase in down payment assistance usage since 2018
  - Land Bank use cases in certain markets

Title Conversion

To sell your MH loan to Fannie Mae, the title must be converted to real property

While each state has its own particular process for converting a manufactured home from personal property to real property, there are two general approaches:

Certificate of Title

- Similar to a deed of conveyance for a manufactured home
- In states where this document is required, it generally must be applied for and then cancelled to title MH as real property for a “land home” mortgage loan transaction

Affidavit of Affixture

- In some states, a Certificate of Title is not required if the home is new and will be permanently affixed to land
- Generally filed with a state office

Fannie Mae provides an overview of MH titling requirements for all 50 states and D.C.

www.FannieMae.com/MHTitling

Fannie Mae is proud to be a leading source of financing for Manufactured Homes

- We offer two single-family conventional financing products for single- and multi-width manufactured homes:

Standard Manufactured Housing:

Offers borrowers one of the most affordable paths to homeownership, providing the space they need at an attainable price

MH Advantage:

Designed to appeal to site-built customers, featuring aesthetics that align with a variety of neighborhoods

Standard MH

Who is Standard MH for?

Manufactured Homes (MH) can help address borrowers' evolving needs and provide a growing business opportunity for lenders. MH is a cost-effective homeownership option for millions of people across America that can help expand your borrower base and grow your business.

Learn More

Key benefits of Conventional Financing for Standard MH:

Cancellable Mortgage Insurance

Mortgage insurance is cancellable once the borrower reaches 20% equity, resulting in savings during the life of the loan.

Flexible Terms

Borrowers with credit scores ≥ 620 are eligible; borrowers with credit scores ≥ 680 may get even better pricing.

Temporary Interest Rate Buydowns

Mortgages secured by Standard MH (single- and multi-width) may have temporary interest rate buydowns to help borrowers take advantage of interest rate savings.

MH Advantage

MH Advantage is an innovative mortgage option that offers affordable conventional financing for MH that offers features similar to site-built homes, including:

- Roof treatments distinct from traditional manufactured homes, including eaves and higher pitch rooflines
- Lower profile foundations, carports, garages, porches and/or dormers
- Interiors that feature drywall and kitchens and bathrooms with upgraded cabinets
- Exteriors that feature durable siding materials

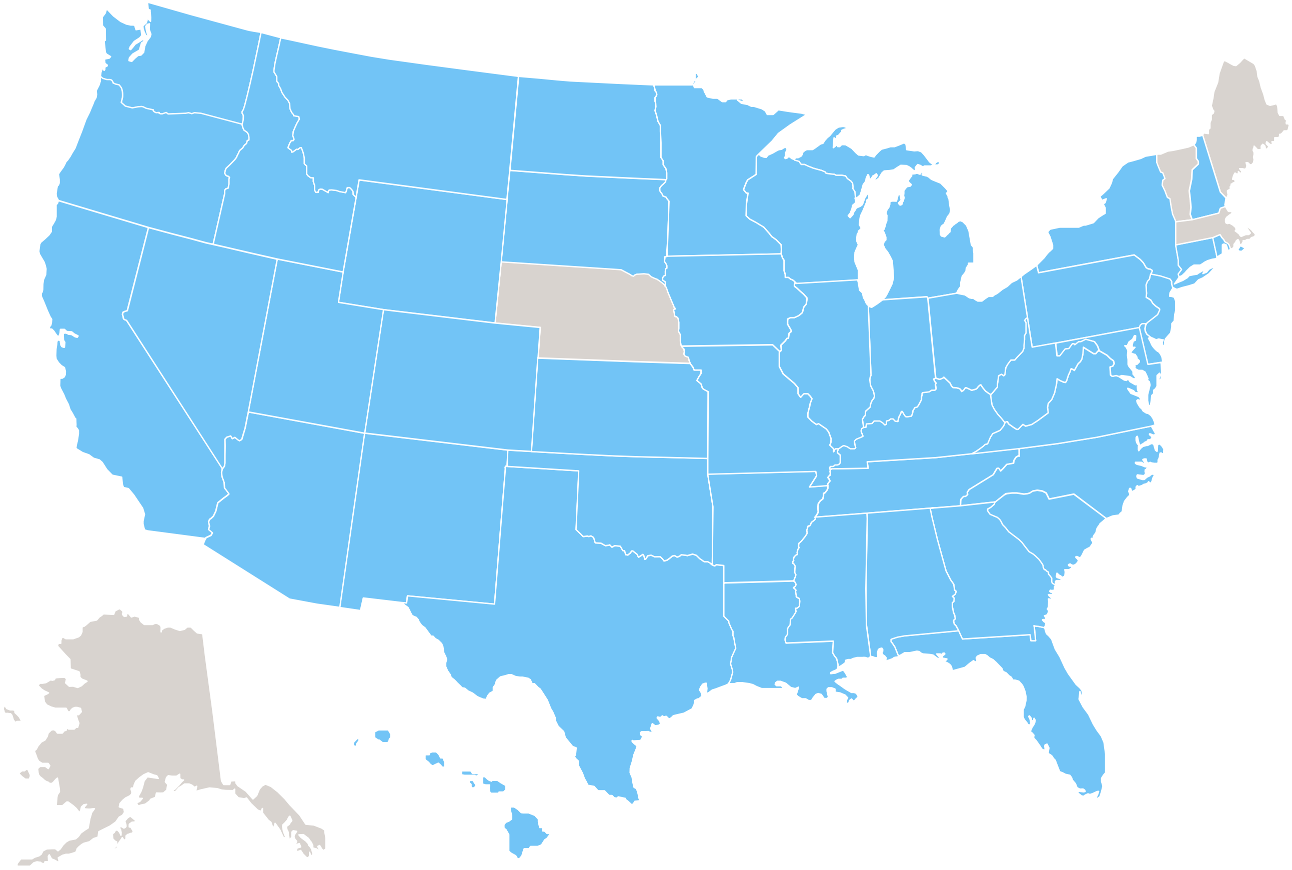
As of September 3, **single-width** MH Advantage homes and homes with CHOICEHome™ labels are eligible for MH Advantage financing.

Photos of Single-width CrossMod homes taken on National Mall during the 2025 HUD Innovative Housing Showcase

Builders and Developers are Seeing the MH Advantage

While most manufactured homes are purchased through retailers, the lower cost and aesthetic appeal of MH Advantage homes relative to site-built makes them a good fit for any scenario – from infill to subdivisions.

Builders and developers are starting to take notice, building neighborhoods that incorporate MH into their communities.



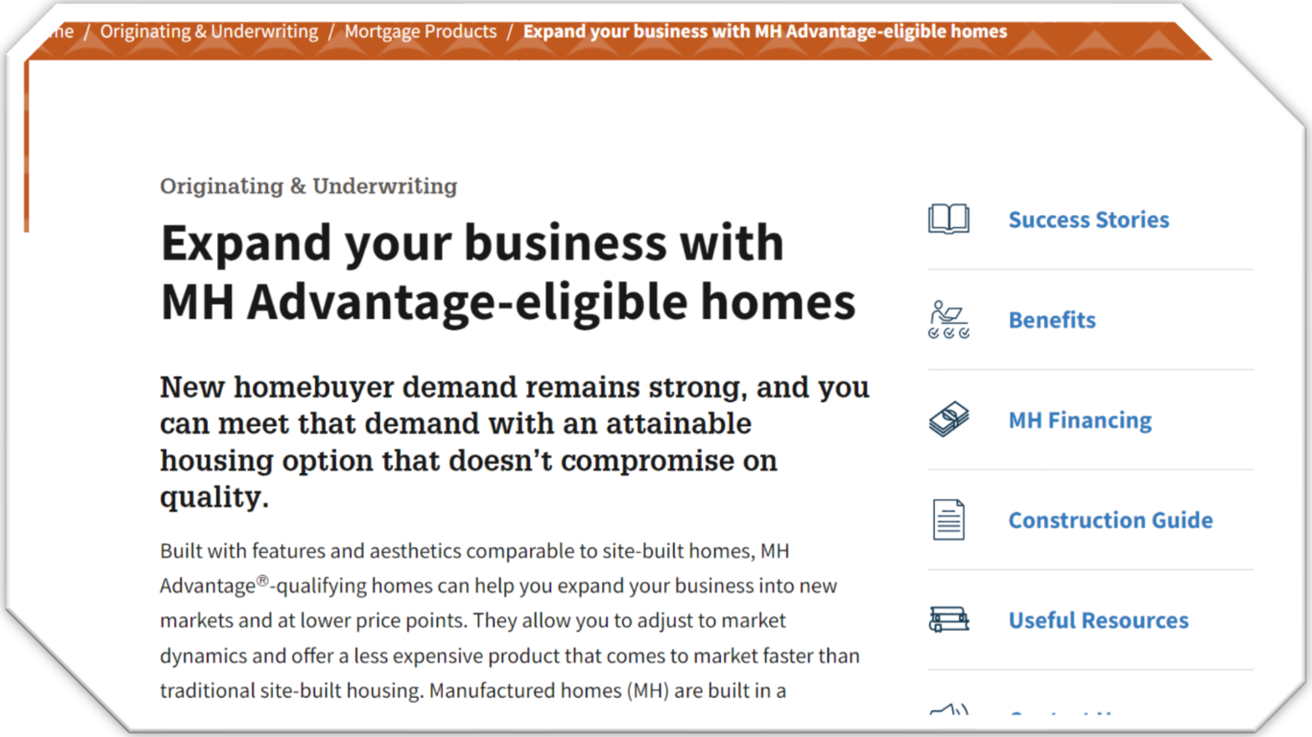
This map reflects Fannie Mae's understanding of where manufactured housing with MH Advantage stickers are located

Grow Your Business - Resources for Builders/Developers

We provide builders and developers with information and resources to help them leverage MH Advantage homes in their offerings, including:

- Financing information
- Aesthetic highlights of MH Advantage
- A construction guide that showcases demand and installation steps
- Testimonials from builders and developers who have implemented MH Advantage in their subdivisions

Help your builder/developer partners learn more at **FannieMae.com/MHASubdivisions**.



The Homebuying Process for New Manufactured Homes

DISCOVER

When someone becomes familiar with MH as an option: hearing about someone's experience, seeing advertisements, or visiting a subdivision of an MH community.

SHOP

Practical steps that lead to a decision to buy: researching MH, visiting a dealer, searching for a lot, discussing payment options, and, ultimately, committing to a dealer.

FINANCE

Discussions of loan options, the loan origination process, and the purchase of land.

BUILD

Manufacturing the home, site prep, and all pre-construction inspections.

INSTALL

The delivery of the home as well as installation, utility hookups, site improvements, and final appraisal.

MOVE IN

Includes final walk-through and the title conversion of the home to real property.

Common Deficiencies with Manufactured Home Appraisals

Comparable Selection

- Failure to provide two manufactured home sales for standard MH

Prior sale of subject

- Failure to report/analyze the prior sale
- Failure to support increase in value

Unsupported Cost approach

- Incomplete cost approach (requirement for MH)
- Land value not supported

MH Advantage

- Failure to provide photos of driveway, sidewalk, HUD Data Plate, HUD Certification Label(s) and MHA sticker
- Cost approach higher than the cost of the home plus land
- Failure to compare to similar quality homes

MH loans are eligible for C-to-P Financing

C-to-P mortgages for MH extend the benefits and flexibilities of Construction-to-Permanent financing to homeowners purchasing manufactured homes.

MH Underwriting	Single-Close C-to-P	Two-Close C-to-P
A fully amortizing purchase transaction is used to pay for the land and construct the home, or a refinance transaction to pay off mortgages and liens for the land, home, and other cost to build the home, or for an existing home.	Single-closing uses an interim loan for construction which automatically converts to a permanent fully-amortizing loan when the construction is complete. Can be closed as a purchase transaction (borrower does not own the land) or refinance transaction (borrower owns the land). Manufactured homes follow the same process and logic as site-built homes.	In a two-closing interim loan is closed and used to build the home. Once construction is complete, a second closing of a fulling amortizing refinance loan is used to pay off liens for the home and potentially a mortgage on the land.

Learn more in the Manufactured Home Financing Product Matrix

Mortgages in ROCs - Connecting Community with Capital

Borrowers

Borrower is a member of a resident-owned community and owns a manufactured housing (MH) unit titled and taxed as real property under applicable state law

Mortgage lenders

Mortgage lender originates fixed-rate loan underwritten to conventional market standards

Technical assistance providers

Leverage technical assistance providers to help collect ROC documents for Fannie Mae approval, connect residents to DPA opportunities, and help residents manage their communities

Since 2008, Fannie Mae has provided **over $25 million in mortgage financing** to consumers living in ROCs

Conventional Financing for Leasehold MH: Where Are We Today?

Manufactured Housing in ROCs

- 13 ROCs currently approved in New Hampshire (as of November 2024)
- Expanded to other states (CA, OR, VT) in 2024
- Exploring opportunities to enhance Single family program delivery

Manufactured Housing in privately-owned MHCs

- Fannie Mae has a leasehold MH program available to communities structured as condominiums or planned unit developments (PUDs), with resident participation via HOA structure
- Actively discussing product viability with developers/operators of new construction MHCs
- Exploring opportunities to enhance existing policy

You asked, we listened

We're listening to feedback and addressing industry concerns to make MH financing more accessible

Site-built comps required for MH Advantage appraisals

February 2023 – If fewer than three MH Advantage sales are available, the appraiser must supplement with the best and most appropriate sales available, which must include site-built homes. Learn more

Temporary interest rate buydowns for MH

August 2023 - Temporary interest rate buydowns, which allow sellers or other parties to temporarily allow borrowers to pay a reduced interest rate for a period of time, are now available for MH. Learn more

CLT eligibility for MH

May 2024 – Expanded policy to allow one-unit single-width, multi-width, and MH Advantage® manufactured homes subject to a community land trust that are not located in a condo or PUD project. Learn more

Single-width MH in PUDs

November 2024 - We removed the requirement that single-width units in PUDs and PUD projects consisting of single-width manufactured homes require PERS approval. Learn more

Single-width MH Advantage and CHOICEHome™ eligibility

September 2025 – Expanded eligibility to include single-width MH Advantage® homes and now recognize Freddie Mac CHOICEHome® as an MH Advantage equivalent as evidenced by the CHOICEHome label. Learn more

Fannie Mae

Financing MH with other Products

Apply the more restrictive eligibility requirements

- **HomeReady®**
- **HFA Preferred™**
- **HomeStyle® Energy**
- **HomeStyle Renovation**

MH References & Resources available

[MH Financing Landing Page]

[Underwriting Manufactured Homes]

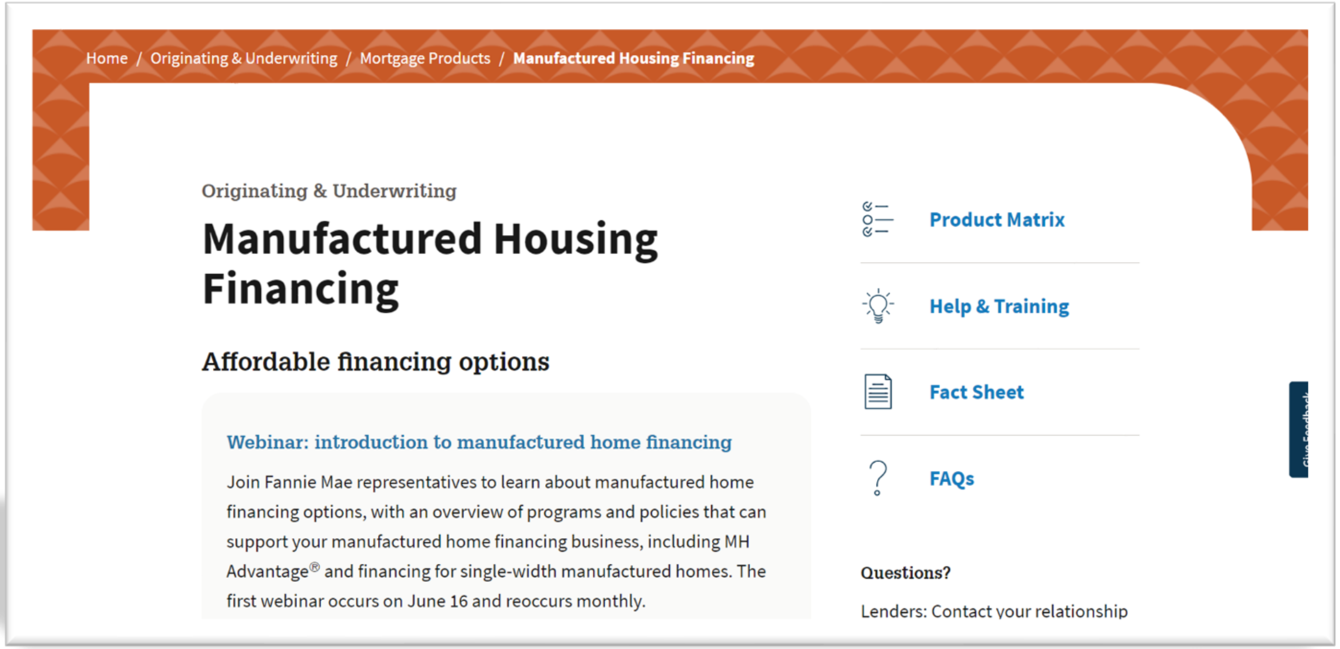
[MH Advantage for Appraisers]

[Product Matrix]

[MH Advantage for Retailers]

[Manufactured Housing FAQ]

[Resources for Builders and Developers]

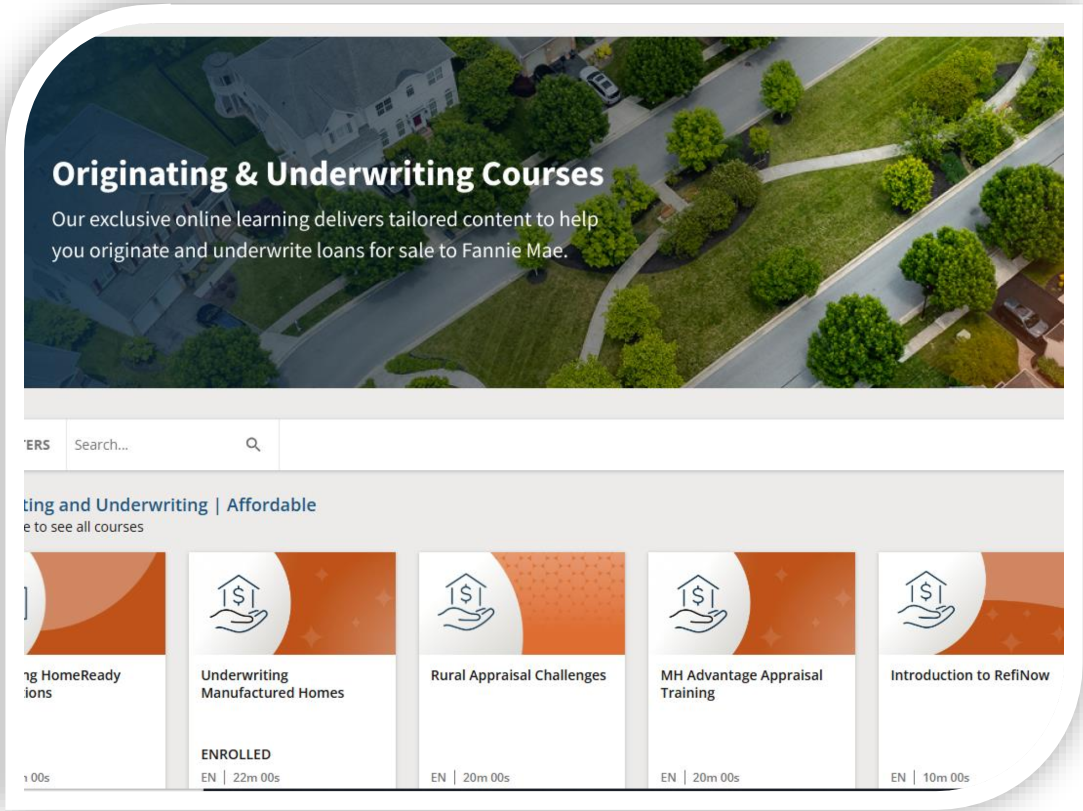


NEW – Fannie Mae Learning Center

Enhance your role-specific knowledge with tailored online learning, developed with input from customers like you.

Visit https://singlefamily.fanniemae.com/learning-center to learn more.

- Our online learning is designed to cater to the unique needs of lenders and servicers
- Users can access training with their Fannie Mae User ID
- One location to access all eLearning courses within Fannie Mae's Learning Center
- Never lose your place - save courses and resume where you left off
- Email reminders to complete courses and learning plans
- Recommended courses for your role help further your development



Thank you for attending!

Have Questions?
Contact your account team or email:

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Single Family Market Engagement