



Manufactured Homes

Expanding homeownership opportunities

Our requirements for manufactured homes are designed so that the mortgages we purchase are originated, underwritten, and serviced in a way that will better ensure that we are putting qualified borrowers into homes they can afford and maintain. It is important for lenders to understand the requirements for titling manufactured homes and perfecting liens on the manufactured home in each state where mortgages secured by manufactured homes are originated.

> Borrower Profile

- Low- and moderate-income borrowers

> Key Features

- A minimum 5 percent down payment must come from borrower funds
- All mortgages secured by manufactured homes must be submitted to Loan Prospector®

> Borrower Benefits

- Offer terms similar to conventional financing when you originate mortgages secured by manufactured homes legally classified as real property
- Provide financing flexibility with a choice of fixed-rate, 7/1 ARMs or 10/1 ARMs

ORIGINATION & UNDERWRITING REQUIREMENTS	
Eligible Property Type	<ul style="list-style-type: none"> ▪ 1-unit primary residence ▪ 1-unit second home
Eligible Manufactured Homes	<ul style="list-style-type: none"> ▪ To be eligible for sale to Freddie Mac, manufactured homes must have the following characteristics: <ul style="list-style-type: none"> ○ Built on a permanent chassis in compliance with the applicable HUD codes for manufactured homes in effect as of the date the manufactured home was constructed. ○ Must have a "HUD Certification Label" permanently affixed to each transportable section of the manufactured home evidencing compliance with HUD codes. If the certification label has been removed, compliance may be evidenced using information from the HUD data plate. ○ The manufactured home must be legally classified as real property and it must be a 1-unit dwelling that is permanently affixed to a permanent foundation. ○ The permanent foundation must be designed for the site conditions, home design features, and the loads the home was designed to withstand in accordance with the manufacturer's instructions or a design by a licensed (registered) professional engineer. The foundation must meet all local, state and federal codes as applicable. ○ The anchoring system must comply with HUD codes: if the manufactured home was installed prior to October 20, 2008, the anchoring system must comply with the manufacturer's design or a design by a licensed (registered) professional engineer. ○ The manufactured home must be at least 12 feet wide and have a minimum of 600 sq. ft. of gross living area. ○ The manufactured home must have been built on or after June 15, 1976. ▪ To be eligible for sale to Freddie Mac, manufactured homes must meet the following requirements: <ul style="list-style-type: none"> ○ The manufactured home must be a 1-unit dwelling comprised of a single section or multiple sections. ○ The wheels, axles, and towing hitches must be removed from the manufactured home. ○ The land on which the manufactured home is situated must be owned by the borrower in fee simple. ○ Multi-wide manufactured homes may be located on an individual lot, in a subdivision, or in a Planned United Development (PUD). ○ Single-wide manufactured homes may be located in a PUD or a condominium project if project eligibility is determined through a reciprocal review. ○ The manufactured home must be permanently connected to utilities as defined in Guide Section H33.2 (b) and be in compliance with HUD codes. ○ The mortgaged premises must conform to all applicable use restrictions and be zoned for residential use. ○ The square footage and room dimensions must be acceptable to typical purchasers in the market area. ○ The manufactured home must be permanently affixed to the permanent foundation, complying with HUD codes. ○ If the manufactured home was installed prior to October 20, 2008: <ul style="list-style-type: none"> - The foundation must be designed for the site conditions, home design features, and the loads the home was designed to withstand in accordance with the manufacturer's instructions or a design by a licensed (registered) professional engineer. - A licensed professional engineer, or the local, state, or federal authority must approve any structural modification to an existing manufactured home. - The foundation must meet all applicable local, state and federal codes. ○ Any improvements, modifications or repairs that affect the safety, soundness, or habitability of the manufactured home must be completed prior to the sale of the mortgage to Freddie Mac.
Eligible Mortgages	<ul style="list-style-type: none"> ▪ 15-, 20-, or 30-year fixed-rate mortgages ▪ 7/1, 10/1 ARMs ▪ Purchase, no cash-out, and cash-out refinances
Ineligible Mortgage Products	<ul style="list-style-type: none"> ▪ Balloon/reset mortgages ▪ ARMs, other than 7/1 and 10/1 ARMs ▪ Non-Loan Prospector[®] mortgages that have never been submitted to Loan Prospector ▪ Mortgages subject to a temporary subsidy buydown ▪ Initial InterestSM Mortgages ▪ Construction Conversion Mortgages ▪ Renovation Mortgages ▪ Streamlined refinance mortgages ▪ Alt 97[®] Mortgages ▪ Seller-Owned Converted Mortgages ▪ Seller-Owned Modified Mortgages ▪ Investment Property Mortgages ▪ Seasoned mortgages, including those for Mortgages for Newly Constructed Homes ▪ Leasehold mortgages
Underwriting Requirements	<ul style="list-style-type: none"> ▪ Must be submitted to Loan Prospector and receive a risk class of Accept or Caution with an A-minus eligible for purchase message. ▪ Mortgages that are submitted to Loan Prospector and receive a risk class of Caution and no A-minus eligible purchase message, or an evaluation status of invalid, ineligible or incomplete must be manually underwritten in accordance with the requirements of Guide Chapter 37 and must meet the minimum Indicator Scores in Guide Exhibit 25. ▪ A minimum down payment of 5 percent must come from borrower funds. ▪ If the borrower owns the land on which the manufactured home is being permanently attached, the land may be used as an equity contribution under the conditions defined in Guide Section H33.5 (c). ▪ If the subject transaction involves trade equity from the borrower's existing manufactured home, the requirements of Guide Section H33.5 (d) must be met. ▪ A manufactured home adds a layer of collateral risk that must be considered when evaluating the overall risk of the mortgage using the "three Cs" (credit reputation, capacity and collateral). Sellers must consider this in evaluating the overall risk of the mortgage. See Guide Section 37.1 for more information. ▪ Values for calculating LTV ratios depend on factors such as: <ul style="list-style-type: none"> ○ Whether the manufactured home is newly built or previously lived in. ○ Whether or not the manufactured home is affixed to a foundation at the time of the loan application.

Maximum Loan Terms and LTV/TLTV/HTLTV Ratios

See the chart below and Guide Section H33.3 (d) and (e) for more information on maximum loan term and LTV/TLTV/HTLTV ratios for mortgages secured by manufactured homes.

PURCHASE AND NO CASH-OUT REFINANCE TRANSACTIONS				
ACCEPT MORTGAGES				
(Fixed-rate, 7/1 ARM and 10/1 ARM with a maximum 30-year loan term)				
Occupancy type	Max. LTV w/o secondary financing	Max. LTV w/secondary financing	Max. TLTV w/secondary financing	Max. HTLTV w/secondary financing
Primary Residence	95%	90%	95%	95%
A-MINUS MORTGAGES, CAUTION MORTGAGES AND MORTGAGES THAT WERE SUBMITTED TO LOAN PROSPECTOR AND RECEIVED AN EVALUATION STATUS OF INVALID, INELIGIBLE OR INCOMPLETE				
(Fixed-rate, 7/1 ARM and 10/1 ARM with a maximum 30-year loan term)				
Occupancy type	Max. LTV w/o secondary financing	Max. LTV w/secondary financing	Max. TLTV w/secondary financing	Max. HTLTV w/secondary financing
Primary Residence	90%	85%	90%	90%
A-MINUS MORTGAGES, CAUTION MORTGAGES AND MORTGAGES THAT WERE SUBMITTED TO LOAN PROSPECTOR AND RECEIVED AN EVALUATION STATUS OF INVALID, INELIGIBLE OR INCOMPLETE				
(Fixed-rate, 7/1 ARM and 10/1 ARM with a maximum 20-year loan term)				
Occupancy type	Max. LTV w/o secondary financing	Max. LTV w/secondary financing	Max. TLTV w/secondary financing	Max. HTLTV w/secondary financing
Primary Residence	95%	90%	95%	95%
ACCEPT MORTGAGES, A-MINUS MORTGAGES, CAUTION MORTGAGES AND MORTGAGES THAT WERE SUBMITTED TO LOAN PROSPECTOR AND RECEIVED AN EVALUATION STATUS OF INVALID, INELIGIBLE OR INCOMPLETE				
(Fixed-rate, 7/1 ARM and 10/1 ARM with a maximum 30-year loan term)				
Occupancy type	Max. LTV w/o secondary financing	Max. LTV w/secondary financing	Max. TLTV w/secondary financing	Max. HTLTV w/secondary financing
Second Home	90%	85%	90%	90%
CASH-OUT REFINANCE TRANSACTIONS				
ACCEPT MORTGAGES, A-MINUS MORTGAGES, CAUTION MORTGAGES AND MORTGAGES THAT WERE SUBMITTED TO LOAN PROSPECTOR AND RECEIVED AN EVALUATION STATUS OF INVALID, INELIGIBLE OR INCOMPLETE				
(Fixed-rate, 7/1 ARM and 10/1 ARM with a maximum 20-year loan term)				
Occupancy type	Max. LTV w/o secondary financing	Max. LTV w/secondary financing	Max. TLTV w/secondary financing	Max. HTLTV w/secondary financing
Primary Residence	65%	60%	65%	65%

Mortgage Insurance Requirements

- A mortgage secured by a manufactured home must have mortgage insurance coverage specified in Guide Section H33.3 (f).
- The mortgage can include borrower-paid mortgage insurance premiums as provided for in Guide Section 27.1.1.

Appraisal Requirements

- An interior and exterior appraisal that meets Freddie Mac requirements including the requirements of Guide Section H33.6.
- Additional appraiser qualifications as outlined in Guide Section H33.6(a) are required for evaluating manufactured homes.
- Additional information that the Seller must provide the appraiser as part of the manufactured home evaluation is detailed in Guide Section H33.6(b), and includes, but is not limited to, the following:
 - A complete copy of the executed contract from the sale of the manufactured home and the land, or if separate contracts, the executed contract for each. If the borrower has owned the land for more than 12 months, the executed contract for the land is not required.
 - A copy of the manufacturer's invoice and manufactured purchase agreement under certain conditions.
 - If the manufactured home was installed after October 20, 2008, the Seller must provide the appraiser with a copy of the Certification of Installation or the comparable state-specific form, and any additional information the appraiser may require.
- A detailed cost approach to value that is based on published sources and supported by market data is required for all manufactured home appraisals.
 - It must, at a minimum, provide the information indicated in Form 70B and provide sufficient information and data to allow the Seller and other reviewers to replicate the cost figures and calculations.
 - The cost approach and sales comparison approach to value are complementary for the valuation of manufactured housing and must support the final value conclusion.

Title/Lien Requirements

- The mortgage secured by the manufactured home must meet all title and lien requirements in Guide Section H33.7.
- The mortgage must be a perfected first-lien security interest on the manufactured home and the land on which it is permanently attached.
 - The manufactured home must be legally classified as real property under applicable state law, including relevant statutes, regulations and judicial decisions.

Title/Lien Requirements cont'd	<ul style="list-style-type: none"> ▪ The requirements for evidencing and perfecting a lien on a manufactured home in states where a certificate of title is issued and cannot be surrendered and cancelled are different from the procedures used with site built homes. Sellers should have a complete understanding of the unique requirements for a manufactured home in these states. ▪ The mortgage must be covered under a standard real estate title insurance policy that complies with Guide Chapter 39. ▪ Sellers must provide one of the following title policy endorsements for each manufactured home: <ul style="list-style-type: none"> ○ An ALTA Form 7.1, where available, or ALTA Form 7 endorsement*. ○ An endorsement required in the applicable jurisdiction that insures that the manufactured home constitutes real property, such as the T-31 endorsement in the State of Texas. ▪ Sellers must provide the closing agent with closing instructions and obtain an insured closing protection letter from the title company. ▪ Borrower must execute an affidavit indicating that the borrower intends that the manufactured home be permanently part of the real property. <p>*The ALTA Form 7 endorsement does not ensure the manufactured home has been properly converted to real property. If the state has statutory, regulatory or formal administrative processes for surrendering and canceling a certificate of title, the Seller is responsible for ensuring that all steps necessary to convert the manufactured home to real property have been completed and documentation evidencing the conversion is in the mortgage file.</p>
Property Tax Requirement	<ul style="list-style-type: none"> ▪ If state law or the local taxing authority requires or permits the mortgaged premises to be taxed as real estate, the premises must be taxed as real estate by the jurisdiction where it is located. ▪ If state law or local taxing authority requires mortgaged premises to be taxed as personal property, mortgaged premises may be taxed as personal property provided certain conditions are met. See Guide Section H33.8.
Loan Document Requirements	<ul style="list-style-type: none"> ▪ Sellers must maintain documentation in the mortgage file evidencing that: <ul style="list-style-type: none"> ○ The manufactured home is legally classified as real property ○ The manufactured home is properly titled ○ The lien on the manufactured home and the land on which it is permanently affixed has been properly created, evidenced and perfected. ▪ The documentation must include the serial number(s)/VIN number(s) for each section of the manufactured home. ▪ Guide Section H33.7(c) provides details on special documentation requirements for non-certificate of title states, certificate of title surrender states, and certificate of title states. Note: mortgages secured by manufactured homes in certificate of title states are not eligible for registration with MERS.
DELIVERY REQUIREMENTS	
Eligible Executions	<ul style="list-style-type: none"> ▪ Servicing-Retained Cash ▪ Servicing-Released Cash* ▪ Fixed-rate Guarantor ▪ WAC ARM Guarantor ▪ MultiLender Swap <p>*See our selling system availability matrix for a list of specific fixed-rate mortgages eligible for sale best efforts or mandatory, servicing released.</p>
Postsettlement Delivery Fees/ Delivery Requirements	<ul style="list-style-type: none"> ▪ See Guide Section 17.33 for additional delivery requirements including: <ul style="list-style-type: none"> ○ Sellers must deliver Property Type Code 4 for all manufactured home mortgages and either special characteristics code (SCC) 951 for a single-wide and SCC 952 for a multi-wide manufactured home on Form 11 or the Form 13SF. ▪ See Guide Exhibit 19 for delivery fee details or access Guide Exhibit 19 online at freddiemac.com/singlefamily/pdf/ex19.pdf
SERVICING REQUIREMENTS	
Servicing Requirements	<p>See Guide Chapters 51, 52, 53, 56, 59, 65, B65, 66, and 67 for additional information on servicing requirements including:</p> <ul style="list-style-type: none"> ▪ Mortgages secured by manufactured homes must be serviced by Tier 1 or Tier 2 Servicers only. ▪ Designated counsel must be used in those states identified by Freddie Mac and listed on the Designated Counsel/Trustee page on our Web site at freddiemac.com/service/msp/desig_counsel.html. ▪ The borrower is not required to have an involuntary inability to pay in order to be eligible for certain workouts. ▪ Servicers are prohibited from waiving escrows on mortgages serviced for Freddie Mac that are secured by manufactured homes. ▪ Servicers must order a Broker's Price Opinion (BPO) between 45 and 60 days of delinquency to determine if the manufactured home has deteriorated in value. ▪ Additional requirements for subsequent transfers of servicing for a mortgage secured by a manufactured home located in a state where the certificate of title is required and cannot be surrendered or abandoned. ▪ Servicers should periodically review their Freddie Mac servicing portfolio to ensure that: <ul style="list-style-type: none"> ○ Procedures required by applicable local and state laws are followed. ○ Manufactured homes are properly classified as real estate under state law. ▪ The lien on the manufactured home and the land to which it is attached are properly evidenced and perfected.

Learn more about Freddie Mac's Manufactured Home Requirements:

- Refer to Chapter H33 of the *Single-Family Seller/Servicer Guide*
- Call 800-FREDDIE
- Visit FreddieMac.com