

Understanding Manufactured Housing in Mortgage Lending

This guide explains what manufactured housing is, when and why it's used, loan types that support it, and key compliance factors like foundation, affixation, and de-titling.

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A Comprehensive Guide by The Housing Assistant



Introduction

Manufactured homes are an increasingly important part of the housing market, offering affordable options to buyers across the country. However, financing manufactured homes requires understanding the unique guidelines and requirements that govern this property type. This guide explains what manufactured housing is, when and why it's used, loan types that support it, and key compliance factors like foundation, affixation, and de-titling.

What is Manufactured Housing?

Manufactured housing refers to a factory-built home constructed on or after June 15, 1976, in compliance with the federal HUD Code. These homes are built in a controlled environment and transported to their final site, where they may be placed on either temporary or permanent foundations.

Manufactured vs Modular vs Mobile Homes

Manufactured Homes: HUD-certified with a red data plate. Built in a factory and transported to site.

Modular Homes: Built to local building codes, not HUD. Considered real property like stick-built homes.

Mobile Homes: Built before June 15, 1976. Typically not eligible for standard financing.

What Does De-Titled and Affixed Mean?

De-Titled: This means the manufactured home is removed from the DMV/mobile home registry and is officially recognized as part of the real property (land) for mortgage lending. It must be recorded with the county as real estate.

Affixed: This refers to the physical connection of the home to a permanent foundation system. It must be permanently anchored and utilities must be connected to be considered real property.

Permanent Foundation Requirements

Most loan types require the manufactured home to be placed on a permanent foundation that complies with HUD Handbook 4930.3 (Permanent Foundations Guide for Manufactured Housing). This usually requires an engineer's certification to verify compliance.

Loan Types That Can Finance Manufactured Housing

Loan Type	Eligible?	Notes
FHA	Yes	Requires engineer's cert, HUD tags, and de-titling. Land must be owned.
VA	Yes (rare)	Permanent foundation + land ownership. Very specific appraisal rules.
USDA	Yes	Permanent foundation required, home must be on owned land.
FNMA	Yes	Standard MH and MH Advantage available. Strict property criteria.
FHLMC	Yes	Requires data plate, tie-downs, and energy efficiency. Home Possible applies.

Common Issues in Manufactured Housing Loans

- Missing or damaged HUD tags/data plates
- Home not de-titled or incorrectly recorded as personal property
- Located in a mobile home park or on leased land
- Additions that aren't HUD-compliant (porches, garages)
- No engineering foundation certification

Steps to Determine MH Loan Eligibility

- Verify home has HUD Certification Labels and Data Plate
- Confirm land ownership (not in mobile home park)
- Ensure the home has been de-titled and recorded as real estate
- Obtain engineer's report for foundation compliance if required
- Review investor-specific overlays