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Factory Built Housing

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1 Manufactured Housing



Typical Manufactured Home (aka HUD Code)

What is a Manufactured Home?

A manufactured home is a factory-built home that complies with HUD Title 6 construction codes, commonly known as HUD Code. The HUD code took effect June 15, 1976. Manufactured (HUD Code) housing did not exist before June 15, 1976.



Typical Single Section, Manufactured Home (aka HUD Code)

Common Names

HUD Code Housing:	Acceptable name for manufactured housing.
Mobile Home:	A manufactured home is NOT a mobile home.
Modular Home:	A manufactured home is NOT a modular home.
Double Wide:	An outdated name that refers to the number of sections.
Single Wide:	An outdated name that refers to a single section mobile home.

Financing Notes for Manufactured Housing

- Used manufactured housing that has been moved from a mobile home park or similar location, to the existing site, is not eligible for FHA financing.
- Existing manufactured homes are not eligible for Rural Development financing.

Listing Agents – Avoid delays, research before you get a buyer

- What is the history of the house at the present location? Was it moved here from another site? Should your seller accept a FHA offer?
- Are the HUD Certification labels attached to the exterior siding?
- Where is the HUD Data Plate located?

Appraisal Notes & Manufactured Housing.

Lenders require at least two, current sales of manufactured homes that support value.



Permanent Steel Chassis Remains Under a Manufactured Home

Common Identifying Characteristics of Manufactured Housing

- Permanent steel chassis under house.
- Seven foot sidewalls with cathedral ceilings.

HUD Data Plate



Photo of HUD Data Plate

Summary

- 8.5 x 11 inch HUD Data plates are attached to the interior.
- There can be delays in financing when the HUD plate has been removed.
- HUD Data plate has information needed for every mortgage appraisal report.

Common Locations for HUD Data Plate

The HUD data plate is attached to the interior. Frequently it can be found in one of the following locations.

- Inside the kitchen sink base cabinet.
- Inside door of electrical service panel.
- Inside cabinet over the refrigerator.
- Inside closet in master bedroom.

Inspection Tip for Real Estate Agents

Sometimes the homeowner has forgotten the HUD Certification is attached to house and will deny seeing the certification. When this happen I always request permission for a personal inspection. Sometimes the HUD Data plate can be found.

Required information for every appraisal

The HUD Data plate has information that is required for every mortgage appraisal report. The HUD Data plate has the following that every appraiser is required to report.

- Date of Manufactured
- HUD Certification label numbers
- Manufacturer Name
- Serial or VIN numbers
- Model number or name.
- Construction zone

HUD Certification



Photo of HUD Certification

Summary

- HUD Certification labels are attached to the exterior of each section.
- The HUD Certification label number in the above photo is PEI 034458.
- Single section HUD housing will have only one HUD Certification label.
- For multiple-section housing, the label number attached the second section will most likely be one number lower or higher. For example the second label number for the above photo will be PEI 034457 or PEI 0344579.
- HUD Certifications labels that have been removed, may create delays in closing.

FHA Financing & HUD Certification

A manufactured home must be built after June 15, 1976, and bear an affixed “HUD Seal” on each section to be eligible for FHA Insurance. The appraiser should verify the location and wording on the seal(s). Manufactured houses built before June 15, 1976, must be rejected. No exceptions are allowed.

Source

<http://www.hud.gov/offices/hsg/sfh/ref/sfhp1-9c.cfm>

Common names used in the industry

- HUD Seal
- HUD Certification
- HUD Tags
- HUD Labels

Missing HUD Labels

(Copied from HUD Web Page)

Source

<http://www.hud.gov/offices/hsg/sfh/mhs/mhslabels.cfm>

Label Verification

HUD does not reissue tags for manufactured homes. However, the Department can issue a letter of label (tag) verification for units for which it can locate the necessary historical information. The label numbers can be found on a data plate inside the home in one of three locations: on or near the main electrical panel, in a kitchen cabinet, in a bedroom closet. The data plate has a map of the United States to let the consumer know the Wind Zone and Snow Load for which their home was built.

Effective January 2007 you may request letters of label verification from the Institute for Building Technology and Safety (IBTS), by visiting IBTS' website at http://www.ibts.org/label_req.htm or via fax at: 703-437-6894. The processing time is expected to be 3-5 business days and costs \$50.

Frequently Asked Questions

Question: Both the label (tags) and data plate have been removed from my home. I can't sell/refinance my home without the HUD label. Where can I get this information?

Answer: If the information cannot be located on or within the home, the requester should obtain previous financing paperwork for the home where this information may have been previously required and documented by a lending institution.

Question: I'm assisting a homeowner/homebuyer with selling/purchasing a manufactured home and have submitted a request to HUD. How long does it take before I receive a response?

Answer: All questions regarding expediting label verification requests should be addressed to IBTS.

Question: My data plate is missing. How do I get a replacement copy?

Answer: You may be able to obtain the data plate by contacting the In-Plant Primary Inspection Agency (IPIA) and the manufacturer. The IPIA is a third party inspection agency that works in conjunction with the Department to inspect manufactured homes during the manufacturing process to ensure that the manufacturer meets the Federal Manufactured Home Construction and Safety Standards. To obtain a list of inspection agencies, visit here:

<http://www.hud.gov/offices/hsg/sfh/mhs/mhsid.cfm>

Question: I was told I need the Serial or VIN number in order to sell or refinance my home. Where can I find this information?

Answer: In some states, the Serial number and VIN number may be one in the same. Section 3280.6 of the Manufactured Home Construction and Safety Standards states, “(a) A manufactured home serial number which will identify the manufacturer and the state in which the manufactured home is manufactured, must be stamped into the foremost cross member. Letters and numbers must be 3/8-inch minimum in height. Numbers must not be stamped into hitch assembly or drawbar.”

If the home is a multiwide unit (double or triple wide), the serial number will contain the letters A/B or A/B/C.

Question: I was told that the HUD Tag (Label) numbers have to be in sequential order. Is that true?

Answer: No. The Certification labels (HUD tags) can be in sequential order but they may not be. The HUD labels are identified by a three-letter prefix followed by six numbers (i.e. RAD 000001).

For additional assistance, contact HUD’s Office of Manufactured Housing Programs at (202) 708-6423.

Moving Manufactured Housing

(Requirement only for FHA financing)



History at Existing Site

The manufactured unit must not have been installed or occupied previously at any other site or location. Manufactured units may be moved only from the manufacturer's or dealer's lot to the site on which the unit will be insured. If a permanent foundation is to be constructed under an existing eligible unit, the unit may be jacked up in order to install a new foundation. Source:

<http://www.hud.gov/offices/hsg/sfh/ref/sfhp1-9e.cfm>

Clues Indicating a Manufactured Home Has Been Moved

- The wrong address on the house.
- The outline of a previous address visible on the faded exterior siding.
- New foundation under an older home
- A copy of the building permit is the most reliable evidence.

Permanent Foundation



Pier Foundation with Tie-Down

The home must be erected on a permanent foundation in compliance with the Permanent Foundation Guide for Manufactured Housing. Existing manufactured homes in place over one year are to be inspected by the appraiser for evidence of permanent concrete footings with tie-downs anchored to the footings.

Source 4150.2 pages 8-2

Wheels & Axles for Transporting



Axle Still Attached to Chassis

Wheels and Axles Must Be Removed

FHA and most lenders require wheels and axles to be removed. Look for axles under the steel chassis near the center of the home.

Towing Hitch



Towing Hitch Still Attached Must Be Removed

Towing Hitch Must Be Removed

FHA and most lenders require the towing hitch to be removed.

Manufactured Housing with Additions

(Only Applies to FHA Financing)



Manufactured Home with Garage Addition

Changes or Additions to a Manufactured Home

Whenever there are additions or significant modifications to the manufactured house, the lender will require an inspection and engineering report.

Rural Development

Rural Development Financing

- Financing is available only for new construction. Existing manufactured homes are not eligible for financing from Rural Development.
- Mobiles homes are not eligible for Rural Development financing.
- Modular construction is eligible for Rural Development financing.

2 Modular Construction



What is a Modular Home?

A modular home is a factory built to a local state code. (Not HUD Code) A modular home can be built as an “on-frame” or “off-frame” modular. On-frame modular homes are built on a permanent chassis, whereas the off-frame modular will be built with a removable chassis.

Modular Construction or Site Built Homes

Modular homes are built at a factory and delivered to the site. Site-built home are built entirely at the home site. The construction codes for the two homes are similar.

Appraising Modular Homes

- For any mortgage appraisal report, an appraiser can use similar modular construction sales or similar quality site built homes as comparable properties.
- Sales of manufactured homes (HUD code) as comparable properties are not required.

Site Built or Modular?



A girder will support floor joist near the center of the house

A wood girder can sometimes provide clues to the type of construction. For site built housing a typical wood girder will consist of four or more 2 x 10's nailed together to form one solid beam.



Photo of girder for modular construction

The girder in the above photo consist of two, doubled header joist butted together near the center of the house. The blue line in the above photo indicates where the two housing sections meet.

Summary

- A wood girder for site built housing will consist of four 2 x 10's nailed together to form one solid beam.
- A wood girder for modular construction will consist of two header joist meeting in the middle. A visible joint can be seen from the basement.

3 Mobile Home



Typical Mobile Home

What is a Mobile Home?

A mobile home is a factory-built home that was built before June 15, 1976 and not built to a uniform construction code.

Common Names

- Single wide
- Trailer

Appraising Mobile Homes

- The only reliable comparable property is the sale of a similar mobile home built before 1976. A single section, manufactured home (HUD code) is not a reliable indicator of value for older mobile homes due to marketability and financing issues.
- Mobile homes frequently have a narrow range of value. Appraisers may not be able to support the sales price when seller paid concessions are added on.

Financing

- Many lenders will not finance a mobile home.
- Loan originators and buyers frequently don't know the difference between mobile homes and manufactured housing.
- Mobile homes are not eligible for FHA or Rural Development.