

	<p>All loans must be submitted to GUS (Guarantee Underwriting System)</p> <p>Loans which receive an underwriting recommendation of “Refer” or “Refer with Caution” require a manual underwrite per USDA guidelines.</p> <p><b>A GUS underwriting recommendation of “Accept” may require a manual downgrade to “Refer” if:</b></p> <ul style="list-style-type: none"> <li>• Open authorized user tradelines are reported on the credit report</li> <li>• Credit report indicates a tradeline or public record is in dispute</li> <li>• Installment and/or revolving debts not listed on the credit report were manually entered into GUS <ul style="list-style-type: none"> <li>o Exception: The manual entry of Non-Purchasing Spouse (NPS) debts (community property states only) will not require an “Accept” to be downgraded to a “Refer”</li> </ul> </li> </ul> <p>The manual entry of child support, alimony, garnishments, or other court ordered debts, or business debts into GUS will not require an “Accept” to be downgraded to a “Refer”.</p> <p>If GUS renders an underwriting recommendation of ACCEPT and ELIGIBLE, the loan is eligible for Rural Development’s guarantee. All files must be submitted to the RD office in the state in which the property is located to obtain a Conditional Commitment prior to closing. The Conditional Commitment must be retained in the file.</p> <p>Refer to the Underwriting and Loan Closing Documentation Matrix Administrative Notice (AN) 4699 for required documentation for all loans at the following link:  <a href="https://usdalinc.sc.egov.usda.gov/docs/rd/sfh/loanorigination/UW_Loan_Closing_Matrix_Document.pdf">https://usdalinc.sc.egov.usda.gov/docs/rd/sfh/loanorigination/UW_Loan_Closing_Matrix_Document.pdf</a></p> <p><b>Property Flipping</b>  When the Seller of the property has been on title less than 90 days extra diligence must be taken with the transaction. Underwriter in its sole discretion reserves the right to condition for additional information and collateral support to include desk review, field review, or additional appraisal in order to support value. There is not a specific USDA requirement.</p> <p>A copy of the divorce decree is required when the loan file indicates income or liability due to divorce.</p>
<b>USDA Required Fees</b>	<p><b>Loan Guarantee Fee</b>  A Loan Guarantee Fee will be charged on every loan. The fee for the current year of 2022 is 1% of the loan amount.</p> <p><b>Annual Fee</b>  USDA will charge an Annual Fee as part of the monthly payment. This fee will be for the life of the loan but will be a declining balance calculation. The factor to use for the monthly amount is .35%</p> <p><b>USDA Tech Fee</b>  Effective for all USDA loans, USDA will charge a Tech Fee of \$25. This fee is to be included in all Loan Estimates under the Services Borrower Cannot Shop For section.</p>
<b>Manufactured Home Section – effective 7/26/2021</b>	

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These guidelines must be followed in full and exceptions to the guidelines will not be permitted!	
<b>Minimum Credit Score</b>	660
<b>Age of Manufactured home</b>	January 1, 2000 or newer build date (not placement date) (USDA Manufactured Home Pilot Program must be January 1, 2006 or newer) Older homes will not be allowed – no exceptions
<b>Eligible Transactions</b>	Primary Residence ONLY Purchase Transaction Rate/Term Refinance and Streamline Existing MFH located in USDA Pilot Program eligible states – see Pilot Program Section
<b>Ineligible Transactions</b>	Escrow Repair Holdbacks Cash Out Refinances Investment/Non-Owner Occupied Properties Property held in Land Trust Mortgage Credit Certificates Subordinate Financing/2 <sup>nd</sup> Liens
<b>Eligible Property</b>	Doublewide Manufactured Homes = or > 600 Sq ft *** Doublewides should be at least 12 feet wide and have a minimum of 600 square feet.  MFH homes must be newly set up within the most recent 12 months to be eligible for USDA financing unless the home meets the Pilot Program criteria  PUD Refinancing of existing USDA MFH's Existing MFH located in USDA Pilot Program Eligible States – see Pilot Program Section
<b>Ineligible Property</b>	Chattel Property is not allowed Condominiums Cooperatives Homes located in Mobile Home Parks Leasehold Estates MFH that have been previously installed or occupied at any other site Properties located in a Flood Zone Singlewide MFH Water utilities connected to cisterns and/or hauled water Existing MFH that do not meet the Pilot Program Requirements
<b>Manufactured Home Pilot Program – for existing manufactured homes</b>	The Pilot Program is for existing manufactured homes that are not older than January 1, 2006.  This program will only allow MFH to be financed as a purchase if the property is located in these states: Colorado, Iowa, Louisiana, Michigan, Mississippi, Montana, Nevada, North Dakota, Ohio, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin and Wyoming.  According to the current RD 3555 Handbook, the only acceptable MFH that they will finance is a newly manufactured home that has been set up/constructed

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	<p>within the most recent 12 months. This program allows for this requirement to be waived within the approved states.</p> <p>To be eligible for financing under this pilot, existing manufactured homes (including new units that have been on a dealer's lot more than 12 months) must meet the following pilot conditions in addition to all other program requirements that have not been waived.</p> <ul style="list-style-type: none"> <li>• The unit must have been constructed on or after January 1, 2006, in conformance with the Federal Manufactured Home Construction and Safety Standards (FMHCSS), as evidenced by an affixed Housing and Urban Development (HUD) Certification Label.</li> <li>• The unit inspection is required using one of two methods: <ul style="list-style-type: none"> <li>○ Form HUD-309, "HUD Manufactured Home Installation Certification and Verification Report" completed in accordance with 24 CFR 3286.511 by a qualified party as follows: <ul style="list-style-type: none"> <li>▪ A manufactured home or residential building inspector employed by the local authority having jurisdiction over the site of the home, provided that the jurisdiction has a residential code enforcement program;</li> <li>▪ A professional engineer;</li> <li>▪ A registered architect;</li> <li>▪ A HUD-accepted Production Inspection Primary Inspection Agency (IPIA) or a Design Approval Primary Inspection Agency (DAPIA); or</li> <li>▪ An International Code Council (ICC) certified inspector.</li> </ul> </li> </ul> </li> <li>• Obtain a certification that the foundation design meets HUD Handbook 4930.3, "Permanent Foundations Guide for Manufactured Housing (PFGMH)." The foundation certification must be from a licensed professional engineer, or registered architect, who is licensed/registered in the state where the manufactured home is located and must attest to current guidelines of the PFGMH. The certification must be site specific and contain the engineer's or registered architect's signature, seal and/or state license/certification number. This certification can take the place of Form HUD 309.</li> <li>• 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.</li> <li>• Guaranteed loan applications submitted under the pilot must be manually underwritten. Agency staff will need to select "MANUFACTURED (PILOT)" for "Construction Type" in the Property Information section in GLS. This will allow for the proper identification of pilot loans for tracking and monitoring purposes.</li> </ul>
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	<p>The applicant and property must meet all other criteria set forth in 7 CFR Part 3555 and HB-1-3555 for Guaranteed loans, as applicable. These criteria include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>• The unit must have a floor area of not less than 600 square feet;</li> <li>• the unit must meet the Comfort Heating and Cooling Certificate Uo Value Zone for the location;</li> <li>• the towing hitch and running gear must have been removed;</li> <li>• the manufactured home must be classified and taxed as real estate;</li> <li>• the remaining economic life of the property must meet or exceed the 30 year term of the proposed loan;</li> <li>• and the unit replacement cost coverage must be equal to the insured value of the improvements or the unpaid principal balance with deductible(s) of up to but not exceeding the greater of \$1,000 or one percent (1 %) of the policy</li> </ul>
<b>Manual Underwriting</b>	Not Allowed – file must be a GUS Accept
<b>Foundation Inspection</b>	<p>Inspection may not be more than 90 days old at time of review</p> <p>A Structural Engineer's Report is required, attesting to properties compliance with the PFGMH. The report must be completed by licensed professional engineer or registered architect, who is licensed or registered in the state where the MH is located and must attest to current guidelines in the PFGMH.</p> <p>The report must be site specific and include:</p> <ul style="list-style-type: none"> <li>• The engineer or registered architect(s) signature, seal and state license/certification number.</li> <li>• The report must also contain statement from engineer verifying the property has not been moved from another location.</li> </ul> <p><b>NOTE:</b> If foundation is deemed non-compliant to HUD standards, appraiser will provide non-compliant letter recommending how to bring foundation up to HUD standards. Loan may not be closed until foundation is deemed to be compliant.</p> <p><b>USDA to USDA refinances only:</b> Borrower certification stating no improvements or modifications were made to the existing structure. <b>NOTE:</b> If appraisal or engineers report indicates alterations, MFH is not eligible for financing. To be considered "existing", a MFH must not have been installed or occupied on any other site or location. The MFH must have only been moved from manufacturer or dealer's lot to the site the loan is secured for.</p> <p><b>Existing MFH is eligible if:</b> Purchase contract/ agreement is dated within 12 months of unit manufacture date. The manufacture date is found on the factory installed HUD plate. If manufacture date is greater than 12 months from purchase agreement</p>

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	<p>contract date, MFH is not eligible for financing.</p> <p>* If alterations/modifications have been made to the original structure, the MFH is not eligible for financing.</p> <ul style="list-style-type: none"> <li>● Manufacturer's warranty is required. The warranty must identify the unit by its serial number.</li> <li>● Dealer must certify that unit did not sustain hidden damages during transport.</li> </ul> <p>Follow RCLS Seller Guide Article 6, USDA Streamline Assist and HB-1-3555 for additional guideline requirements not addressed</p>
<b>Required Repairs</b>	If the Foundation Inspection or Appraisal require repairs to meet HUD 4000.1 minimum property requirements, the Final Inspection must be completed prior to CTC. The Final Inspection will not be moved to a PTF condition when the home type is manufactured
<b>DTI</b>	May not exceed 43% if GUS approved
<b>Property Requirements</b>	<p><b>MFH manufactured/build date of 1/1/2000 or later.</b> Must meet federal MHCSS standards, as evidenced by an affixed HUD Certification label in accordance with 24 CFR Section 3280.11.</p> <p><b>Purchase loan:</b> Separate contract(s) for land and home are allowed.</p> <p>Utilities must be on and working at time of final inspection</p> <p><b>New or Proposed Construction:</b> For proposed construction, the following documentation must be obtained prior to loan approval. All documents must be retained in the permanent loan file.</p> <p>An itemized cost breakdown of the total package is required, which includes:</p> <ol style="list-style-type: none"> <li>1. Base unit</li> <li>2. Eligible options</li> <li>3. Installation</li> <li>4. Site development</li> <li>5. Set-up costs, less credits for wheels and axels</li> <li>6. The dealer must provide a statement indicating any cash payments or rebates from the purchase will be deducted from price of unit (not paid to borrower).</li> <li>7. Verification that label number of the unit is shown on the data plate on exterior of each section.</li> <li>8. Confirmation that the proposed cost is the full price of the unit and any furniture being purchased by the borrower with personal funds will not be filed against the security property.</li> <li>9. Confirmation that thermal requirements at time of purchase are met.</li> <li>10. Manufacturer's warranties required. The warranty must identify the unit by its serial number.</li> <li>11. Dealer must certify that the unit did not sustain hidden damages during transport.</li> </ol> <p>*** Doublewides should be at least 12 feet wide and have a minimum of 600 square feet.</p> <p><b><u>HUD Certification Label:</u></b></p>

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	<ul style="list-style-type: none"> <li>● Federal Manufactured Home Construction and Safety Standards (FMHCSS) requires MFH to have a HUD Certification Label (a/k/a HUD Seal OR HUD Label), it is affixed to the exterior of the property.</li> <li>● HUD Tag is an aluminum plate approximate 2 in. by 4 in. It is permanently attached to each section of the manufactured home.</li> <li>● The label number bears a 3 letter designation, which confirms the production inspection agency.</li> <li>● Each label also has a 6 digit number. The label numbers are stamped sequentially.</li> </ul> <p>If missing, a verification can be obtained from Institute for Building Technology and Safety (IBTS), by visiting IBTS' website at <a href="https://www.ibts.org/what-we-do/manufactured-homes/verification-lettercertificate/">https://www.ibts.org/what-we-do/manufactured-homes/verification-lettercertificate/</a>.</p> <p>You may also contact IBTS' Label Department by phone at (866) 482-8868 or e-mail at <a href="mailto:labels@ibts.org">labels@ibts.org</a>.</p> <p>Additional information can be obtained at:  <a href="https://www.hud.gov/program_offices/housing/rmra/mhs/mhslabels">https://www.hud.gov/program_offices/housing/rmra/mhs/mhslabels</a></p> <p><b><u>HUD Data Plate:</u></b></p> <p>The Data Plate is a paper label affixed inside the home and is the size of a standard sheet of paper (8 ½" x 11"). The Data Plate can be found in a kitchen cabinet, an electrical panel, or a bedroom closet. The Data Plate has maps of the United States to inform the owner of the Wind Zone, Snow Load, and Roof Load of the home.</p> <p>Additional information can be obtained at:  <a href="https://www.hud.gov/program_offices/housing/rmra/mhs/mhslabels">https://www.hud.gov/program_offices/housing/rmra/mhs/mhslabels</a></p> <p>Both the Data Plate and the HUD Certification Label must be available to the appraiser. If either are not, the information must be ordered from IBTS.</p> <p><b>New Home Set Up:</b> If the home is recently constructed within the most recent 12 months, new construction documentation will be required. See New Construction Section of Matrix – all other guidelines still apply</p> <p>*** Doublewides should be at least 12 feet wide and have a minimum of 600 square feet.</p> <p><b><u>Site Requirements</u></b></p> <ul style="list-style-type: none"> <li>● Development of site must conform to state and local government standards.</li> <li>● Attachment of the home to the permanent foundation system must be completed.</li> <li>● Permanent water and sewer facilities must serve the property. Cisterns and hauled water are not acceptable.</li> </ul>
<b>Appraisal Requirements</b>	<p>Form 1004C/70B Required</p> <p>Form 1004MC/Form 71 (Market --Conditions Addendum) Required</p> <p>Cost approach must be completed on new construction.</p>

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	<p>Certification of Completion or Final Inspection is required for “Subject To” Appraisals. Appraiser to provide UAD/UCDP quality and condition ratings of MFH in comments section of the report.</p> <p><u>Report must contain:</u></p> <ol style="list-style-type: none"> <li>1. Manufactured home site</li> <li>2. Site Improvement(s) and land which the home is situated.</li> <li>3. Must be on permanent foundation.</li> <li>4. Hitch, Wheels and Axels must be removed.</li> <li>5. Subject must be connected to permanent utilities.</li> <li>6. Property must be classified and taxed as Real Estate (land and improvements).</li> <li>7. Report to include photo of data plate or comments if the data plate is missing or cannot be located</li> <li>8. Engineer’s report confirming compliance to PFGMH must be provided to the appraiser and included in the report. Appraisal to indicate a copy was provided. NOTE: If engineers report is unavailable at time of inspection, appraiser to include in Appraisal Update/Completion Report.</li> <li>9. Foundation certification to confirm PFGMH guideline requirements met is required. Can use from previous insured mortgage if guidelines met at time of certification (on a refinance). NOTE: If foundation is deemed non-compliant, appraiser to provide non-compliant letter recommending how to bring foundation up to HUD standards.</li> <li>10. If MFH is existing home set &gt; 12 months, appraiser to inspect for evidence of permanent concrete footings with tie-downs anchored to the footing/pier by either a cable, cable, rebar welded to frame or other similar manner.</li> <li>11. Report must confirm if alterations have been made to the structure. Purchase: Additions or structural modifications are allowed on a purchase; however, must meet FMHCSS requirements. Refinance: Additions or structural modifications made to the home render it ineligible for financing.</li> <li>12. Remaining economic life must be equal or greater than the loan term.</li> <li>13. At least two MFH comparable must also be a MFH on the appraisal report.</li> </ol>
<b>Title Requirements</b>	<p><u><b>Title must confirm:</b></u></p> <p>MFH is attached to the land MFH is classified and taxed as Real Estate Location endorsement will be required for all MFH in addition to the standard endorsements required</p> <p><u><b>Surrender Title States:</b></u>  <b>Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Montana, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Utah, Virginia, Washington, Wyoming.</b> Title must be surrendered and purged in accordance with the jurisdiction (or confirm if MFH is located in non-surrender state). Recorded affidavit of affixation (recorded signed written</p>

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statement acknowledging the home is attached and classified as real property, securing the mortgage). Search to confirm title is surrender is required. Title endorsement - Alta 7.1, 7.1-06, required.  
**NOTE:** If state law requires a Uniform Commercial Code (UCC) Filing in order to perfect a security interest in a manufactured home, the lender must make such filing in any and all appropriate locations.

**No Surrender (Holding) Title States:**

**Missouri, Nebraska:** Confirm MFH loan is indicated on the certificate of title. RCLS to retain Certificate of Title in loan file. FSB will re-verify home and land has the same ownership. Recorded affidavit of affixation (recorded signed written statement acknowledging the home is attached and classified as real property, securing the mortgage). Title endorsement - Alta 7.1, 7.1-06, required. **NOTE:** Some states require additional registration with Department of Revenue to confirm conversion to real estate. Copy of add't state registration/certification is required. **ALSO:** If state law requires a Uniform Commercial Code (UCC) Filing in order to perfect a security interest in a manufactured home, the lender must make such filing in any and all appropriate locations.

**Holding and Surrender Title States:**

**Illinois, Mississippi, Texas, West Virginia, Wisconsin:** These states are recognized as a title holding state; however, there is a process for surrendering the Certificate of Title. Confirm MFH loan is indicated on the certificate of title. FSB to retain Certificate of Title in loan file. FSB will re-verify home and land has the same ownership. Recorded affidavit of affixation (recorded signed written acknowledging the home is attached and classified as real property, securing the mortgage). Verify with tax assessor that the land and MH are assessed together. Tax assessor Title endorsement - Alta 7.1, 7.1-06, required. Vesting deed and subject deed of trust should identify that the property includes both the MH and the land. Legal description must include comprehensive MFH identity to include: Year built, Manufacturer name, Model Name and number, Serial Number, Length and Width. A statement must be included that the MH is permanently affixed to land. The MFH description should not be included in the property description used in the title policy.

**ALSO:** If state law requires a Uniform Commercial Code (UCC) Filing in order to perfect a security interest in a manufactured home, the lender must make such filing in any and all appropriate locations.

Specific to Texas: Transaction for purchase of a new or used MFH prior to installation must be treated as a construction transaction. Policies must include Procedural Rule P-8 "pending Disbursement" clause and general mechanics liens exception. Also, T 31 and /or T31.1 endorsements are required. However; Recorded Certificate of Attachment (prior to 9/1/2003) or Statement of Ownership and Location (after 9/1/2003), Plus Form T or Certification is required Texas Dept. of Housing and Community Affairs (TDHCA). Endorsements may not be issued prior to receipt of recorded certificates from TDHCA.