



Fannie Mae®

## MH Advantage™

Help homebuyers get the home features they want at a price they can afford

With a shortage of affordable, site-built homes in many parts of the country, manufactured housing (MH) may be a good solution for your aspiring homebuyers. MH Advantage is a new homeownership option that offers innovative and affordable financing on specially designated manufactured homes that feature site-built characteristics.

### Affordable MH financing

Qualifying borrowers can finance up to 97% LTV. Standard MH LLPA is waived, and borrowers save more through reduced MI coverage comparable to site-built homes for fixed rate terms.

### Reach more borrowers

Conventional financing for MH means opening the door to prospective homebuyers who may not think homeownership is an option. Diverse selection of aesthetic features and layouts gives families an opportunity to live in a home that matches their style.

### Clear and simple process

The underwriting and origination processes are streamlined and straightforward, allowing lenders to manage their MH portfolio with greater ease and flexibility.



Photo courtesy of Palm Harbor Homes

## Homebuyers will love it because...

### It's an innovative option for homeownership.

MH Advantage puts homeownership within reach of more homebuyers by pairing an affordable, conventional mortgage with manufactured homes showcasing features of traditional single-family homes. With similar curb appeal as surrounding houses, MH Advantage homes blend seamlessly into their neighborhoods. Eligible homes are also easy to identify – just look for the MH Advantage sticker.

### Homes are manufactured to suit their style.

Whether its an open floor plan, a porch, or an attached garage, a new manufactured home can be designed with features to meet borrowers' specific needs at prices they can live with.

### It's affordable – now and in the future.

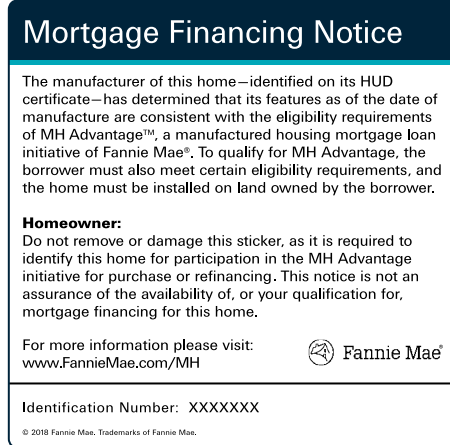
MH Advantage requires as little as 3% down payment and offers lower mortgage insurance compared to standard MH loans. Because it's a conventional loan, mortgage insurance may be cancelled once borrowers reach 20% equity in the home – resulting in more savings long-term.

### They can enjoy the financial perks of homeownership.

New homeowners may benefit from building equity and potential tax benefits.

# New financing option with a familiar origination process

- An **MH Advantage sticker** will be affixed to homes that are designed to meet MH Advantage eligibility criteria, for easy identification by lenders and appraisers.
- Appraisers will use the best and most appropriate other sales available, which may include sales of site-built homes.



## Product Details

Property and occupancy eligibility	Manufactured homes that are: <ul style="list-style-type: none"><li>• Built to the HUD code</li><li>• Meet certain construction, architectural design and energy efficiency standards more aligned with site-built home</li><li>• Have an MH Advantage sticker</li><li>• Principal residence and second home only</li><li>• To be placed on land owned by the borrower</li><li>• Installed with a driveway and a sidewalk connecting the driveway, carport, or detached garage to a door or attached porch</li></ul>
Maximum LTV (1-unit owner-occupied)	Up to 97% 105% CLTV with Community Seconds® financing only (See Fannie Mae's Eligibility Matrix for specific details based on the loan transaction)
Improved pricing	Standard MH LLPA <b>waived</b> with use of SFC 859 (See <i>Selling Guide</i> for all other LLPAs)
Straightforward underwriting and origination processes	Appraisers must use other MH Advantage homes, when available, for the comparable sales. If fewer than three MH Advantage sales are available, then the appraiser must supplement with the best and most appropriate sales available, which may include site-built homes.
Improved borrower affordability	Financed MI up to 97% CLTV Comparable MI to site-built homes for fixed rate terms (Refer to the <i>Selling Guide</i> B7-1-02 for more details)

See product matrix for more information.

Visit [FannieMae.com/manufacturedhomes](http://FannieMae.com/manufacturedhomes) for additional resources and refer to *Selling Guide* Announcement SEL-2018-5 for more details.

## Frequently Asked Questions

### What makes a property eligible for MH Advantage financing?

MH Advantage is manufactured housing that is built to meet construction, architectural design, and energy efficiency standards that are more consistent with site-built homes.

Examples of the physical characteristics for MH Advantage include:

- Specific architectural and aesthetic features, such as distinctive roof treatments (eaves and higher pitch roofline)
- Lower profile foundation, garages or carports, porches, and dormers
- Construction elements, including durability features like durable siding materials
- Energy efficiency standards (minimum energy ratings apply)

View additional information in the *Selling Guide* or at [FannieMae.com/manufacturedhomes](http://FannieMae.com/manufacturedhomes).

### How is MH Advantage different from Fannie Mae's standard MH loan?

MH Advantage may only be used to finance manufactured homes that have the MH Advantage sticker. Loans secured by MH Advantage properties feature a number of flexibilities compared with standard MH, including:

- Higher loan-to-value (LTV) ratios, up to 97%  
(See Fannie Mae's Eligibility Matrix for specific details)
- Waived standard MH 0.50% loan-level price adjustment (LLPA)
- Reduced MI coverage required for fixed-rate terms  $\leq$  20 years