

## MH Advantage

# Appraisal Requirements: Information for Appraisers and Lenders

MH Advantage® is an innovative homeownership option that pairs affordable financing with specially designated manufactured housing having characteristics typical of site-built homes.

## Appraiser responsibilities\*

In conducting the appraisal, **appraisers must:**

- ✔ Use Manufactured Home Appraisal Report (1004C)
- ✔ Use a Completion Report (1004D), if applicable
- ✔ Follow Fannie Mae’s guidelines for MH Advantage Comparable Selection Requirements and other standard guidelines for appraising manufactured homes, including make and model number, as well as (for purchase money mortgages):
  - Complete copy of the executed contract for sale of the manufactured home and land,
  - Complete copy of the executed contract for both if the land and home are purchased separately, or
  - Complete copy of the manufacturer’s invoice if the manufactured home is new (per *Selling Guide* [B4-1.4-01, Factory-Built Housing: Manufactured Housing](#))
- ✔ In addition to the standard appraisal requirements for manufactured homes, for MH Advantage homes, provide photos of:
  - The HUD Data Plate
  - The HUD certification label
  - The MH Advantage sticker or [CHOICEHome® label](#)
  - Driveways, sidewalks, and detached structures located on the site

\*See also “More information for appraisers” on the next page.

## Lender responsibilities

In underwriting the appraisal, **lenders must:**

- ✔ Disclose financial and property information, per [B4-1.1-05: Disclosure of Information to Appraisers](#).
- ✔ Confirm that the home meets the MH Advantage physical characteristics by reviewing the photos in the Manufactured Home Appraisal Report (1004C) or Completion Report (1004D) of the MH Advantage sticker or CHOICEHome label (placed near the HUD Data Plate), HUD Data Plate, and HUD certification labels.
- ✔ For new construction, comply with Selling Guide topics [B4-1.2-05: Requirements for Verifying Completion and Postponed Improvements](#) and [B4-1.4.01: Factory-Built Housing: Manufactured Housing](#) for appraisals based on plans and specifications with square footage and materials (including attached garages, carports, covered porches, covered patios, and decks) or an existing model home.
- ✔ Verify through appraisal photos that site improvements that are not attached to the home — including garages, driveways, and sidewalks — are complete.

### Mortgage Financing Notice

The manufacturer of this home—identified on its HUD certificate—has determined that its features as of the date of manufacture are consistent with the eligibility requirements of MH Advantage™, a manufactured housing mortgage loan initiative of Fannie Mae®. To qualify for MH Advantage, the borrower must also meet certain eligibility requirements, and the home must be installed on land owned by the borrower.

#### Homeowner:

Do not remove or damage this sticker, as it is required to identify this home for participation in the MH Advantage initiative for purchase or refinancing. This notice is not an assurance of the availability of, or your qualification for, mortgage financing for this home.

For more information please visit:  
[www.FannieMae.com/MH](http://www.FannieMae.com/MH)



The MH Advantage sticker is located near the HUD Data Plate.

## More information for appraisers

### Comparable selection



The appraiser is responsible for determining which comparables are the best and most appropriate for the assignment. Comparable sales should have similar physical and legal characteristics when compared to the subject property. These characteristics include, but are not limited to, site, room count, gross living area, style, and condition. This does not mean that the comparable must be identical to the subject property, but it should be competitive and appeal to the same market participants who would also consider purchasing the subject property.



For MH Advantage properties, appraisers must use other MH Advantage homes or CHOICEHome homes, when available, for the comparable sales. If fewer than three MH Advantage or CHOICEHome sales are available, then the appraiser must supplement with the best and most appropriate sales available, which must include a minimum of two site-built homes. See *Selling Guide* [B4-1.4-01, Factory-Built Housing: Manufactured Housing](#), for additional information.



Sales of new manufactured homes and land (often referred to as land/home sales) may be used as comparables provided both the land and home transpire as a single transaction, and the appraiser must be able to adequately verify the physical attributes, conditions of sale, sales price, and concessions.



Appraisers may not create comparable sales by combining separate transactions of vacant land sales with the contract purchase price of a home (improvements only). Such transactions may not be used to meet the required minimum three closed comparables but may be included as additional support with appropriate commentary.



### Resources

[fanniemae.com/manufacturedhomes](https://fanniemae.com/manufacturedhomes)

[MH Advantage Appraisal Training](#)

*Selling Guide* [B2-3-02: Special Property Eligibility and Underwriting Considerations: Factory-Built Housing](#)

*This summary is intended for reference only. All criteria are subject to the formal terms and conditions of the Fannie Mae Selling Guide and Servicing Guide. In the event of any conflict with this document, the Selling Guide and/or Servicing Guide will govern.*

*CHOICEHome is a registered trademark of the Federal Home Loan Mortgage Corporation.*

## Appraisal requirements for MH Advantage homes in new subdivisions



The same general appraisal requirements for new subdivisions (see *Selling Guide* topic [B4-1.3-08: Comparable Sales](#)) apply for MH Advantage. The appraiser must select one comparable sale from the subject subdivision or project and one comparable sale from outside the subject subdivision or project. The third comparable sale can be from inside or outside of the subject subdivision or project, provided it is a good indicator of value for the subject property. Two of the sales must be verifiable from reliable data sources, other than the builder.



In the event there are no closed sales inside a new subject project or subdivision because the subject property transaction is one of the first units to sell, the appraiser may use two pending sales in the subject project or subdivision in lieu of one closed sale. When the appraiser is using two pending comparable sales in lieu of a closed sale, the appraiser must also use at least three closed comparable sales from projects or subdivisions outside of the subject property's project or subdivision.



To meet the requirement that the appraiser use one comparable sale from inside the subject subdivision or project, the appraiser may need to rely solely on the builder of the property they are appraising, as this data may not yet be available through typical data sources (for example, public records or multiple listing services). In this scenario, it is acceptable for the appraiser to verify the transaction of the comparable sale by viewing a copy of the settlement statement from the builder's file.

