

Manufactured Housing in Condo or PUD Subject to Ground Lease Guide

To be eligible for Fannie Mae mortgage financing, manufactured housing (MH) must be titled as “real property”. In addition, if the MH is located on leased land and subject to a ground lease, the MH must be in a condo or Planned Unit Development (PUD) project approved by Fannie Mae’s Project Eligibility Review Service (PERS).

Use this guide to help determine whether a manufactured home in a leasehold estate will comply with certain Fannie Mae eligibility requirements prior to submission to PERS. This document does not modify the provisions of the *Selling Guide* and the *Selling Guide* controls if there are discrepancies.

NOTES:

- This guide is applicable to projects consisting partially or solely of manufactured homes.
- This guide **does not** apply to manufactured homes located in a Community Land Trust (CLT). See [Selling Guide B5-5.3, Shared Equity Transactions](#) for more information on manufactured homes in CLTs.
- The term HOA refers to any entity formed to manage the day-to-day operation and long-term interests of a condo or PUD project, as applicable.

Requirements Pre-Check

While this document features a thorough overview of MH, leasehold, and project requirements, this quick eligibility requirements pre-check will help you determine if this guide will be relevant to your project:

- Manufactured homes must be titled as real property (i.e., no “chattel” loans). Consult state titling guidelines to determine if MH subject to a ground lease are eligible for real property treatment.
- The HOA must be the lessee on the ground lease without any further subleases. No individual ground leases with manufactured home unit owners are allowed.
- The HOA cannot sublease the land but collects ground rent from MH owners as part of the HOA fees.
- The MH must be located in a condo or PUD.

If all of the above are true, please continue to see additional requirements for MH in a condo or PUD subject to a ground lease.

Leasehold Estate Requirements

Please refer to [B2-3-03, Special Property Eligibility and Underwriting Considerations: Leasehold Estates](#) for more information and a complete list of requirements relating to leasehold estates. Below is a highlight of certain requirements for a ground lease for a condo or PUD project **consisting partially or solely of manufactured homes**.

- The condo or PUD association must be the lessee on the ground lease without any further sublessees. No individual ground leases with the manufactured home unit owners are allowed.
- The lease must have an unexpired term that exceeds the maturity date of the loan by five (5) years or more.
- The lease must be recorded in the appropriate land records.
- The lease must be in full force and effect, and enforceable and effect in all respects.
- The lease must not preclude the borrower’s membership or voting rights in the HOA.
- The lease or project documents must provide that the lender receives notice of any lessee default under the lease not more than 30 days after such default, and at least 30 days’ prior notice of termination of the ground lease.
- **For loans sold to Fannie Mae with new leases entered into on or after September 01, 2025:** The fee estate must not be subject to any prior loans or other liens, unless the secured party or lienholder has agreed to recognize and not disturb the lease if it becomes the owner of the fee estate, as evidenced by an agreement recorded in the appropriate land records.



Project Requirements

Refer to [B4-2.1, General Project Standards](#) and [B4-2.2, Project Eligibility](#) for more information and a complete list of general requirements relating to condo and PUD projects. Below is a highlight of certain requirements for a condo or PUD project **consisting partially or solely of manufactured homes**.

- The project meets zoning requirements as described in [B4-1.3-04 Site Section of Appraisal Report](#).
- The project meets the requirements under “Priority of Common Expense Assessments” in [B4-2.1-01, General Information on Project Standards](#).
- If the project is a condo, the project meets the requirements listed under “Full Review Eligibility Requirements” including review for ineligible characteristics described in [B4-2.1-03, Ineligible Projects](#), and “Additional Requirements – For Condo Projects Consisting of Manufactured Homes” under [B4-2.2-02, Full Review Process](#).
 - If the project is a new or newly converted condo, the project meets the requirements under [B4-2.2-03, Full Review: Additional Eligibility Requirements for Units in New and Newly Converted Condo Projects](#), including the project legal document review requirements.
- If the project is a PUD, the project meets the requirements under [B4-2.3-01, Eligibility Requirements for Units in PUD Projects](#).

PERS Requirements

A PERS submission by a Fannie Mae-approved seller is required for approval of a condo or PUD project consisting of manufactured homes subject to a ground lease.

Prior to submission, the lender must review all aspects of the project, including the ground lease, to confirm that it meets the project eligibility and lease requirements, ensuring a thorough underwriting analysis of the project is conducted and a conclusion is provided.

- A qualified attorney engaged by the lender must review the condo project legal documents including the ground lease and determine that the documents are in compliance with Fannie Mae’s requirements. This determination must be documented by the attorney in writing but need not rise to the level of a formal, written legal opinion. The attorney may be the same person who prepared the legal documents or an attorney employed by the lender, however **the attorney cannot be an employee, principal, or officer of the developer or sponsor of the project**.

NOTE: PERS approvals expire after 18 months and must be renewed at that time in order for loans financing the purchase of homes in the project to continue to be sold to Fannie Mae. Refer to [Manufactured Home Project Review Guide](#) for the applicable PERS review type and [Project Eligibility Review Service \(PERS\) Overview](#) and [Getting Started with the Project Eligibility Review Service](#) for more information on the PERS process including checklists and required documents.

Manufactured Home Requirements

- The manufactured home is owned and not leased by the borrower.
- The manufactured home meets the property eligibility requirements under [B2-3-01, General Property Eligibility](#), including the use of the property is a legal conforming use (i.e., comply with applicable zoning regulations for manufactured homes and condo or PUD).
- The manufactured home also meets the requirements under “Manufactured Home Property Eligibility Requirements” or “MH Advantage Property Eligibility Requirements,” as applicable, in [B2-3-02, Special Property Eligibility and Underwriting Considerations: Factory-Built Housing](#).
- The manufactured home meets the legal requirements under [B5-2-05, Manufactured Housing Legal Considerations](#), including that the manufactured home and the land on which it is situated are legally classified as real property under



applicable state law. See also [B5-2-02 Manufactured Housing Standards](#) and [B5-2-05, Manufactured Housing Legal Considerations](#), under “Title Issues and Lien Requirements”. Learn more about titling requirements in [Titling Manufactured Housing](#).