Fannie Mae

Manufactured Home Financing Matrix

Overview

There are three ways to finance a new or proposed manufactured home:

- **Single-Closing Construction-to-Permanent (C-to-P) Financing:** Single-closing uses an interim loan for construction which automatically converts to a permanent fully-amortizing loan when the construction is complete. Can be closed as a purchase transaction (borrower does not own the land) or refinance transaction (borrower owns the land). Manufactured homes follow the same process and logic as site-built homes.

- **Two-Closing C-to-P Financing:** In a two-closing transaction, an interim loan is closed and used to build the home. Once construction is complete, a second closing of a fulling amortizing refinance loan is used to pay off liens for the home and potentially a mortgage on the land.

- **Manufactured Housing (MH) Underwriting Requirements:** A fully amortizing purchase transaction is used to pay for the land and construct the home, or a refinance transaction to pay off mortgages and liens for the land, home, and other cost to build the home, or for an existing home.

C-to-P mortgages for MH extend the benefits and flexibilities of Construction-to-Permanent financing to homeowners purchasing manufactured homes. Lenders can include cost of the home, transportation, land, site prep, installation, and other construction costs in the loan amount. The home must be complete at the time of loan delivery.

	Single Closing MH C-to-P	Two-Closing MH C-to-P	MH Mortgages
Purchase	Borrower does not own the lot at the first advance of interim construction financing. Used to purchase the lot and finance construction.	N/A	Borrower may be owner of the lot, either with or without a mortgage. Used to finance the purchase of the MH or the MH and the land.
LCOR	Borrower owns the lot at the first advance of interim construction financing Pay off existing mortgage secured by the MH and land (or existing liens if the home and land were encumbered by separate liens) and finance construction.	Borrower is the owner of record of the MH and lot. Pay off the outstanding principal balance of an existing personal property lien or first lien mortgage secured by the MH and land (or existing liens if the home and land were encumbered by separate first liens).	
LTV Calculation: Purchase	Divide the loan amount of the C-to-P financing by the lesser of: • The sales price of the MH plus construction cost and sales price of the lot • The "as completed" appraised value of the MH and land	N/A	Divide the loan amount by the lesser of: • MH Price plus: The lowest price paid for the land during the past 12 months OR The current appraised value of the land. • The "as completed" appraised value of the MH and land

LTV Calculation: LCOR	Divide the loan amount of the C-to-P financing by the “as completed” appraised value of the property (the lot and improvements).	Divide the loan amount by the lesser of: • Appraised value of the MH and land • If the MH and land were owned for less than 12 months prior to the loan application and are secured by separate liens: The lowest price paid for the MH during the prior 12-month period plus the lower of the appraised value of the land, or the lowest price paid for the land during the prior 12 months period. OR If the MH and land are secured by a single lien: The lowest price at which the home and land were previously sold during the prior 12 months	
Other Considerations	Updated credit docs may be needed prior to loan delivery.		

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.