

Welcome to the June/July 2018 E-blast from the **National Manufactured Home Owners Association (NMHOA)**. Please share these monthly E-blasts with as many home owners and other interested individuals as you have on your email list. The E-blast is an important way for NMHOA to share exciting news from across the country.

**Thank You!** – NMHOA is excited to welcome many new and renewing members. We thank you very much for your support and commitment to NMHOA!

### **Fannie Mae Makes Manufactured Home Loans Cheaper**

Fannie Mae is **lowering down payment requirements and lender fees** on manufactured housing loans to improve affordable housing access. Both Fannie and Freddie Mac, have been expanding support for manufactured housing, affordable housing preservation and rural housing under [Duty to Serve](#), a directive issued by their regulator, the Federal Housing Finance Agency.

Fannie Mae's new MH Advantage loans require a **3% down payment, down from 5%** in Fannie's existing manufactured housing loan offerings. In addition, Fannie is **not charging the 50-basis-point loan-level price adjustment** that typically applies to manufactured housing loans. (Loan-level pricing adjustments are the government's way of raising prices for "riskier" borrowers without putting a penalty to "safer" ones. Similar to an auto insurance policy, a person loaded with risk will pay a higher premium.)

MH Advantage loans give lenders more leeway to fund loans secured by manufactured housing that have higher loan-to-value ratios (how close amount of the loan is to the total appraised value of the home). To qualify for a MH Advantage loan, the manufactured home must be "designed to meet specific construction, architectural design and energy efficiency standards," as outlined under Duty to Serve. The new offering builds off of Fannie's existing HomeReady program, which allows borrowers to get a mortgage with a 3% down payment.

### **Fannie Mae and Freddie Mac to support \$200 million in Chattel Loans**

Fannie Mae and Freddie Mac announced in late 2017 they would begin **pilot programs to buy chattel loans over a two-year period**, starting in 2019. Chattel loans, which finance the bulk of manufactured-home purchases, are personal-property loans that are secured by the home but not the underlying real estate, unlike typical home mortgages.

Fannie and Freddie plan to buy about **\$200 million in chattel loans** — a modest figure compared to the \$1.8 billion in real estate-secured manufactured-home loans (where the homeowner owns both the structure and the land) that Fannie Mae alone purchased in 2017.

Excluding land costs, the average sales price of a manufactured home in 2016 was \$70,600, compared to nearly \$287,000 for a site-built home, according to census figures. The cost of the present chattel loans and the difficulty for people to get them has made a very affordable product, in many cases, unaffordable to those who most need it. The secondary market for chattel loans virtually dried up after Fannie and Freddie stopped purchasing them when many loans defaulted in the early 2000s.

## **2018 I'M HOME Conference**

Registration opens on Wednesday, July 18 for the 2018 I'M HOME (Innovations in Manufactured Homes) Conference, which will be held December 3-5 in Nashville, Tennessee. The [conference website](#) also goes live on this date. The first 100 registrants will receive a free copy of Esther Sullivan's upcoming book, ***Manufactured Insecurity: Mobile Home Parks and Americans' Tenuous Right to Place***.

**Members only** – please keep in mind that NMHOA members receive an additional eblast every month – *i'mPOWERED* – this is an educational publication with useful information related to board governance, health and safety reminders for manufactured homeowners, and other helpful articles. There is also a **Did You Know** section and an **Ask Dave** section – so if you have questions about anything related to manufactured home living and you are a member of NMHOA, please contact Dave at [admin@nmhoa.org](mailto:admin@nmhoa.org) with your burning questions. For your convenience, a membership form is a click away at: <http://www.nmhoa.org/membership.html>

You can read all about NMHOA at the NMHOA webpage: [www.nmhoa.org](http://www.nmhoa.org) and please “like” our facebook page:  
<http://www.facebook.com/NationalManufacturedHomeOwnersAssociation>

***If there are stories or legislative successes from your state you would like to share through our E-blasts, please contact NMHOA Executive Director, Dave Anderson at: [david.r.anderson.nmhoa@gmail.com](mailto:david.r.anderson.nmhoa@gmail.com). Your story will inspire and educate others.***