Zoning, Titling, and Access to Financing

National Manufactured Home Owners Association Annual Meeting

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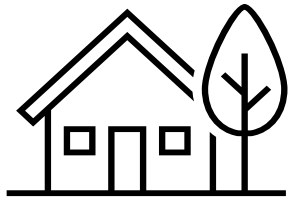
pew.org/housingpolicy

Pew

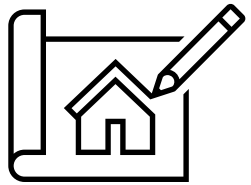
Manufactured Housing: Important, Misunderstood Housing Supply



What it is

Homes built in a factory to federal housing standard

U.S. Department of Housing and Urban Development (HUD) code



Why it is important

Housing supply shortage

Lack of smaller, and more affordable homes (both existing and new).
Developers are starting to adopt as a lower-cost approach

Ownership, titling, and financing challenges

Access safe and affordable loan

Impacts whether a family can purchase a home, what they can afford, and whether they remain stably housed.

Roadmap

- Manufactured home ownership and titling
- Who is impacted by titling policy?
- Financing use and requirements for mortgages
  - Costs and consumer protections
- Policy approaches at federal and state level

State Zoning Policy Updates

Nine states have updated laws to prevent municipalities from excluding manufactured homes.

- Often policies require manufactured homes are treated like any other single-family home.
- Demonstration projects have often been helpful in addressing stigma and showing modern manufactured homes
- States include CT, KY, ME, MD, MT, NH, OR, RI, TX

Sources: The Pew Charitable Trusts, States Take Crucial Steps to Expand Supply of Lower-Cost Single-Family Homes

Photo, City of Versailles Pilot Project House, Kentucky Manufactured Housing Institute

Manufactured Home Titling: Real Estate vs. Personal Property

Personal property titling:

- 49 states automatically title manufactured homes. Most states allow conversion in certain scenarios to real estate.
- If a home is titled as personal property mortgage financing is not possible
    - Buyers must rely on home-only “personal property” “chattel” loans or contract financing

Real estate titling:

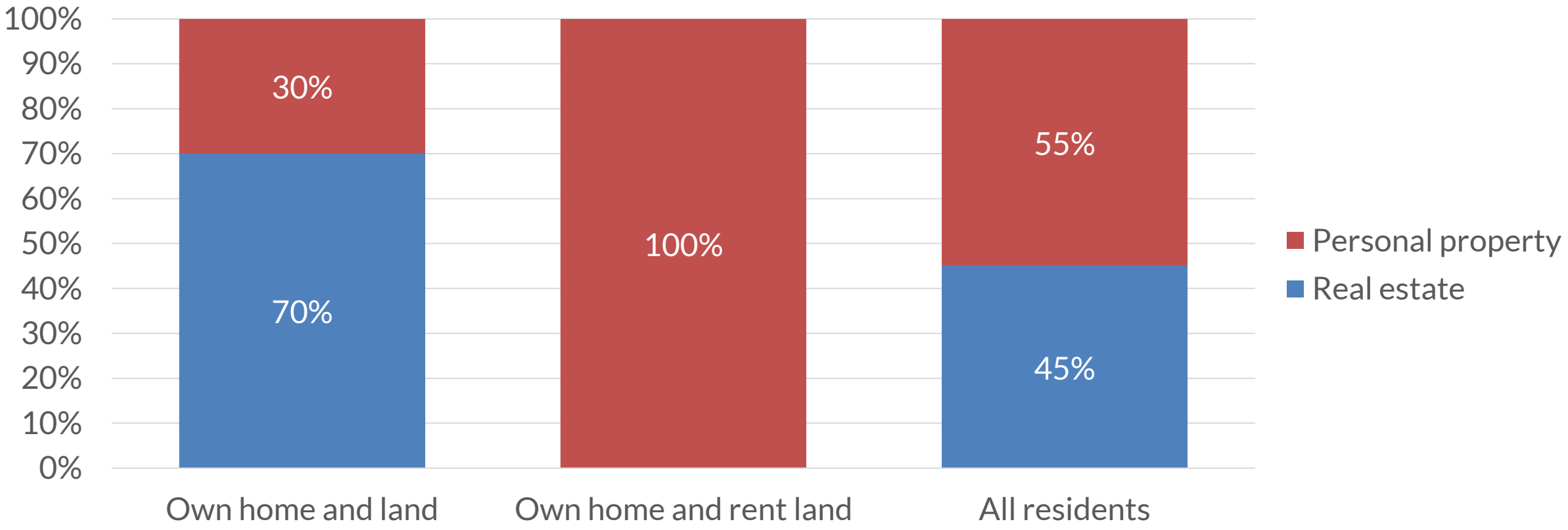
- Typically requires home buyers to own land, but a few states allow owners with long-term land leases or landowner permission to title as real estate.
- Enables buyers to use a mortgage to finance their home purchase

State Laws Determine Mortgage Eligibility

Sources: left photo, MHVillage Mobile Homes
Middle photo, City of Versailles Pilot Project House, Kentucky Manufactured Housing Institute
Right photo, Datacomp

Over Half of Manufactured Home Owners Title As Personal Property

Share of residents by land ownership and property titling



Source: The Pew Charitable Trusts, Alternative Financing and Manufactured Home Surveys, 2022; Siegel and Rodnyansky, 2025

Manufactured Home Titling Impacts Access to Credit

Mortgages have the strongest consumer protections and lowest interest rates.

- Accessible only when the home is titled as real estate.
    - 95% site-built vs. 44% manufactured home borrowers

Home-only (aka “chattel” or “personal property”) loans are the next-best choice.

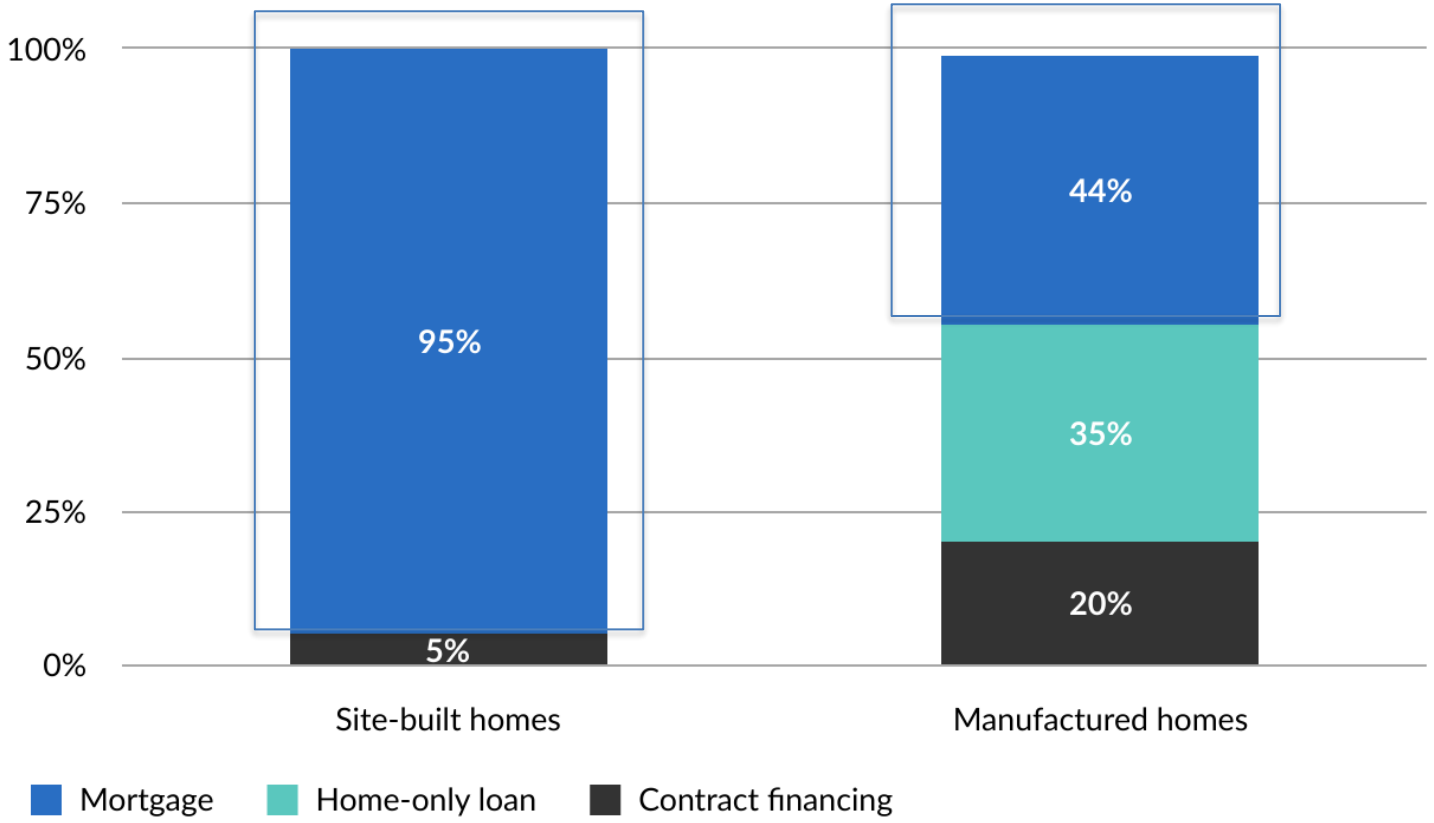
- Home is legally owned by the borrower and recorded with the secretary of state, but fewer protections than mortgages.
    - 0% site-built homes are financed this way but 35% of manufactured homes are

Contract financing (lease-purchase or contract for deed) is often risky and costly.

- Few state- and federal-level laws apply, especially if the home is not titled as real estate.
    - Just 5% of site-built homes but 20% of manufactured homes

MH Borrowers More Likely To Use Contract Financing

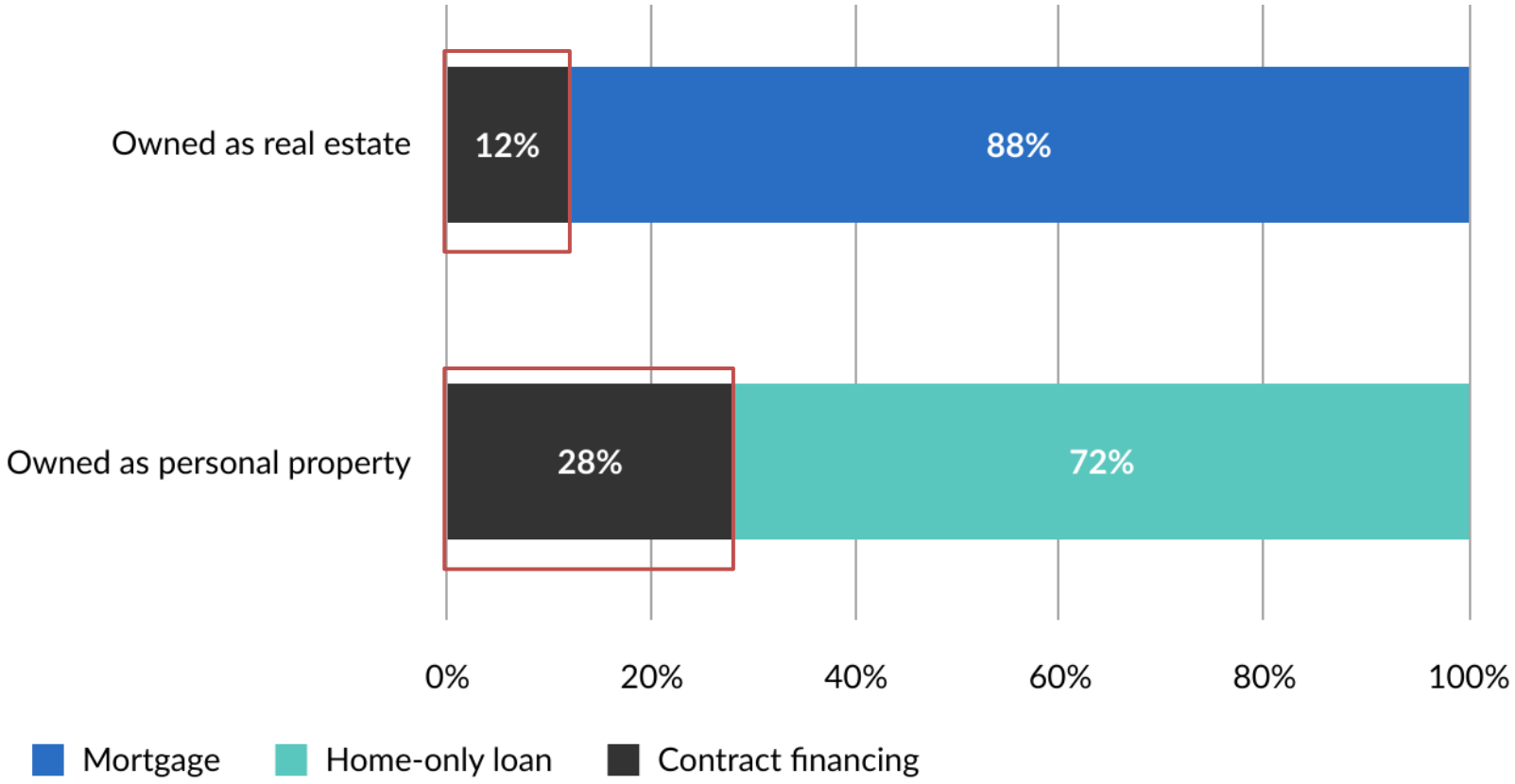
Percent of current borrowers by housing and loan type



Source: The Pew Charitable Trusts, Alternative Financing and Manufactured Home Surveys, 2022

Many Borrowers Who Own as Personal Property Use Risky Financing

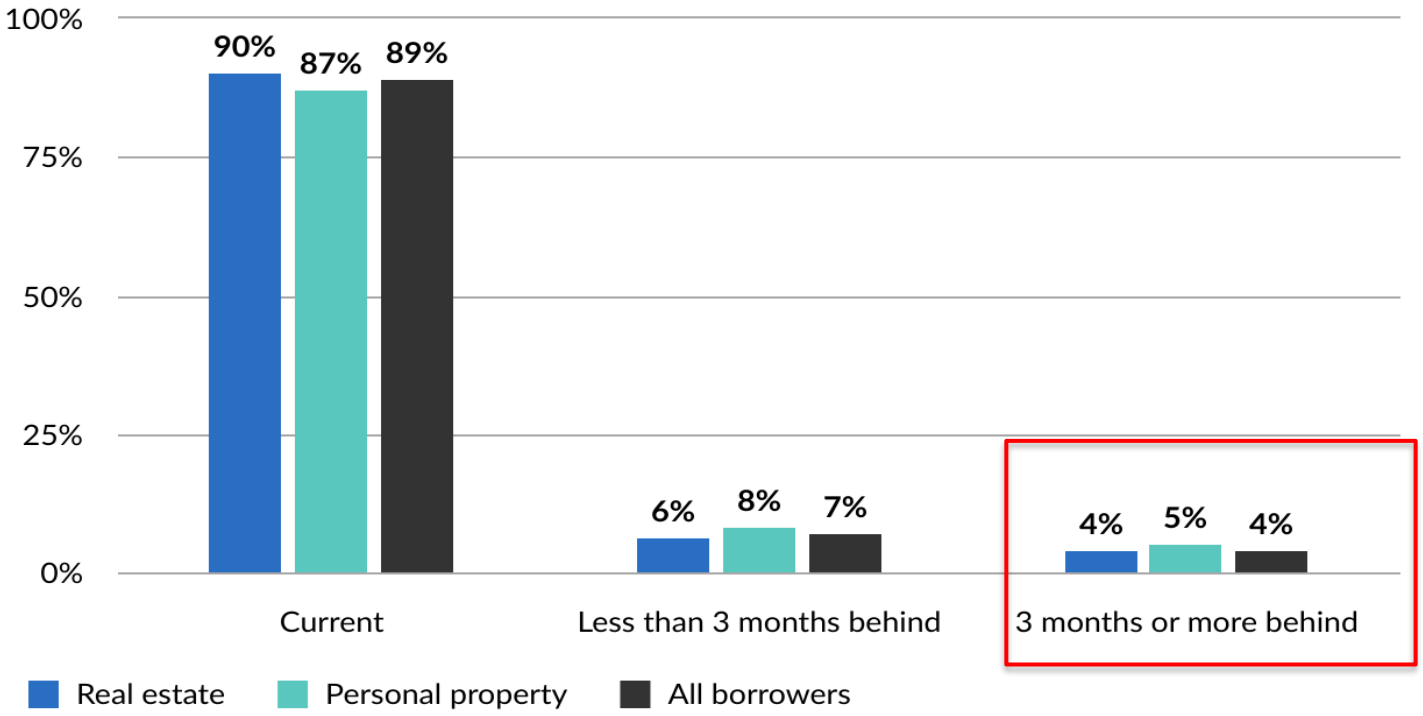
Manufactured home financing by titling status



Source: The Pew Charitable Trusts, Manufactured Home Survey, 2022

Most Manufactured Home Borrowers Are Current On Monthly Payments

Percent of borrowers by home titling and reported loan status



Source: The Pew Charitable Trusts, Manufactured Home Survey, 2022

- **No significant differences in repayment by borrowers regardless of their titling.**
  - Opportunity to expand access to mortgage or home-only loans
- **Only 4% reported 3 or more months behind on payments.**

Who Originates Manufactured Home Loans?

Home-Only Loans

- 5 lenders originate about ¾ of home-only loans in the market.
  - Denial rates are nearly 2/3 of complete applications
  - Most lenders can't make home-only loans at scale because of lack of federal or state loan programs

Mortgages

- Hundreds of lenders make manufactured home mortgages, often using federal and state programs
- Access to federal and state programs

Federal and State Policies Improving Financing And Supply

Federal and State Policy Approaches To Expand Mortgage Access

Fannie Mae and Freddie Mac, Duty to Serve

- Fannie pilot in NH and expanding to VT and OR to purchase mortgages for buyers and homeowners in resident owed communities
  - considering expansion to land-lease communities
- Freddie working with buyers on Tribal land

USDA

- Older homes are now eligible
- New energy efficient homes on land with long-term lease are eligible

State

- Last year Washinton state has expanded real estate for resident owned communities
- New York is finalizing a bill that would allow real estate for homeowners who don't own land with permission from the landowner.

Federal And State Policy Approaches To Expand Home-Only Loans

FHA and Freddie Mac

- FHA Title I Manufactured Home Loan program
  - Loan limits increased last year, Ginnie aligned net worth standards with policy for mortgage lenders
  - Freddie Mac has proposed a new program and awaits approval from FHFA

State of New York Mortgage Agency (SONYMA)

- Manufactured Home Loan Program
  - 30-year fixed rate loan for buyers regardless of landownership for purchase or refinance
    - Includes land lease communities that have been preapproved
  - Minimum down payment of 1%

Photo Credit: https://www.earthquakeauthority.com/prepare-your-house-earthquake-risk/structural-risks/mobilehomes-manufactured-homes

Key Takeaways

1. **Manufactured homes are a vital yet underutilized solution to the housing supply shortage**
   - Stigma and the resulting outdated policies keep manufactured housing from becoming on par with any other home

2. **Titling and state Laws directly impact financing options and homeowner stability**
   - Pew's research shows that mortgage borrowers pay less per month and often over the life of the loan than home-only borrowers

3. **State policy reforms are needed to expand access to mortgages, drive down costs, and improve consumer protections**
   - Initial steps are being made but more advocacy and innovative thinking is necessary

Thank you!

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