

Homeownership Program Bulletin

August 12, 2005

Program Bulletin #2005-20

To: CalHFA Approved Lenders

CalHFA Manufactured Housing Property Requirements

This bulletin updates property standards described in the CalHFA Lender Program Manual as it pertains to manufactured housing and gives direction to Lenders on processing CalHFA loans secured by manufactured housing.

CalHFA adopts the U.S. Department of Housing and Urban Development (HUD), Veterans Administration (VA) and the Federal National Mortgage Association (Fannie Mae) standards and requirements, except as noted herein, for manufactured housing financing on FHA insured loans, VA loan guaranty, and conventional loans respectively. HUD, VA, and Fannie Mae have developed standards and requirements that recognize the uniqueness of financing manufactured housing. These standards address important issues such as appraisal approaches, national construction standards and certification, defined real estate, ownership requirements, size requirements, and manufactured housing definitions.

CalHFA will accept individual VA guaranteed and FHA insured loans for compliance and purchase review that are secured by manufactured housing and conform to VA and HUD manufactured homes requirements respectively. Manufactured home projects must be FHA or VA approved when FHA and VA loans will be submitted to CalHFA.

CalHFA will accept individual conventional loans for compliance and purchase review and/or mortgage insurance that are secured by manufactured housing if they conform to Fannie Mae manufactured housing requirements as detailed in the Fannie Mae Seller Servicer Guides. Manufactured housing projects must be Fannie Mae approved. CalHFA currently limits the total and combined loan-to-value (TLTV, CLTV) ratio on manufactured housing conventional loans to 90% of the lesser of the acquisition cost or appraised value. Borrowers must have 10% of their own funds for a down payment. Lenders who have access to Fannie Mae's automated underwriting system may use that method under Manufactured Housing Underwriting requirements except that a TLTV or CLTV exceeding 90% is not acceptable to CalHFA. Manually underwritten loans must comply with criteria provided in CalHFA program descriptions and underwriting guidelines. Underwriting guidelines are contained in CalHFA Homeownership Program Bulletin #2005-17. Mortgage insurance for conventional loans is provided by CalHFA Mortgage Insurance Services.

In addition to the HUD and Fannie Mae manufactured housing requirements, borrowers and properties must conform to all CalHFA regulatory, statutory, and compliance requirements.

For questions about this bulletin, contact CalHFA Homeownership Programs by phone 916.324.8088; by fax 916.324.6589; by email at homeownership@calhfa.ca.gov and you can always visit CalHFA's web site at: www.calhfa.ca.gov

Please send all loan files and documents to:
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