Understanding Today's Manufactured Housing

The need for quality, affordable housing has never been greater. Today's manufactured homes can deliver outstanding quality and performance at prices ranging from 10 to 20 percent less per square foot than conventional site-built homes. These savings allow more and more Americans to own their own home, even in the face of an ever-widening housing affordability gap.

The affordability of manufactured housing can be attributed directly to the efficiencies emanating from the factory-building process. The controlled construction environment and assembly-line techniques remove many of the problems encountered during traditional home construction, such as poor weather, theft, vandalism, damage to building products and materials, and unskilled labor. Factory employees are trained and managed more effectively and efficiently than the system of contracted labor employed by the site-built home construction industry.

Much like other assembly-line operations, manufactured homes benefit from the economics of scale resulting from purchasing large quantities of materials, products and appliances. Manufactured home builders are able to negotiate substantial savings on many components used in building a home, with these savings passed on directly to the homebuyer.

Today's manufactured homes have experienced a major evolution in the types and quality of homes being offered to buyers. Technological advances are allowing manufactured home builders to offer a much wider variety of architectural styles and exterior finishes that will suit most any buyer's dreams, all the while allowing the home to blend in seamlessly into most any neighborhood. Two-story and single-family attached homes are but two of the new styles being generated by factory-built innovation. As a result, today's manufactured homes are offering real housing options for the neglected suburban and urban buyers.

At the same time, greater flexibility in the construction process allows for each home to be customized to meet a buyer's lifestyle and needs. Interior features now include such features as vaulted ceilings and working fireplaces to state-of-the-art kitchens and baths, giving the homebuyer all the features found in traditional, site-built homes. Enhanced energy efficiency in manufactured homes, achieved with upgraded levels of insulation and more efficient heating and cooling systems, provide another source of savings for homeowners, especially in this era of rising energy costs. Smart buyers are turning to EnergyStar-labeled manufactured homes for substantial savings in many aspects of owning and operating a home.

Technological advances, evolutionary designs, and a focus on delivering quality homes that families can afford are the driving forces within the manufactured housing industry. That's why more people are turning to manufactured housing to deliver homes that fit their needs and wants, at prices they can afford!

Cost & Size Comparisons of New Manufactured & New Single-Family Site-Built Homes

(2011-2015)

Year	2011	2012	2013	2014	2015
New Manufactured Homes (Including typical installation cost) (excluding land)					
All Homes					
Average Sales Price	$60,500	$62,200	$64,000	$65,300	$68,000
Average Square Footage	1,465	1,480	1,470	1,438	1,430
Cost Per Square Foot	$41.30	$42.02	$43.54	$45.41	$47.55
Single-Section					
Average Sales Price	$40,600	$41,100	$42,200	$45,000	$45,600
Average Square Footage	1,115	1,100	1,100	1,115	1,092
Cost Per Square Foot	$36.41	$37.36	$38.36	$40.36	$41.76
Multisection					
Average Sales Price	$73,900	$75,700	$78,600	$82,000	$86,700
Average Square Footage	1,705	1,725	1,720	1,710	1,713
Cost Per Square Foot	$43.34	$43.88	$45.70	$47.95	$50.61
New Single-Family Site-Built Homes Sold (House and the land sold as a package)					
Average Sales Price	$267,900	$292,200	$324,500	$345,800	$360,600
Less Land Price	- 59,950	- 69,115	- 75,071	- 84,628	-84,316
Price of Structure	$207,950	$223,085	$249,429	$261,172	$276,284
Average Square Footage	2,494	2,585	2,662	2,690	2,745
Cost Per Square Foot	$83.38	$86.30	$93.70	$97.10	$100.65

Source: U.S. Department of Census (Note – Data from 2013 and prior are not comparable to 2014 and beyond)

FACTORY-BUILT HOUSING

Many types of structures are built in the factory and designed for long-term residential use. In the case of manufactured and modular homes, units are built in a factory, transported to the site and installed. In panelized and pre-cut homes, essentially flat subassemblies (factory-built panels or factory-cut building materials) are transported to the site and assembled. The different types of factory-built housing can be summarized as follows:

Manufactured Homes: These are homes built entirely in the factory, transported to the site, and installed under a federal building code administered by the U.S. Department of Housing and Urban Development (HUD). The Federal Manufactured Home Construction and Safety Standards (commonly known as the HUD Code) went into effect June 15, 1976. The federal standards regulate manufactured housing design and construction, strength and durability, transportability, fire resistance, energy efficiency and quality. The HUD Code also sets performance standards for the heating, plumbing, air conditioning, thermal and electrical systems.

It is the only federally-regulated national building code. On-site additions, such as garages, decks and porches, often add to the attractiveness of manufactured homes and must be built to local, state or regional building codes.

Modular Homes: These factory-built homes are built to the state or regional code where the home will be located. Modules are transported to the site and installed.

Panelized Homes: These are factory-built homes in which panels—a whole wall with windows, doors, wiring and outside siding—are transported to the site and assembled. The homes must meet state or local building codes where they are sited.

Pre-Cut Homes: This is the name for factory-built housing in which building materials are factory-cut to design specifications, transported to the site and assembled. Pre-cut homes include kit, log and dome homes. These homes must meet local, state or regional building codes.

Mobile Homes: This is the term used for manufactured homes produced prior to June 15, 1976, when the HUD Code went into effect. By 1970, these homes were built to voluntary industry standards that were eventually enforced by 45 of the 48 contiguous states.

THE HUD CODE

Just as site-built homes are constructed according to a specific building code to ensure proper design and safety, today's manufactured homes are constructed in accordance with the HUD Code. The United States Congress laid the foundation for the HUD Code in the National Manufactured Housing Construction and Safety Standards Act of 1974, which was enacted because of three inter-related reasons:

The interstate shipment of homes from the plant to the retailer to the home site meant that the manufacturer—prior to the advent of the HUD Code—ordinarily did not know in advance which code would apply; States were not able to effectively and uniformly regulate manufactured home construction and safety issues; and Congress wished to preserve access to affordable housing for middle and lower income families.

In its legislation, Congress directed the Secretary of the U.S. Department of Housing and Urban Development (HUD) to establish appropriate manufactured home construction and safety standards

that "...meet the highest standards of protection, taking into account existing state and local laws relating to manufactured home safety and construction." Every manufactured home is built in a factory, under controlled conditions, and has a special label affixed on the exterior of the home indicating that the home has been designed, constructed, tested and inspected to comply with the stringent federal standards set forth in the code. No manufactured home may be shipped from the factory unless it complies with the HUD Code and is released for shipment by an independent third-party inspector certified by HUD.

The HUD Code is unique since it is specifically designed for compatibility with the factory production process. Performance standards for heating, plumbing, air conditioning, thermal and electrical systems are set in the code. In addition, performance requirements are established for structural design, construction, fire safety, energy efficiency, and transportation from the factory to the customer's home site. Manufactured homes are constructed with virtually the same materials used in site-built homes. However, in contrast to traditional site-building techniques, manufactured homes have the advantage of using engineered design applications and the most cost-efficient assembly-line techniques to produce a quality home at a much lower cost per square foot. To ensure quality, the design and construction of the home is monitored by both HUD and its monitoring contractor. The familiar red seal (the certification label) attached to the exterior of a manufactured home indicates that it has undergone and passed perhaps the most thorough inspection process in the home building industry.

Is the HUD Code less stringent than state or local building codes?

Although the HUD Code is more performance-based while model codes, such as the International Residential Code (used by many state and local jurisdictions to regulate site-built housing) tend to be more prescriptive, independent analyses and comparisons of the HUD and IRC generally come to the conclusion that they are comparable in nature. A 1997 comparison study of the HUD and CABO Codes (predecessor to the IRC) by the University of Illinois Architecture-Building Research Council stated:

"There are many similarities in these codes, along with minor differences of slight consequence and some differences of notable consequence. On balance, the codes are comparable."[1]

While some areas of the CABO Code are deemed "more restrictive" than the HUD Code in the University of Illinois study, there are also areas where the HUD Code is deemed more restrictive than the CABO Code, such as in ventilation, flame spread, structural loads, window construction, vapor retarders and service wiring.

While some believe the HUD Code is solely responsible for the affordable nature of manufactured housing, the National Association of Home Builders Research Center, in a report prepared for HUD, concluded that:

…the net cumulative effect of the differences between the two codes is more likely on the order of hundreds of dollars, rather than thousands of dollars per unit.[2]

[1] *Jeffrey Gordon and William B. Rose, Code Comparison Summary, University of Illinois at Urbana—Champaign School of Architecture, published by the Manufactured Housing Institute, December 1997*
[2] *NAHB Research Center, Factory and Site-Built Housing: A Comparative Analysis, U.S. Department of Housing & Urban development, Office of Policy Development and Research, October 1998*

A recent study by Dr. K. R. Grosskopf of the University of Florida found that not one manufactured home built and installed after 1994 Code changes was destroyed or seriously damaged by four hurricanes that struck Florida in 2004.

In fact, it could be argued that the HUD Code, is more restrictive than most site built codes, because of its robust, uniform federal compliance program, which ensures that every home built meets the prescribed code.

THE "AFFORDABILITY" FACTOR

The affordability of manufactured housing is mainly attributable to the efficiencies of the factory process. The controlled environment and assembly-line techniques remove many of the problems of the site-built sector, such as poor weather, theft, vandalism and damage to building products and materials stored on site. Also, factory employees are trained, scheduled and managed by one employer, as opposed to the system of contracted labor in the site-built sector.

Manufactured home producers also benefit from the economies of scale which result from being able to purchase large quantities of building materials and products. As a result they are able to negotiate the lowest possible price for items that are invariably more expensive in a site-built house.

According to a 2002 report released by the Millennial Housing Commission, manufactured housing remains one of the largest sources of non-subsidized housing in the nation. The report also cites that manufactured housing accounted for almost 72% of the growth in the nation's affordable housing stock in the 1990s. It is imperative that manufactured housing remain affordable to those that need it most.

According to the 2002 Apgar Report, "An Examination of Manufactured Housing as a Community- and Asset-Building Strategy," over the past decade and a half, manufactured housing has emerged as an important affordable housing option. Among households with very-low incomes (less than 50% of AMI) 23 percent of homeownership growth between 1993 and 1999 came from manufactured housing.

THE INSPECTION SYSTEM FOR MANUFACTURED HOMES

It can generally be acknowledged that a building code is only as good as the enforcement system that accompanies it. The manufactured home enforcement program required by the U.S. Department of Housing and Urban Development (HUD) is a thorough and efficient system designed specifically for the factory production environment. Because the factory pace differs from that of the construction site, the manufactured home enforcement system is necessarily different, too. However, the goal in both cases is the same—to ensure the highest degree of safety in the design and construction of the home. The HUD enforcement system relies on a cooperative federal/state program to ensure compliance with the Federal Manufactured Home Construction and Safety Standards (the HUD Code). The Department of Housing and Urban Development enforces the HUD Code through its monitoring contractor. Uniformity and consistency can be maintained better in the HUD enforcement system because of two key factors. First, the inspections take place in the factory and follow behind the manufacturer's own in-plant inspection and quality assurance teams. This allows for more thoroughness, since time is spent inspecting homes rather than traveling to inspection sites. Efficiency is increased because travel time is limited and necessary paperwork is minimized. Second, consistency is maintained because the home is inspected by a third party during the construction process. The enforcement procedure is much less susceptible to individual interpretations, as would be the case with on-site inspections in every jurisdiction across the country.

Inspection Starts Before Production Starts

The HUD enforcement system begins with oversight by the Design Approval Primary Inspection Agency (DAPIA). The DAPIA (a third-party inspection agency) must: approve the engineering design of the home; approve the manufacturer's quality assurance manual for its plant; and coordinate with the other third-party inspection agency, known as the IPIA. The Production Inspection Primary Inspection Agency (IPIA) has the responsibility to make sure the production facility programs and procedures are in accordance with the DAPIA approved quality assurance manual; and, it conducts inspections of homes produced in the factory to assure conformance with the approved design. Three interesting notes: 1) every home is inspected during at least one stage of production; 2) in the course of each plant visit, the IPIA makes a complete inspection of every phase of production and every visible part of each home in production; and 3) when a new plant is opened by the manufacturer, the first home built according to approved plans is inspected 100 percent— every step in the building process undergoes close scrutiny by the inspection agency. Along with this, the audit inspection teams of HUD's monitoring contractors conduct representative inspections as a check on the performance of the third-party inspection agents and the manufacturer.

Keep in mind that all this is in addition to the inspections carried out by the manufacturer's own foremen and its quality assurance inspectors.

Certification Assures the Homebuyer

Before leaving the factory, each home must have a numbered certification label affixed to the exterior of each section of the home. This label certifies to the homebuyer that the home has been inspected in accordance with the HUD enforcement procedures and that it complies with the HUD building code. Only when all inspection parties are satisfied that the home complies with the code will the certification label be affixed to the home. A consumer seeing the home for the first time will have the assurance that the home has been thoroughly tested and inspected from the design stage through final construction and found to be built according to the approved design.

DESIGN INNOVATIONS IN MANUFACTURED HOUSING

In the last several years, the manufactured housing industry has seen rapid growth in the aesthetic variety of manufactured housing, helping the homes appeal to a broader market than ever before. The addition of new plants and the introduction of new transportation technologies have enabled factories to increase interior ceiling height up to nine feet on many homes. Also, "hinged roof" systems allow designers to produce homes with roof pitches of up to 12:12, so that manufactured homes can blend seamlessly into existing neighborhoods. The single most important advancement in the industry over the last seven years has been the development of two-story models. Until recently, engineering and materials technology, the physical constraints of many factories, and transportation issues made the possibility of multi-story manufactured homes seem like a pipe dream. However, the development of innovative chassis and transportation systems have enabled manufacturers and developers to work together to produce attractive and affordable two-story units. While multi-story models are still a small percentage of the overall manufactured housing market, the tremendous consumer interest in the concept will translate into more and more manufacturers adding them to their housing lineup in the near future.

WHY ARE BUILDER-DEVELOPERS USING MANUFACTURED HOMES?

Successful builder-developers have discovered that manufactured housing can help them:

• *Effectively expand their current market*

With a minimum of time, labor and cost, builders can add substantially to their annual production by using manufactured homes.

• *Provide a high-quality product at a lower cost than site-built housing*

Factory building maximizes efficiencies and takes advantage of economies of scale to produce a comparable product at significantly less cost.

• *Meet pent-up consumer demand for entry-level, single-family detached housing*

Rising costs have made it difficult to build for the entry-level home buyer. Manufactured housing makes it possible for the builder-developer to meet the needs of this growing market.

• *Produce housing using significantly less on-site labor*

The factory essentially functions as one huge subcontractor on the structure of the house itself. This makes the builder-developer less vulnerable to the problems of a shrinking construction labor pool.

• *Secure long-term income*

Land-lease communities in particular offer an attractive long-term stream of income that builders can depend on—something almost unheard of in single-family residential development.

• *Utilize property that might otherwise be financially or technically difficult to develop*

Manufactured homes can help builder-developers build new homes in cost-sensitive markets, take advantage of difficult or environmentally sensitive home sites, and make the most of lots in areas where security is a concern. Many builders also like the ability to additionally customize the house on site by adding such features as garages, porches and decks.

MANUFACTURED HOUSING REVITALIZES URBAN AREAS

In an effort to address housing affordability in urban and suburban areas, the Manufactured Housing Institute (MHI) announced a project to bring manufactured homes to five major urban areas. Working in conjunction with Susan Maxman & Partners, a nationally recognized architectural firm, the project focused on Wilkinsburg, Pennsylvania; Washington, D.C.; Louisville, Kentucky; Birmingham, Alabama; and Milwaukee, Wisconsin.

The project was intended to address the outdated assumption that manufactured homes are not appropriate for placement in major urban and suburban areas. Also, the project was designed to highlight any impediments and challenges to using manufactured homes, and help pave the way for a more extensive use of manufactured housing in future efforts.

The concept for the MHI Urban Design Project called for MHI to work closely with local government officials, neighborhood groups, and residential developers in bringing this new resource to urban areas, which are suffering from an unprecedented housing affordability crisis. Based on feedback from these neighborhood groups and local public officials, the project architects designed the homes to reflect the local character and architectural style of the surrounding neighborhood. As with any pilot project, the success of the effort varied from city to city. However, all of the lessons learned have been invaluable, and will assist others in taking advantage of manufactured homes to provide housing.

SITING AND PLACEMENT OF MANUFACTURED HOMES

According to the U.S. Census in 2015, 66 percent of manufactured homes were placed on private property, while the remaining 34 percent were sited in residential land-lease communities. The percentage of manufactured homes placed on private property has been growing over the last decade, and this trend is expected to continue as more and more residential land is zoned appropriately to allow for manufactured housing.

Rural and suburban markets have traditionally been the stronghold of the industry. While this remains true even today, manufactured homes are increasingly being used in urban areas. Two converging factors virtually ensure manufactured housing will play an ever growing role in providing housing in urban neighborhoods—the escalating cost of new housing, and the rising use of technological and design innovations in homes.

Are manufactured homes more vulnerable to fire than site-built homes?

Manufactured homes are no more prone to fire than homes built on-site. As a matter of fact, a 1986 national fire safety study by the Foremost Insurance Company showed that site-built homes are more than twice as likely to experience a fire than manufactured homes. The study showed that the number of home fires is 17 per 1,000 for site-built homes, while only eight per 1,000 for manufactured homes.[3]

A 2011 report on “Manufactured Homes Fires in the U.S.,” by Dr. John R. Hall Jr., National Fire Protection Association, compared manufactured homes and other dwelling fire experiences in the mid-1990’s. It found that the fire death rate in HUD Code homes built after 1976 is equivalent to other single family homes. In addition, the report found that manufactured homes have a lower incidence of fires and lower injury rates than other single family homes. According to the report, the fire experience rate was 38 to 44 percent lower than the rate for other dwellings.[4]

[3] Foremost Insurance Group of Companies, Fire Loss Study, 1986
[4] Manufactured Home Fires, Dr. John R. Hall, Jr., National Fire Protection Association, October 2011

Some fire resistance features of the HUD Code include strict standards for flame spread and smoke generation in materials, egress windows in bedrooms, smoke detectors, and at least two exterior doors, which must be remote from each other and reachable without passage through other doors that are lockable. Single-story site-built homes are required to have only one exterior door, and there is no "reachability" requirement.

Historically, a key factor in the severity of fires in manufactured homes is that there are a significantly higher percentage of manufactured homes in rural areas than in urban areas, while the percentage of site-built homes is much higher in urban/suburban areas. A fire in a home located in a rural area has a greater chance of becoming a "total fire" because of the increased amount of time needed for fire equipment to reach the home, since it may be outside a fire-protected zone.

Studies indicate that the majority of fires in manufactured homes are related to human carelessness, disproving the assumption that the construction standards are at fault. Further complicating the situation are reports from fire safety and government experts that more than a third of fires in post-HUD Code manufactured homes occurred in homes having no functioning smoke alarm present. Yet, every HUD-code manufactured home is built with a smoke detector to protect each bedroom area.

IMPACT OF MANUFACTURED HOUSING ON PROPERTY VALUES

For years, many people have believed that having manufactured housing, either on a scattered site or in communities, near or adjacent to site-built housing would depreciate the property values of the site-built housing. There is little evidence to support this notion. In fact, all the recent studies on the subject have come to the conclusion that manufactured homes, either in communities or on individual lots, have no impact on the property values of site-built homes that are adjacent to or in close proximity to them.

One of the first studies to tackle this issue was produced in 1986 by the Joint Center for Housing Studies of the Massachusetts Institute of Technology and Harvard University. In its analysis of a New Hampshire town without zoning restrictions for manufactured housing, the authors could find no statistically significant evidence that manufactured housing had any impact on adjacent site-built homes.[5]

This conclusion was also supported by a 1993 study by the University of Michigan's College of Architecture and Planning. In its examination of the impact of three Michigan manufactured home communities on adjacent residential property values, the authors stated:

…in all the cases we reviewed, the adjacent residential property values showed substantial rates of appreciation that were similar to the appreciation of comparable non-adjacent properties. We found that neither the private market nor local public officials differentiate between adjacent and non-adjacent properties when valuation levels are established.[6]

[5] *Thomas E. Nutt-Powell, David Hoaglin and Jonathan Layzer, Residential Property Value and Manufactured Homes, Working Paper 86-1, Joint Center for Housing Studies of the Massachusetts Institute of Technology and Harvard University, 1986*

[6] *Kate Warner and Jeff Scheurer, Manufactured Housing Impacts on Adjacent Property Values, Manufactured Housing Research Project Report No. 4, University of Michigan College of Architecture & Urban Planning, 1993*

And in 1997, the East Carolina University Department of Planning conducted the most extensive study to date on the topic. Using Geographical Information Systems (GIS) and spatial analysis, the authors analyzed the impact of both scattered manufactured housing and manufactured home communities on neighboring site-built homes in four North Carolina counties (Carteret, Henderson, Pitt and Wake). Even this extensive study came to the conclusion that the presence of manufactured home communities or individual manufactured homes had no impact on the property values of adjacent site-built residential properties.[7]

Do manufactured homes appreciate in value?

When properly sited and maintained, manufactured homes will appreciate like any other form of housing in the neighborhood. But, as with all housing, it is subject to the same market factors which affect appreciation. The factors that impact future value include:

- the housing market in which the home is located;
- the community in which the home is located;
- the initial price paid for the home;
- the age and maintenance of the home;
- the inflation rate;
- the availability and cost of community sites, which reflects the supply and demand influences on the home's value; and
- the extent of an organized resale network, where an organized network will usually result in homes selling for a higher price than in markets without such an organized network.

IMPACT OF MANUFACTURED HOUSING ON LOCAL COMMUNITY SERVICES

Some local government officials have discouraged the use of manufactured housing in their community because of the belief that the tax revenue from manufactured housing is less than site-built homes and therefore will not be enough to offset the cost of additional local government services (e.g. schools, roads, sewers, etc.). Obviously, all housing developments, whether they are site-built or manufactured, have to be evaluated on a case-by-case basis as to their impact on services, but it is unfair to characterize manufactured housing as not paying its fair share.

Where manufactured homes are titled as real property, those homeowners are assessed property taxes at the same rate as the owners of site-built homes, so they are paying their fair share. And many people also do not understand that in the case of land-lease communities, the homeowners pay taxes on the house and the community owner pays property taxes on the land. Some community owners also pay taxes to the local government on the rental income derived from the community. Also, since most streets and utilities in land-lease communities are installed and maintained by the developer, local governments are spared the cost of installation and maintenance of this infrastructure.

[7] *Guaqiang Shen and Richard Stephenson, The Impact of Manufactured Housing on Adjacent Site-Built Residential Properties in North Carolina, East Carolina University Department of Planning, 1997*

The bottom line is that manufactured housing gives many people the chance to join the ranks of homeowners for the first time and therefore increases the overall homeownership rate in the community. That translates into more tax revenue and economic vitality for local governments.

Are manufactured homes more susceptible to damage from tornadoes and hurricanes?

There is no meteorological or scientific basis to thinking that manufactured homes attract tornadoes. It is estimated that approximately 40 percent of all tornadoes have winds in excess of 112 miles-per-hour and can exceed 200 miles-per-hour in extreme cases. Current building codes and practices, for either manufactured or site-built homes, are not designed to withstand severe tornadoes. A direct hit from a tornado will bring about severe damage or destruction of any home in its path—site-built or manufactured. When it comes to hurricanes, valuable lessons were learned from the devastation of Hurricane Andrew in 1992. With winds in excess of 140 miles-per-hour, thousands of site-built and manufactured homes suffered extensive damage. Within weeks of the storm, the manufactured housing industry endorsed appropriate improvements of the wind resistance of manufactured homes, and, in July 1994, the U.S. Department of Housing and Urban Development (HUD) issued revisions to the wind safety provision of the HUD Code. Updates were issues 2005-2007. Now, in areas prone to hurricane-force winds (known as Wind Zones II and III according to HUD's Basic Wind Zone Map), the standards for manufactured homes are equivalent to the current regional and national building codes for site-built homes in these wind zones.

During four hurricanes that struck Florida in 2004, not one manufactured home built and installed after 1994 was destroyed by hurricane force winds. The same phenomenon occurred in the Gulf Coast region during Hurricane Katrina, with newer manufactured homes performing beyond expectations.

FINANCING MANUFACTURED HOUSING

Today's buyer of both new and existing manufactured homes may choose from several different financing options. Some financial institutions offer an entire menu of lending programs. The house can be financed as personal property, on leased land, in a manufactured home community or on a privately owned site. Buyers who desire to acquire land in conjunction with the home can finance the land and home together. Properly financed, the purchase of a manufactured home should lead to equity building for the homeowner.

Manufactured homes can be financed as personal property. Even when the home and land are financed together, the home is often secured as personal property and the land as real property. A growing number of buyers are opting to put their homes on land they are purchasing or already own. Traditional manufactured home personal property lenders have created land-and-home financing programs designed to accommodate this trend.

Homebuyers may also finance their home and land together as real property using conventional mortgage financing obtained through a traditional mortgage lender. Fannie Mae and Freddie Mac, the primary secondary market sources for mortgage loans in the U.S., encourage this with their guidelines for accepting real estate mortgage loans for 20 and 30 year terms secured by manufactured homes. The federal government also guarantees homes under the Veterans Administration's (VA's) Home Loan Guarantee program and the United States Department of Agriculture's (USDA's) Rural Housing Programs. Qualified homebuyers may also obtain loans insured by the United States Department of Housing and Urban Development's (HUD's), Federal Housing Administration (FHA).

new homes	existing homes
10%-20% downpayment Terms 15-30 years, depending on credit profile, size of home, and type of loan	10%-20% downpayment Terms up to 20 years
(Actual terms will vary from lender to lender)	(Actual terms will vary from lender to lender)

Terms and conditions on FHA and VA loans are similar to those on conventional loans. Local HUD offices have information on loan terms and conditions.

ABOUT THE MANUFACTURED HOUSING INSTITUTE (MHI)

The Manufactured Housing Institute (MHI) is a nonprofit national trade association representing all MHI is the preeminent national trade association for the manufactured and modular home businesses, representing all segments of these industries before Congress and the Federal government. From its Washington, D.C. area headquarters, MHI actively works to promote fair laws and regulation for all MHI members and the industry. For more information on MHI, visit www.manufacturedhousing.org.

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