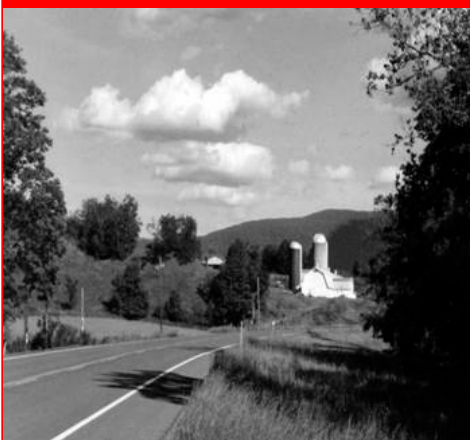


RURAL RESEARCH BRIEF

March 22, 2013

THE HOUSING ASSISTANCE COUNCIL

The Housing Assistance Council (HAC) is a national nonprofit organization that supports affordable housing efforts in rural areas of the United States. HAC provides technical housing services, seed money loans from a revolving fund, housing program and policy assistance, and research and information services. HAC is an equal opportunity lender.



MAKING THE CASE FOR LONG TERM, AFFORDABLE MORTGAGE FINANCING FOR MANUFACTURED HOMES

On March 21, 2013, CFED released *Toward a Sustainable and Responsible Expansion of Affordable Mortgages for Manufactured Homes*, which reported findings from an analysis of data on \$1.7 billion in manufactured home mortgage lending from a variety of lenders and investors who provide long-term home mortgage products to owners and buyers of manufactured homes. The report finds that manufactured home mortgage borrower repayment records are generally comparable to the site-built mortgage market. In some instances, the repayment records of manufactured home mortgage borrowers were better than comparable general mortgage portfolios.

The report's authors conclude that conventional underwriting criteria such as higher FICO scores, low loan-to-value and low debt-to-income ratios are strongly related to higher loan performance. However, some of the lenders have been able to achieve strong loan performance with manual underwriting of loans with lower downpayment and less stringent credit requirements by maintaining good contact with the borrowers.

Data were compiled by a two-year effort of the I'M HOME Loan Data Collection Project, part of Innovations in Manufactured Homes (I'M HOME), a national initiative managed by CFED. The goal of this effort is to make affordable manufactured home financing available to current and potential low- and moderate-income home owners and a viable alternative to higher cost personal property (chattel) loans. While this effort represents progress in documenting the viability of such financing, more data and further study is needed.

The report includes recommendations to improve the quality of the data, promote product development and innovation among lenders and investors, and organize stakeholders to build recognition of the value of manufactured housing as an energy efficient, lower cost housing option in the mainstream affordable housing policy in the United States.

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FOR MORE INFORMATION ON THE ISSUE OF AFFORDABLE FINANCE FOR MANUFACTURED HOUSING

*Toward a Sustainable and Responsible Expansion of
Affordable Mortgages for Manufactured Homes,
Download the [Executive Summary](#) and the [full report](#).*

FOR MORE INFORMATION ON RURAL HOUSING ISSUES

[Housing in Rural America](#), Taking Stock: Rural People, Poverty and Housing
in the 21st Century. 2012.

HOUSING ASSISTANCE COUNCIL

