CONNECTICUT HOUSING FINANCE AUTHORITY

Unlocking Solutions, Building Strong Communities.

MOBILE MANUFACTURED HOME PROGRAM

(Addendum to CHFA Operating Manual)

Lender must be specifically approved to originate this program

Rev. 11.17.26

Introduction

The CHFA Mobile Manufactured Home Program can be utilized for either the purchase or the refinance of an owner-occupied Mobile Manufactured Home located in a State of Connecticut Licensed Mobile Home Park.

Participating Lenders

The CHFA Mobile Manufactured Home Program is available through CHFA Participating Lenders who have specifically requested and have been selected to originate this program. Please see the Mobile Manufactured Home webpage for a current list of Participating Mobile Manufactured Home Lenders.

Eligibility Versus Loan Approval

Eligibility and underwriting approval are distinct stages in the mortgage process. Eligibility refers to whether an applicant appears to meet the lender's/CHFA's general qualification criteria based on preliminary information. Underwriting approval, however, is the formal review and verification process in which the lender confirms income, assets, credit, and other documentation before issuing a final lending decision. Please review all requirements outlined in this manual.

Program Specifics

- Mortgage Insurance is not required
- Maximum $150,000 loan amount
- Minimum $2,000 loan amount
- The interest rate for this program is the greater of (i) the CHFA Government Rate less 1% or (ii) 3%
- Term: 15 or 30 years fully amortizing - Loan Amounts >$5,000
  15 years max fully amortizing - Loan Amounts ≤ $5,000
- Purchase - Maximum 6% seller contribution
- Refinance- Maximum $500 cash back to borrower in addition to verified POCs
  Minimum 6 months seasoning- paid as agreed
- No title insurance required
- Escrows are required for Real Estate Taxes and Homeowners Insurance
- Lot fees will not be included in Escrows
- Ffiec.gov print out must be included in the file to verify census tract / Planning Region for Income Limits

Eligible Borrowers

First-time and non-first-time homebuyers / homeowners. Borrower(s) cannot own any other residential property at the time of closing.

Citizenship

Citizenship requirements to follow the least restrictive guidelines of Freddie Mac, Fannie Mae, or FHA.

Homebuyer Education

Homebuyer Education is required when ALL borrowers on a purchase transaction are first- time homebuyers (have not owned a primary residence property in the past 3 years).
Homebuyer Education must be facilitated by a CHFA Participating – HUD Approved Counselor.

Income for Eligibility

Borrowers shall not have aggregate income exceeding 100% of the Conventional Area Median Income (AMI) as determined by FNMA and FHLMC. This calculation will be based on qualifying (repayment) income of the borrower(s) and at no time can be reflected as less than the borrower(s) base income. Not required to include OT, Bonus, secondary employment, etc. if not needed to qualify.

Principal Residence Requirement: Owner-Occupancy

All borrowers must occupy the subject property dwelling as their principal residence within 60 days after the closing of the Mortgage Loan.

Eligible Dwellings

1. One-Unit Mobile/Manufactured homes built after June 15, 1976, including new units. CHFA will no longer require exception requests for mobile homes built before June 15, 1976, provided the appraisal indicates a condition rating of C3
   (Well maintained: no obvious deferred maintenance; components are adequately maintained and may show normal wear) or better. Exceptions will be considered for a home with a condition rating of C4 based upon the entire loan quality
2. Located in a State of Connecticut Licensed Mobile Home Park, including Resident Owned Communities (ROC)
3. HUD-Approved Label / Data Plate required for properties built on or after June 15, 1976. IBTS verification will be accepted in the event the exterior label or interior data plate is missing.
   Link to IBTS Verification
4. Classified / Taxed as real property
5. Wheels, Axles and Hitch removed
6. New Construction must be affixed to a permanent foundation according to local municipality requirements and have a one-year manufacturer warranty
7. Lot types allow Leased or Resident Owned Community. Agreements and Leases must be provided
8. Completed lease covering a minimum 1-year term. CHFA will accept a shorter- term lease if DTI ≤ 45%. If shorter-term lease and DTI > 45%, lender must obtain written confirmation of the expected increase for next lease term to document that the DTI will not exceed 50%

Credit / Income Review

- Files must be underwritten in compliance with FHA Manual Underwriting Guidelines and documentation requirements for credit profile only, with the following exceptions:
    - Housing payment history – maximum 1x30 in 12 months with acceptable explanation when required and or included in file
    - Installment debt payment history – maximum 2x30 in 24 months with acceptable explanation
    - CHFA does not have a minimum credit score overlay (see below for additional information concerning documentation)
    - The Maximum Total Debt to Income ratio (DTI) is 50%
    - The Maximum LTV is 100% with a maximum CLTV of 105% on purchase transactions only. Community Subordinate Financing is allowable (that is not administered through CHFA). The maximum CLTV for refinance transactions is 100%
    - While FHA does not allow for asset depletion, we will allow and would like to state:

      Lenders may utilize either the Freddie Mac or Fannie Mae asset depletion methodology. The selection of the appropriate calculation method is at the lender's discretion and should be based on the lender's underwriting expertise and assessment of the borrower's financial circumstances.

Credit Score ≥ 640

- Limited Documentation/Requirements:
    - One month asset statements
    - No reserve requirement
    - No housing payment verification required; however, if provided, must not be greater than 1 x 30 days late in most recent 12 months
    - No letter of explanation required for derogatory credit items

Credit Score < 640 or No Credit Score

- Only charge-offs within the most recent 12 months require a satisfactory letter of explanation

Income and repayment calculation

Must be performed in compliance with FHA Manual Underwriting Guidelines.

- CHFA does not require Bonus, Overtime, etc. income to be used to qualify, if not needed; however, no less than Base Income can ever be used.
- The CHFA Limits and TTO Income Eligibility Worksheet is not required. Please use your own worksheet.

If borrowers do not meet the above requirements, compensating factors will be required. Lenders are expected to use prudent judgment when approving files.

CHFA reserves the right to request additional information, documentation, and/or compensating factors to support any credit package.

Closing and Delivery

- Loan will close in Participating Lender's name
- Lender will immediately assign to CHFA via PAPER ASSIGNMENT. MERS is not permitted
- Mortgage and Note can be found on CHFA's website along with other added program specific documents
- Remaining closing package will be standard
- Title Insurance is not required
- See AmeriNat Servicer Guide and Delivery Checklist for reference (C4C to service C4C originated loans)

See Loan Program Outline for additional information

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