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January 12, 2012

FL AN No. 980 (1924-A)

Subject: Setup Requirements for Manufactured Homes

To: All Rural Development Offices  
Florida

**PURPOSE/INTENDED OUTCOME:** The purpose of this AN is to provide guidance relative to the setup/foundation requirements for manufactured (mobile) homes financed by Rural Development in Florida.

**COMPARISON WITH PREVIOUS AN:** This AN replaces FL AN No. 976 (1924-A) which has expired. There are no changes from the previous AN.

**IMPLEMENTATION RESPONSIBILITIES:** The Rural Development National Office has granted Florida a requested waiver to the requirements for manufactured housing to be placed on a permanent foundation in accordance with the HUD guide entitled "Permanent Foundation Guide for Manufactured Housing". USDA/Rural Development – Florida will now accept for financing, manufactured (mobile) homes setup and installed under the requirements of Chapter 15C-1 of the rules of the Florida Department of Highway Safety and Motor Vehicles, Division of Motor Vehicles, "Mobile/Manufactured Home Installation Standards".

Chapter 15C-1 stipulates the requirements for manufactured home installation and setup in Florida. The standards developed by the State have been proven to be equal to or more stringent than the HUD permanent foundation requirements addressing wind loading and exposures throughout the state. This is the standard method used throughout the state and the waiver should result in more dealer contractors willing to participate in the RD SFH loan program.

Under the Chapter 15C-1 and 15C-2 requirements, all jurisdictions must issue setup permits through their building department and inspect the setup and tie down of the home in accordance with the 15C-1 requirements. Documentation of the setup/tie down inspection shall be obtained from the dealer/contractor. For direct loans, documentation must be obtained before releasing any funds for the home itself. This is in addition to the specific requirements of HB-1-3550 relative to final payments and loan closings. This AN only waives the HUD permanent foundation requirements. No other RD requirements are changed.

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Attached to this AN as Exhibit 1 are RD specific requirements that must be met in order to finance manufactured (mobile) homes. The exhibit is not all inclusive, it is only a highlighted summary of requirements that the approved dealer/contractor should be made aware of early in the dealer/contractor approval process. HB-1-3550, as well as the other associated instructions should be reviewed by all parties involved in the loan making/loan approval process for detailed requirements.

Compliance with the requirements of Exhibit 1 to this AN for direct loans will be documented at the final inspection on RD Form 1924-12, Inspection Form. Evidence of compliance for Guaranteed Rural Housing (GRH) loans will be monitored by adding a condition to RD Form 1980-18, Conditional Commitment, requiring photographic evidence be provided by the lender prior to the issuance of the final loan guarantee.

For questions pertaining to this AN, please contact Ernest Erxleben, State Architect, at (352)338-3469.



RICHARD MACHEK  
State Director

EXPIRES: January 12, 2013

FILING INSTRUCTIONS:  
Preceding RD Instruction 1924-A

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**USDA/Rural Development Manufactured Housing**  
**Florida**

**Additional requirements for USDA/Rural Development financing for manufactured homes.  
(Applies to both direct and guaranteed loans unless noted otherwise.)**

- Only new, untitled homes are acceptable for financing.
- Homes may only be obtained from RD approved dealer/contractors.
- HB-1-3550 requires all home development under the direct loan program to be accomplished under a single contract with the dealer/contractor using RD Form 1924-6, Construction Contract and the standard Description of Materials form. The contract price must include all site work, well, septic system, the home, setup, landscaping, parking and walks, etc. so as to be a turnkey project. The dealer/contractor will be the single point of contact for the borrower relative to any complaints or warranty issues. Guaranteed loans are not required to use the 1924-6 construction contract.
- Homes must be financed and taxed as real estate. Mortgages will be taken on the home and the property the home is set up on. Homes must be classified as real estate prior to loan closing or the issuance of a guarantee, with a permanent registration obtained from the local tax collector.
- All towing and running gear must be removed from the home and the property. Any credits from the dealer must be itemized in the agreement.
- The space between the ground and the home must be enclosed with a permanent perimeter enclosure wall constructed of either brick or concrete block and stucco permanently installed on a concrete footing. Aluminum, vinyl, wood, plastic, stucco on lath, etc. are not considered permanent enclosures and are not acceptable. The crawl space below the home must be properly ventilated and have an access door per requirements of the Florida Building Code.
- Thermal Standards: FMHCSS Uo Value Zone 1 or higher is acceptable in counties south of, but not including, Dixie, Gilchrist, Alachua, Putnam and Flagler counties. In counties north of and including those listed, the home's Uo Value Zone must be 2 or higher. The Uo Value Zone can be verified by the "Heating Certificate" that must be placed in the home.
- A hard surface parking area (concrete) of a minimum size of 10' x 20' must be provided with a minimum 3' wide concrete walkway to the front entrance. Driveways shall be provided that are comparable to those commonly found in the area.

- Permanent steps and landings must be provided at all exterior doors. These may be of masonry, brick, or pressure treated wood permanently anchored to the ground. Rails to be provided in accordance with the Florida Building Code. Metal steps or stacked, precast concrete steps are not acceptable.
- Progress payments may be made for work in place. Under the direct loan program, HB-1-3550 and RD 1924-A state that NO PAYMENTS WILL BE MADE FOR THE HOME ITSELF UNTIL IT IS SETUP, ANCHORED, AND INSPECTED BY THE LOCAL BUILDING DEPARTMENT. Proof of a satisfactory tie down inspection must be provided. With a direct loan, retainage will be held as required by the RD 1924-6 contract. RD must also inspect all homes financed under the direct loan program at this stage prior to releasing any funds.
- Adequate landscaping not only adds to the value of the home, it also improves the appearance and promotes the pride of ownership for the borrower. Minimum landscaping is required for all homes. Sodding shall be provided around the perimeter of the home for a minimum distance of 10' and 2' around or adjacent to parking areas and walks to help control erosion. Foundation planting in mulch beds shall be provided across the front of the home. Plants shall be a minimum of 3 gallon size and be placed a maximum of 4' apart. Additional improvements such as landscaping will only be financed if included in the contract and described in the Description of Materials. Homes shall be installed on sites prepared so as to provide positive drainage (5% slope = 6" in 10') away from the home.
- Appraisals for manufactured homes MUST use manufactured (not modular or stick built) homes as comparables for determining values. Cost approach appraisals MUST utilize the Manufactured Homes section of the Marshall & Swift Residential Cost Handbook.
- This summary only highlights the specific requirements for RD financed manufactured homes in Florida. Additional information can be found in HB-1-3550, Section 3, Manufactured Homes; RD Instruction 1924-A, Exhibit J, Manufactured Homes...Development, Installation, and Setup; RD Instruction 1924-A, Exhibit D, Thermal Standards.
- USDA/Rural Development regulations web site: <http://www.rurdev.usda.gov/regs/> All referenced instructions and handbooks can be viewed and downloaded from this site.