



United States
Department of
Agriculture

Rural
Housing
Service

101 SW Main, Suite 1410
Portland, OR 97204-3222
PHONE: (503) 414-3335
FAX: (503) 414-3394
TDY: (503) 414-3387
Office Hours 8:00 am - 4:30 PM

September 17, 2003

SUBJECT: Guaranteed Rural Housing (GRH) Program
Manufactured Housing - New Construction

TO: Rural Development Managers
Rural Development
Oregon

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to provide updated information and guidance in the processing of manufactured housing requests when utilizing the Guaranteed Rural Housing (GRH) program.

COMPARISON WITH PREVIOUS AN:

This AN reissues Oregon AN No. 1239(1980) dated September 5, 2002.

IMPLEMENTATION RESPONSIBILITIES:

The Guaranteed Rural Housing program allows lending on manufactured housing as long as the unit is new, is purchased through and installed by an approved dealer-contractor and meets the requirements of Exhibit J of RD Instruction 1924-A. An existing unit may be financed only - If the unit is already financed with a Section 502 Direct Rural Housing loan or a Guaranteed Rural Housing loan.

In order to assist lenders in understanding the differences between a site-built home and lending on manufactured housing, we have developed the attached exhibits.

1. Exhibit A, "Guaranteed Rural Housing Program - Manufactured Housing - Eligibility for Guarantee - Checklist for Lenders" is designed to assist lenders in determining if the

EXPIRATION DATE:
September 30, 2004

FILING INSTRUCTIONS:
Proceeding RD Instruction 1980-D

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manufactured home would be eligible for a guarantee. Rural Development Managers can also utilize this checklist as a training tool.

2. Exhibit B, "Guaranteed Rural Housing Program - Manufactured Housing - GRH Lender's Loan Origination Checklist" has been designed to assist loan officers, processors, and underwriters in verifying all necessary documentation has been obtained when requesting a guarantee involving a manufactured home.
3. Exhibit C, "Guaranteed Rural Housing Program - Manufactured Housing - Dealer Contractor Certifications" has been developed to capture all certifications required of the dealer-contractor in a one-page statement.
4. Exhibit D, "Guaranteed Rural Housing Program - Manufactured Housing - Appraiser Certification" has been developed for appraisers inspecting manufactured housing for GRH loan guarantees. The checklist collectively lists the information necessary to determine the manufactured home complies with the Federal Manufactured Home Construction and Safety Standards (FMHCSS) established by HUD, meets Rural Development thermal standards by confirming the FMHCSS Uo Zone is 3 - for all counties in Oregon and meets Oregon Construction Building codes.

By utilizing the above Exhibits, lenders should have a better understanding of the process involving manufactured housing land packages. The review and approval of a proposed loan guarantee should be improved by utilizing the Exhibits provided.

If you have any questions regarding this Administrative Notice (AN), please contact Single Family Housing.



LYNN SCHOESSLER
State Director

Attachments

Exhibit A

Guaranteed Rural Housing (GRH) Program
MANUFACTURED HOUSING
Eligibility for Guarantee - Checklist for Lenders

To be eligible for a guarantee, the purchase of a manufactured home must meet the following guidelines:

- New Unit Only.**
 - Exception - Existing unit with a RD Direct Loan or Guarantee
- Unit to be purchased and installed by an approved Dealer-Contractor.
 - Refer to approved dealer-contractor list provided by Rural Development
 - Dealer-Contractor responsible for accurate, complete installation of unit and all site development.
 - Dealer-Contractor to provide a warranty for unit and development performed.
- Unit must be affixed to a permanent foundation.
 - Foundation to meet manufacturer's foundation requirements and any State or local codes.
 - Permanent includes continuous perimeter all-weather wood, mason, or concrete perimeter foundation. Skirting is not acceptable.
- Unit must comply with the Federal Manufactured Home Construction and Safety Standards (FMHCSS) established by HUD. The following items must be displayed to assure the buyer the structure is built as specified:
 - A seal affixed to the house specifying that the manufacturer has built the house in compliance with the HUD standard.
 - A diagram provided by the manufacturer must show the required number and position of placement piers. It must also show the positioning for anchoring devices.
 - A certificate must be posted inside the home to tell what performance can be expected from the heating system, within a specified range of outside temperature and wind velocity.
 - Posted certificate, noted above, references the energy efficiency zone for which the home was built, the home's resistance to wind, and snow loads that the roof can be expected to withstand, provided the home has been properly anchored, in accordance with the manufacturer's specifications.
- Comfort Heating and Cooling Certificate confirms the RD thermal standards are met if the FMHCSS Uo Value Zone is 3 or greater for all counties.
- Manufactured Home to be exempted from DMV titling and registration - real property.

Exhibit B
Guaranteed Rural Housing (GRH) Program
MANUFACTURED HOUSING
GRH Lender's Loan Origination Checklist

The following is a document preparation list identifying the information necessary for financing manufactured homes under the Rural Development Guaranteed Rural Housing (GRH) program.

MANUFACTURED HOUSING LAND PACKAGE

- Purchase Agreement** for Manufactured Unit Identifying:
- | | | |
|-------------------------------------|-----------------------------------|--------------------------------|
| <input type="checkbox"/> Unit Model | <input type="checkbox"/> Serial # | <input type="checkbox"/> Style |
|-------------------------------------|-----------------------------------|--------------------------------|
- Land Purchase Agreement**, if separate & not included with Purchase Agreement above
- Itemized Cost Breakdown** from Dealer-Contractor identifying:
- | | | |
|---|--|---|
| <input type="checkbox"/> Base Unit | <input type="checkbox"/> Options | <input type="checkbox"/> Land Cost, if applicable |
| <input type="checkbox"/> Installation/Set Up Fees | <input type="checkbox"/> Site Development | <input type="checkbox"/> Permits and Fees |
| <input type="checkbox"/> Credit - Wheels/Axles | <input type="checkbox"/> Garage, if applicable | <input type="checkbox"/> Landscaping, if applicable |
- Schematic Floor Plan**
- Copy, Manufactured Home **Placement Permit** - issued by building department
- Copy, **Inspections** Performed – can be local building authority
- | | | |
|----------------------------------|---|--------------------------------|
| <input type="checkbox"/> Footing | <input type="checkbox"/> Framing, if applicable | <input type="checkbox"/> Final |
|----------------------------------|---|--------------------------------|
- Builders Warranty**
- | | | |
|--|---|---|
| <input type="checkbox"/> 1 year - guarantees quality and workmanship of unit and development | <input type="checkbox"/> Form Rd 1924-19, or other equal form | <input type="checkbox"/> Dealer-contractor to provide owners with manufacturer's warranty |
|--|---|---|
- Dealer-Contractor Certifications** (RD form available) certifies to the following:
- | | | |
|---|--|---|
| <input type="checkbox"/> Certification regarding cash payment or rebate | <input type="checkbox"/> Certification confirming full price of unit - no furniture included in purchase | <input type="checkbox"/> Certification unit complies with plans/specs, no hidden damage during shipment and unit properly joined and sealed according to manufactures specs |
| <input type="checkbox"/> Thermal certification. | | |

Exhibit C
Guaranteed Rural Housing (GRH) Program
MANUFACTURED HOUSING
Dealer-Contractor Certifications

Applicant(s):	
Property Address:	

Manufacturer of Unit:	
Model/ Style:	
Serial #:	
Plan #	

I/We hereby certify that:

1. This is the full price of the unit and all development. If furniture is included in the purchase price, the Dealer-Contractor agrees a lien will not be filed against the security property.
2. Any cash payment or rebate as a result of the purchase of the manufactured home will be deducted from the price of the unit. It will not be paid to the homebuyer.
3. The manufactured home substantially complies with the plans and specifications and the unit sustained no hidden damage during transportation and, if manufactured in separate sections, the sections were properly joined and sealed according to the manufacturer's specifications.
4. The thermal design of this unit conforms to the FMHCSS Uo Value Zone for Oregon, which is Uo Value Zone 3 or greater.

Date

Printed Name of Dealer-Contractor

Authorized Representative of the
Dealer-Contractor

Exhibit D
Guaranteed Rural Housing (GRH) Program
MANUFACTURED HOUSING
Appraiser Certification

To establish the manufactured housing unit meets the requirements of a guarantee under Rural Development's Guaranteed Rural Housing program, the following items have been confirmed:

- The unit(s) have been affixed with the Federal Manufactured Home Construction and Safety Standards (FMHCSS) labels, also known as HUD labels. If manufactured in separate units a label would be affixed to each separate unit.
- The manufactured home has been provided with a certification label (data plate) regarding the design approval by Design Approval Primary Inspection Agency (D.A.P.I.A), the equipment installed, wind resistance, roof load zone map, comfort heating, cooling and U/O values. This label is typically permanently affixed at or near the main electrical panel or other readily accessible and visible location inside the unit.
- The Comfort Heating and Cooling Certificate (which may be combined with the data plate) confirms the FMHCSS Uo Value Zone is 3 or greater (for all counties in Oregon).
- Confirm the unit has been provided with an Oregon State Dwelling Installer Certification Tag affixed on the exterior wall at the taillight end of the manufactured dwelling or beneath the dwelling on the main frame, facing out toward the utility access.
- Confirm a continuous all-weather wood, mason, or concrete perimeter foundation. Skirting is not acceptable.
- Confirm the home is permanently attached to the foundation by anchoring devices.
- Confirm solid concrete footing under the exterior perimeter wall exists.
- Confirm foundation is properly vented.
- Confirm site drainage is sloped away from foundation.
- Confirm posts are a minimum of 6' to 12' apart.
- In the crawl space, confirm permanent solid blocks or runner footings are present under all posts under the steel beams.
- Confirm tongue, axles, and wheels have been removed from the site.
- Confirm ground cover is present and installed over entire crawl space ground.
- Confirm permanent landings/steps have been installed to the unit.
- Confirm gutters and downspouts are present (West of Cascades in Oregon).
- Confirm permanent utilities - city water; city sewer; individual wells; septic.
- Confirm all weather access road/driveway to home.
- Provide an original photograph of the completed unit in place at final inspection.

Date: _____

Appraiser

License Number
