



# MH Advantage Retailer Guide



Fannie Mae®





## Welcome to the mortgage for today's manufactured homes

MH Advantage from Fannie Mae is a low down payment mortgage loan for qualifying factory-built homes that have features typical of traditional site-built single-family homes. Available through most lenders, MH Advantage can help you reach more homebuyers — including those who may never have considered a manufactured home.

This guide is your introduction to MH Advantage, the qualifications that make a manufactured home eligible, and requirements for appraisal. For more information, visit [fanniemae.com/manufacturedhomes](https://fanniemae.com/manufacturedhomes).





Photo courtesy of Skyline Champion®

# MH Advantage<sup>®</sup> at a glance



A shortage of affordable site-built homes in many parts of the country makes manufactured housing a great choice for aspiring homebuyers. With MH Advantage, you can help them get the home they want at a price they can afford.

### **An innovative financing option**

MH Advantage puts homeownership within reach of more homebuyers by pairing an affordable, conventional mortgage with qualifying manufactured homes, helping you find new customers and grow your business.

### **Affordable, now and in the future**

MH Advantage requires a low down payment and offers lower mortgage insurance compared to standard MH loans. Because it's a conventional loan, mortgage insurance may be cancelled once borrowers reach 20% equity in the home — resulting in more savings long-term.

### **The financial perks of homeownership**

Because they own the house and the land, new homeowners of manufactured homes can build equity like the owners of a site-built home would and may benefit from potential tax benefits as well.

### **Manufactured to suit their style**

Whether it's an open floorplan, a porch, or an attached garage, you know how customizable today's manufactured homes are. Now homebuyers can get the features they're looking for with an affordable home loan.







# MH Advantage financing



# Site-built financing for homes with site-built features

- An **MH Advantage sticker** will be affixed to homes that are designed to meet MH Advantage eligibility criteria, for easy identification by lenders and appraisers.
- Appraisers will use the best and most appropriate comparable sales available, which must include sales of a minimum of two site-built homes when fewer than three MH Advantage homes are available.



## MH Advantage sticker

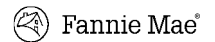
### Mortgage Financing Notice

The manufacturer of this home—identified on its HUD certificate—has determined that its features as of the date of manufacture are consistent with the eligibility requirements of MH Advantage™, a manufactured housing mortgage loan initiative of Fannie Mae®. To qualify for MH Advantage, the borrower must also meet certain eligibility requirements, and the home must be installed on land owned by the borrower.

#### Homeowner:

Do not remove or damage this sticker, as it is required to identify this home for participation in the MH Advantage initiative for purchase or refinancing. This notice is not an assurance of the availability of, or your qualification for, mortgage financing for this home.

For more information please visit:  
[www.FannieMae.com/MH](http://www.FannieMae.com/MH)



Identification Number: XXXXXXXX

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## Product details

### Property and occupancy eligibility

### Maximum LTV (1-unit owner-occupied)

### Straightforward underwriting and origination processes

### Improved borrower affordability

MH Advantage-eligible homes are manufactured homes that:

- Are built to the HUD code.
- Meet certain construction, architectural design, and energy efficiency standards more aligned with site-built homes.
- Have an MH Advantage sticker.
- Are principal residences and second homes only.
- Are to be placed on land owned by the borrower.
- Are installed with a driveway and a sidewalk connecting the driveway, carport, or detached garage to a door or attached porch.

Up to 97% LTV  
105% combined LTV with Community Seconds® financing only

Our *Selling Guide* requires MH Advantage appraisals to first use MH Advantage comparable sales. In the event that there are not at least three MH Advantage comparable sales available, appraisers will use the best and most appropriate other sales available, which must include sales of a minimum of two site-built homes.

Financed mortgage insurance up to 97% combined LTV  
Comparable MI to site-built homes for fixed-rate terms

**Contact your lenders to see if they offer MH Advantage financing.**

Learn more about it at [fanniemae.com/manufacturedhomes](http://fanniemae.com/manufacturedhomes).





Photo courtesy of Skyline Champion®

# MH Advantage eligibility

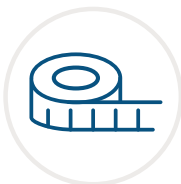


In addition to having an MH Advantage sticker attached to it at the manufacturing facility, a home that qualifies for MH Advantage financing must meet the following architectural and site installation standards, and the manufacturer must be participating in the MH Advantage program.

You can find the list of participating manufacturers at [fanniemae.com/manufacturedhomes](https://fanniemae.com/manufacturedhomes).

PART  
1

## Home design



Home must be designed as a multi-section property (i.e., no single-wide homes).



Eaves that are 6 inches or greater (which may be eaves no less than 4 inches to which site-completed gutters of 2 inches or more are to be added).



Roof pitch, following installation on site in accordance with the home's plans, will be at a ratio of 4/12 or greater (does not apply to triple-wide homes, which may have any roof pitch).



The home is designed with one of the following pairs of features:

- Dormer(s) and covered porch (minimum 72 square feet); *or*
- Dormer(s) and attached garage/carport; *or*
- Covered porch (minimum 72 square feet) and attached garage/carport



Designed with low-profile finished floor set that does not exceed 30 inches from bottom of floor joist to the exterior grade for the front or entry elevation (Note: This is design standard only — topography of site or other considerations may affect actual placement of home on site and does not disqualify the home from MH Advantage.).



One of three energy standards on the Data Plate — overall U-Value of 0.076 or less, 2009 IECC, Energy Star. Manufacturer may seek Fannie Mae's prior approval of alternative specifications that it can demonstrate meet or exceed one of these three energy standards.





The design will accommodate a foundation that meets all the following criteria (Note: Actual foundation is the responsibility of the retailer and does not disqualify the home from MH Advantage.):

- Masonry perimeter wall;
- HUD's Permanent Foundations Guide to Manufactured Housing; *and*
- Engineered foundation certified by a registered architect or professional engineer



Interior has all features listed below:

- Drywall (tape and texture) throughout the home (including closets);
- Kitchen and bath cabinets with fronts of solid wood or veneered wood; *and*
- Fiberglass, solid surface, acrylic, composite, porcelain/enamel-coated steel, or tile for all showers and/or tubs in the home



Exterior siding composed of one or more of following — fiber cement board, hardwood siding, engineered wood siding, masonry, stone, stucco, or vinyl siding backed with oriented strand board.

## PART 2

### Site installation requirements

While manufacturers are responsible for the design features, including attaching the MH Advantage sticker to the home, you and your installer will be responsible for installing the required on-site features to ensure MH Advantage eligibility. Without these features, the home — even with a sticker — will not be eligible for MH Advantage financing:

- A driveway leading to the home (or to the garage or carport, if one is present); the driveway must consist of blacktop, pavers, bricks, concrete, cement, or gravel (gravel must have a minimum depth of 4 inches). If the home does not have a garage or carport, the driveway can lead to a vehicular parking pad; *and*
- A sidewalk connecting either the driveway, or a detached garage or carport, to a door or attached porch of the home; the sidewalk must consist of blacktop, pavers, flagstone, bricks, concrete, or cement.

In addition to the above, all structures must be completed at the time of appraisal in order for the home to be approved for MH Advantage financing.

**When you submit an order for a custom home that meets these requirements from a participating manufacturer, please be sure to call the manufacturer to ensure that the home will have the MH Advantage sticker attached by the time of delivery.**





Photo courtesy of Clayton Homes®

# Appraising MH Advantage



Retailers and lenders have their own responsibilities for appraising MH Advantage-eligible homes, especially new construction. See the details below for what you and your lending partners should provide to appraisers.



## Checklist of items for retailers to provide appraisers

For new manufactured homes not yet attached to the land or not yet constructed, the appraisal may be based on manufactured home plans and specifications, per *Selling Guide* [B4-1.4.01: Newly Constructed Manufactured Housing Appraisal Requirements](#), use this checklist to provide the necessary information to the appraiser:

Plans and specifications, including:

- Floor plan
- Square footage
- Materials used
- Interior features (rooms, kitchen, bedrooms, baths) and upgrades
- If available, pictures, videos, or other media visualizations of the interior/exterior of the home (possibly found on websites)
- If available, depiction of the front elevation

Other improvements:

- Plans and specifications for attached garage, carport, covered porch, covered patio, decks
- Manufacturer's name
- Trade or model number
- Year of manufacture
- Serial number
- Type of foundation and utility connections

Note: If you have sold an MH Advantage home in the past 12 to 24 months, you should offer sales data and financial terms to the appraiser.

## Lender responsibilities

The lender must provide to the appraiser:

Financial and property information, per *Selling Guide* [B4-1.1-05: Disclosure of Information to Appraisers](#)

For purchase money mortgages, the lender must also provide to the appraiser:

- Complete copy of the executed contract for sale of the manufactured home and land
- Complete copy of the executed contract for both if the land and home are purchased separately
- Complete copy of the manufacturer's invoice if the manufactured home is new per *Selling Guide* [B4-1.4-01, Manufactured Housing Appraisal Requirements and Standards](#)

## Resources:

- [MH Advantage Appraisal Training](#)
- Manufactured Homes Financing [webpage](#)
- *Selling Guide* [B2-3-02: Special Property Eligibility and Underwriting Considerations: Factory-Built Housing](#)
- *Selling Guide* [B5-2-03: Manufactured Housing Underwriting Requirements](#)
- *Selling Guide* [B4-1.4-01: Factory-Built Housing: Manufactured Housing](#)





Photo courtesy of Clayton Homes®

# Frequently asked questions

# Retailers

## Q1 Are manufacturers required to have oversight of retailers?

The MH Advantage Agreement imposes on manufacturers no obligation of oversight but does require that manufacturers carefully select authorized retailers of potential MH Advantage homes and direct, advise, or otherwise inform such retailers to adhere to the design and installation specifications for potential MH Advantage homes.

## Q2 Is the manufacturer responsible for a retailer's installation of the home?

Manufacturers are not responsible for your installation of manufactured homes.

## Q3 How should I respond to consumers' questions about MH Advantage?

As a retailer, you are subject to certain regulatory provisions under the Truth in Lending Act and other laws relating to mortgage origination. Accordingly, you may choose to limit your discussion of mortgage financing with consumers in connection to the sale of homes as it relates to the list of potential lenders. The selection of which lenders to include on such a list is at your sole discretion. Fannie Mae believes the best course for retailers whose customers have questions about MH Advantage is to suggest that such consumers direct their questions to their chosen mortgage lender.

# MH Advantage

## Q1 What is Fannie Mae?

Fannie Mae is a federally chartered corporation created by Congress to provide liquidity to residential mortgage lenders, which helps them make new loans. The main way Fannie Mae does this is by purchasing mortgage loans from those lenders, providing funds that can be used to make other mortgage loans to consumers. Fannie Mae then sells those mortgages in transactions backed by its guaranteed Mortgage-Backed Securities.

## Q2 What is the manufacturer's role in MH Advantage?

Manufacturers who have entered into agreements with Fannie Mae and other members of their Manufacturing Group, are authorized to designate "HUD Code" homes they build as potentially eligible for MH Advantage based on the home's designed features. Such homes are identified by the presence of a Fannie Mae-designed MH Advantage sticker that is placed on the interior of the home at the time of production.

## Q3 What is the Manufacturing Group?

The Manufacturing Group consists of the manufacturer that signs the MH Advantage Agreement with Fannie Mae as well as other affiliates and subsidiaries that build HUD Code homes with MH Advantage stickers in connection with MH Advantage.

## Q4 How are homes eligible for MH Advantage treated differently by lenders?

Homes that lenders determine qualify for MH Advantage will be allowed to have a higher debt-to-income ratio, mortgage insurance requirements more aligned with site-built homes, and more affordable pricing.

## Q5 What lenders participate in MH Advantage?

Any mortgage lender that is approved to sell loans to Fannie Mae is qualified to make MH Advantage loans.

## Q6 Does MH Advantage only apply for purchase mortgages?

At the outset, because it involves newly constructed homes, MH Advantage will only involve purchase mortgages. But MH Advantage treatment is also available for refinance mortgage transactions, which may be refinances of loans that did not receive MH Advantage treatment in prior transaction(s).

## Q7 Do certain manufacturers receive preferential treatment under MH Advantage?

MH Advantage is open to all HUD Code manufacturers. All manufacturers agreeing to participate in MH Advantage are subject to a uniform MH Advantage Agreement, with the only differences being the volume pricing for MH Advantage stickers afforded in the MH Advantage Schedule.



## Central features

### Q1 What are central features?

Central features are those design elements in a home that are listed on Exhibit B of the MH Advantage Agreement. These features were established after outreach to and engagement with the industry regarding design availability and feasibility.

### Q2 What if a manufacturer is unsure whether a home's design has all the required central features?

The determination of whether a home has, or does not have, all the required central features is the manufacturer's alone. Fannie Mae will be undertaking post-delivery quality control review of loans delivered as MH Advantage loans, but will not otherwise be providing any individual feedback or comments to manufacturers unless it determines there are instances where MH Advantage stickers appear to have intentionally been placed on homes with design features not qualifying for MH Advantage.

### Q3 Is the manufacturer responsible if a retailer does not install a home with all central features as it is designed?

No, manufacturers are not responsible to Fannie Mae for a retailer's failure to install all the central features that were designed in the home by the manufacturers. Likewise, manufacturers are not responsible for the exterior features (sidewalk and driveway). However, if in the year after a home's installation a manufacturer has actual knowledge of non-complying homes, it must give notice (including address of the home) to Fannie Mae.

### Q4 Who at Fannie Mae can answer questions about MH Advantage generally and central features in particular?

As noted above, Fannie Mae will not be providing guidance on central features. However, if you have general questions or concerns about MH Advantage, you may email [MH\\_Notices@fanniemae.com](mailto:MH_Notices@fanniemae.com).

## MH Advantage stickers

### Q1 What is the purpose of the MH Advantage sticker?

The MH Advantage sticker identifies to mortgage lenders that the home is potentially eligible for MH Advantage treatment.

### Q2 When does the MH Advantage sticker get attached?

The MH Advantage sticker is attached to each home (only one section of a multisection home) by the manufacturer at the time of production, except with Fannie Mae's guidance, manufacturers can attach MH Advantage stickers after shipment but prior to their final sale to a consumer.

### Q3 Is it permissible for a manufacturer to apply an MH Advantage sticker after it leaves the factory?

Except as noted above, all MH Advantage stickers must be attached at the point of production.

### Q4 How should the MH Advantage sticker be applied and where should it go?

The printer of the MH Advantage stickers has indicated that, for best results, the MH Advantage sticker should be applied to a dry, oil-free smooth surface. Under the MH Advantage Agreement, the MH Advantage sticker is to be installed near the HUD Data Plate.

### Q5 What happens if an MH Advantage sticker is removed before or after shipment?

MH Advantage stickers may be removed by the manufacturer before or after shipment, but the home will no longer be eligible for MH Advantage. The manufacturer must report annually to Fannie Mae the status of all MH Advantage stickers it has received but which were not used (or which were removed).

### Q6 Can consumers remove MH Advantage stickers?

Yes, consumers who purchase homes with MH Advantage stickers can remove them. In this case, the home will no longer be eligible for MH Advantage.

### Q7 Can consumers replace MH Advantage stickers?

No, MH Advantage stickers that are removed by a consumer cannot be replaced.

## Exterior features

### Q1 What is the manufacturer's responsibility for exterior features?

The exterior features (sidewalk and driveway) are site improvements that must be present on the real property on which a home is installed in order for the home to be eligible for MH Advantage. The manufacturer has no responsibility for the presence of exterior features; it is solely the retailer's and the mortgage lender's responsibility.

### Q2 What happens if exterior features are not installed?

Despite the presence of an MH Advantage sticker, a home on a lot without exterior features is not eligible for MH Advantage.

### Q3 What site features are lenders required to confirm are in place in order to permit MH Advantage Treatment?

Lenders are required by the *Selling Guide* to confirm there are no unfinished detached structures on the site and that the site has both:

- A driveway to the home (leading to the home's garage or carport, if one is present). The driveway must consist of blacktop, pavers, bricks, concrete, cement, or gravel; *and*
- A sidewalk connecting either the driveway, or a detached garage or carport, to a door or attached porch of the home. The sidewalk must consist of blacktop, pavers, flagstones, bricks, concrete, or cement.







Learn more at  
[fanniemae.com/manufacturedhomes](https://fanniemae.com/manufacturedhomes)



Fannie Mae®

## MH Advantage™

Help homebuyers get the home features they want at a price they can afford

With a shortage of affordable, site-built homes in many parts of the country, manufactured housing (MH) may be a good solution for your aspiring homebuyers. MH Advantage is a new homeownership option that offers innovative and affordable financing on specially designated manufactured homes that feature site-built characteristics.

### Affordable MH financing

Qualifying borrowers can finance up to 97% LTV. Standard MH LLPA is waived, and borrowers save more through reduced MI coverage comparable to site-built homes for fixed rate terms.

### Reach more borrowers

Conventional financing for MH means opening the door to prospective homebuyers who may not think homeownership is an option. Diverse selection of aesthetic features and layouts gives families an opportunity to live in a home that matches their style.

### Clear and simple process

The underwriting and origination processes are streamlined and straightforward, allowing lenders to manage their MH portfolio with greater ease and flexibility.



Photo courtesy of Palm Harbor Homes

## Homebuyers will love it because...

### It's an innovative option for homeownership.

MH Advantage puts homeownership within reach of more homebuyers by pairing an affordable, conventional mortgage with manufactured homes showcasing features of traditional single-family homes. With similar curb appeal as surrounding houses, MH Advantage homes blend seamlessly into their neighborhoods. Eligible homes are also easy to identify – just look for the MH Advantage sticker.

### Homes are manufactured to suit their style.

Whether its an open floor plan, a porch, or an attached garage, a new manufactured home can be designed with features to meet borrowers' specific needs at prices they can live with.

### It's affordable – now and in the future.

MH Advantage requires as little as 3% down payment and offers lower mortgage insurance compared to standard MH loans. Because it's a conventional loan, mortgage insurance may be cancelled once borrowers reach 20% equity in the home – resulting in more savings long-term.

### They can enjoy the financial perks of homeownership.

New homeowners may benefit from building equity and potential tax benefits.



# New financing option with a familiar origination process

- An **MH Advantage sticker** will be affixed to homes that are designed to meet MH Advantage eligibility criteria, for easy identification by lenders and appraisers.
- Appraisers will use the best and most appropriate other sales available, which may include sales of site-built homes.

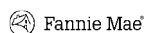
## Mortgage Financing Notice

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### Homeowner:

Do not remove or damage this sticker, as it is required to identify this home for participation in the MH Advantage initiative for purchase or refinancing. This notice is not an assurance of the availability of, or your qualification for, mortgage financing for this home.

For more information please visit:  
[www.FannieMae.com/MH](http://www.FannieMae.com/MH)



Identification Number: XXXXXXX

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## Product Details

Property and occupancy eligibility	<p>Manufactured homes that are:</p> <ul style="list-style-type: none"><li>• Built to the HUD code</li><li>• Meet certain construction, architectural design and energy efficiency standards more aligned with site-built home</li><li>• Have an MH Advantage sticker</li><li>• Principal residence and second home only</li><li>• To be placed on land owned by the borrower</li><li>• Installed with a driveway and a sidewalk connecting the driveway, carport, or detached garage to a door or attached porch</li></ul>
Maximum LTV (1-unit owner-occupied)	<p>Up to 97%</p> <p>105% CLTV with Community Seconds® financing only</p> <p>(See Fannie Mae's Eligibility Matrix for specific details based on the loan transaction)</p>
Improved pricing	<p>Standard MH LLPA <b>waived</b> with use of SFC 859</p> <p>(See <i>Selling Guide</i> for all other LLPAs)</p>
Straightforward underwriting and origination processes	<p>Appraisers must use other MH Advantage homes, when available, for the comparable sales. If fewer than three MH Advantage sales are available, then the appraiser must supplement with the best and most appropriate sales available, which may include site-built homes.</p>
Improved borrower affordability	<p>Financed MI up to 97% CLTV</p> <p>Comparable MI to site-built homes for fixed rate terms</p> <p>(Refer to the <i>Selling Guide</i> B7-1-02 for more details)</p>

See product matrix for more information.

## Frequently Asked Questions

### What makes a property eligible for MH Advantage financing?

MH Advantage is manufactured housing that is built to meet construction, architectural design, and energy efficiency standards that are more consistent with site-built homes.

Examples of the physical characteristics for MH Advantage include:

- Specific architectural and aesthetic features, such as distinctive roof treatments (eaves and higher pitch roofline)
- Lower profile foundation, garages or carports, porches, and dormers
- Construction elements, including durability features like durable siding materials
- Energy efficiency standards (minimum energy ratings apply)

View additional information in the ***Selling Guide*** or at [FannieMae.com/manufacturedhomes](http://FannieMae.com/manufacturedhomes).

### How is MH Advantage different from Fannie Mae's standard MH loan?

MH Advantage may only be used to finance manufactured homes that have the MH Advantage sticker. Loans secured by MH Advantage properties feature a number of flexibilities compared with standard MH, including:

- Higher loan-to-value (LTV) ratios, up to 97%  
(See Fannie Mae's Eligibility Matrix for specific details)
- Waived standard MH 0.50% loan-level price adjustment (LLPA)
- Reduced MI coverage required for fixed-rate terms ≤ 20 years

Visit [FannieMae.com/manufacturedhomes](http://FannieMae.com/manufacturedhomes) for additional resources and refer to *Selling Guide* Announcement SEL-2018-5 for more details.