



MH Advantage™

by Fannie Mae



Fannie Mae®

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Guide



MH Advantage™

Retailer Guide and Talking Points

MH Advantage is an initiative from Fannie Mae® that offers manufactured homes with certain features as an affordable alternative to site-built homes, expanding access to homeownership. This document will serve as a guide for retailers to the architectural characteristics and site installation requirements that make a home potentially MH Advantage-eligible.

Part

1

Home Design

The following are critical design features. In order to qualify for MH Advantage financing, a home must meet these standards AND the homebuilder must be participating in the MH Advantage program. You can find the list of participating homebuilders at www.fanniemae.com/manufacturedhomes.



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



Eaves that are 6 inches or greater.



Roof pitch, will be at a ratio of 4/12 or greater
(does not apply to triple wide homes, which may have any roof pitch)

Home Design (continued)



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 3 energy standards on the Data Plate – Overall U-Value of 0.076 or less, 2009 IECC, or ENERGY STAR qualify.



The design will accommodate a foundation that meets all the following criteria (note, actual foundation is the responsibility of retailer):

- 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;
- All showers and/or tubs in the home must have fiberglass, solid surface, acrylic, composite, porcelain/enamel coated steel, or tile for all showers and/or tubs in the home



Exterior siding is comprised of one or more of the following – Fiber Cement Board, Hardwood Siding, Engineered Wood Siding, Masonry, Stone, Stucco, or Vinyl siding backed with Oriented Strand Board.

In addition to the above features, a home **must** have an MH Advantage sticker attached to it before it leaves the approved homebuilding facility. The sticker indicates to the lender that the home is eligible, and the lender will look for a picture of the sticker in the pre-purchase appraisal documents.

Please be sure that when you submit an order for a custom home that meets these requirements from a participating homebuilder that you call the homebuilder to ensure that the home will have the MH Advantage sticker attached by the time of delivery.

Site Installation Requirements

While homebuilders are responsible for the design features, including attaching the MH Advantage sticker to the home, the retailer and their installer will be responsible for installing the required on-site features to ensure MH Advantage eligibility. Without the following site-completed features, the home, even with a MH Advantage 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. 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.
- Construct a compliant foundation that meets all of the following criteria: Masonry perimeter wall; HUD's Permanent Foundations Guide to Manufactured Housing and Engineered Foundation certified by a registered architect or professional engineer.

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.

Talking to Homebuyers

Homebuyers may have questions about MH Advantage. Here are some key messages you can use to discuss the offering with homebuyers.

- MH Advantage is a special mortgage loan for manufactured homes that have features typical of site-built single-family homes.
- I can help you find homes that may be eligible for MH Advantage financing.
- To learn more about the benefits of MH Advantage, visit www.fanniemae.com/manufacturedhomes.



FAQ



MH Advantage FAQs

MH Advantage

Q1

What is MH Advantage?

MH Advantage is an initiative created by Fannie Mae for “HUD Code” manufactured homes designed to have certain specified physical features more akin to site-built homes. For mortgage loans secured by such homes sited on land owned by the borrower, Fannie Mae offers mortgage lenders special financing on terms more favorable than that for standard manufactured housing land-home loans.

Q2

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.

Q3

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.

Q4

Can the MH Advantage initiative be changed in the future?

As with any other Fannie Mae loan eligibility standard, MH Advantage may be changed in the future to comply with prevailing business and/or regulatory requirements. This may involve changing the Central Features or revising credit/lending parameters. There is a minimum 30-day notice provision in the MH Advantage Agreement for changes to Exhibit B/Central Features. However, Fannie Mae has committed in the MH Advantage Agreement that if a to-be-built home is contracted for sale to a consumer by a retailer, then the version of Exhibit B in effect at the time of that contract of sale will apply to determining whether it is MH Advantage-eligible.

Also, once a home has an MH Sticker placed on it in compliance with the MH Advantage program, it will always remain MH Advantage eligible.

Central Features

Q1

Is the Homebuilder responsible if a retailer does not install a home with all Central Features as it is designed?

No, Homebuilders 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 Homebuilders. Likewise, Homebuilders are not responsible for the "External Features" (sidewalk and driveway). However, if in the year after a home's installation a Homebuilder has actual knowledge of non-complying homes, it must give notice (including address of the home) to Fannie Mae.

MH Advantage Stickers

Q1

When does the MH Sticker get attached?

The MH Sticker is attached to each home (only one section of a multi-section home) by the Homebuilder at the time of production, except that in the first 90 days of their participation, Homebuilders can attach MH Stickers after shipment.

Q2

Can consumers remove MH Stickers?

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

Q3

Can consumers replace MH Stickers?

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

Exterior Features

Q1

What is the Homebuilder'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 Homebuilder has no responsibility for the presence of Exterior Features; it is solely the mortgage lender's responsibility.

Q2

What happens if Exterior Features are not installed?

Despite the presence of an MH 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.

Retailer Partners

Q1

Does the MH Advantage Agreement govern retailers?

Retailers who sell a Homebuilder's homes is not a party to the MH Advantage Agreement or any other agreement with Fannie Mae.

Q2

What oversight of retailers by Homebuilders is required?

The MH Advantage Agreement imposes on Homebuilders no obligation of oversight, but does require that Homebuilders to 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.

Q3

Is the Homebuilder responsible for a retailer's installation of the home?

Homebuilders are not responsible for a retailer's installation of Manufactured Homes.

Q4

What marketing support can Fannie Mae provide to retailers?

Fannie Mae will be providing sample marketing material and suggested messaging to Homebuilders that they can use with retailers.

Q5

How should retailers respond to consumers' questions about MH Advantage?

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

For more information, visit:

FannieMae.com/manufacturedhomes





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