
Request for Input

FHA and Ginnie Mae Title I Manufactured
Housing Programs

Responses due September 26, 2022

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Overview

HUD's 2022-2026 Strategic Plan¹, released in March 2022, established a strategic objective to "Increase the Supply of Housing," with "number of manufactured homes produced" as a performance indicator.

In May 2022, the Biden-Harris Administration announced a "Housing Supply Action Plan"² that included a commitment to "deploy new financing mechanisms to build and preserve more housing where financing gaps currently exist," singling out production, availability, and financing of manufactured housing titled as personal property³.

Ginnie Mae and FHA are considering potential policy enhancements for FHA's Title I Manufactured Home Loan Program (and the corresponding requirements for securitization in the Ginnie Mae Mortgage-Backed Securities (MBS) Guide) to encourage increased lender participation and enhance the effectiveness of the respective programs. The purpose of this RFI is to solicit input from stakeholders to assist in the evaluation of current program policies and to help identify opportunities to better leverage the Title I program to address housing supply and affordability needs through manufactured housing.

Background

Under Title I, FHA insures loans made by approved institutions for the purchase of manufactured homes and/or lots. By protecting lenders against losses associated with default, FHA's insurance incentivizes lenders to increase the availability of affordable home financing options for low-and moderate-income borrowers. Manufactured homes titled as personal property have traditionally been financed through portfolio products that may bear higher interest rates than could potentially be made available through a government insured loan product. Title I's Manufactured Home Loan Program was created to provide broader availability and affordability of financing for this market than would otherwise exist. The resulting FHA-insured loans may be securitized

through the Ginnie Mae Manufactured Housing (MH) Program, further lowering the cost for homebuyers by connecting this market to broader sources of liquidity.

Following FHA's modernization of the Title I Manufactured Home Loan Program in 2009, Ginnie Mae also reintroduced its Manufactured Housing Program, allowing loans under the revised program to be securitized. Although FHA's program changes were intended to increase the availability of credit for manufactured housing property loans, as the Appendix Table 1 shows, loan origination has mostly trended downward since 2009 and has today become negligible. Appendix Table 2 shows that production of manufactured homes has plateaued at higher levels.

¹ [FY2022-2026 HUD Strategic Plan](#)

² [President Biden Announces New Actions to Ease the Burden of Housing Costs | The White House](#)

³ Personal property loans are also known as 'home only' loans and previously known as 'chattel' loans. These are loans for manufactured housing that are not permanently affixed, where the borrower does not own the land or chooses to not title the home as real property. FHA's Title II program finances manufactured homes that are real property.

This suggests two conclusions:

- **Manufactured housing has yet to reach its full potential to help address the nation's housing supply shortage and**
- **The government financing programs managed by FHA and Ginnie Mae are not playing a meaningful role in the financing of manufactured housing even at current production levels.**

FHA and Ginnie Mae are therefore exploring changes to program policy for the purpose of reinvigorating the

housing supply and homeownership goals. To support the development of program changes, information is being gathered about the market for manufactured housing (current and potential), the past and current role and effectiveness of the FHA and Ginnie Mae programs in supporting the financing of manufactured housing, and how changes to these programs could improve their ability to support policy objectives.

Accordingly, FHA and Ginnie Mae are seeking input from interested parties regarding the questions outlined below, as well as other feedback that would be beneficial to the agencies as they consider potential program policy changes.

Input Sought

Respondents may provide input on any of the following topics and expand on the topics as appropriate to address related questions or implications that are not directly articulated below. Please be as specific as possible in all answers.

Topic 1: Current Environment

- What information can you provide about current manufactured housing financing options and structures? What are the factors that drive the status quo?
- Describe the optimum role for government programs in the financing of manufactured housing sales.

Topic 2: FHA Title I

- What features of the current Title I manufactured housing program have made it uncompetitive in today's market?
- If FHA were to modify the current loan limit(s) for manufactured housing, what would be the desirable new loan limit(s), and why?

- What additional changes to program requirements (such as loan features, underwriting standards, or processes) are desirable? (Please see Appendix III for a link to the Single Family Housing Handbook 4000.1)
- How would the financing market improve if the proposed changes were implemented?

Topic 3: Ginnie Mae Manufactured Housing Program

- What features of the current Ginnie Mae Manufactured Housing Program have made it uncompetitive in today's market?
- If Ginnie Mae were to modify the current issuer eligibility requirements, what set of requirements would expand the universe of lenders without presenting undue risk? What additional changes to program requirements (such as pooling requirements) are desirable? (Please see [Chapter 30](#) of the MBS Guide or Appendix II for details about current requirements.)
- How would the financing market change if the proposed program changes were implemented?

Instruction For Submitting Input

Ginnie Mae and FHA ask that each respondent **transmit responses via email no later than 60 calendar days from the publication of this Request For Information (“RFI”) to gnma.rfi.submission@hud.gov**. Ginnie Mae and FHA acknowledge that any responses provided are on a voluntary basis and are not required for participation in any federal program. Please clearly mark all responses with “Voluntary response provided to HUD in response to an RFI. This is not a required submission for participation in a federal program.”

Any responses provided to Ginnie Mae and FHA may be subject to the Freedom of Information Act (FOIA). Should responses be subject to a FOIA request, HUD will

process in accordance with the law and apply any FOIA exemptions that may apply. If you wish HUD, Ginnie Mae, and FHA to consider any portion of your response exempt from disclosure under the FOIA, you should clearly mark that portion as “confidential commercial information.”

Please include in your response the following information:

- **Name(s) or organization(s) and addresses**
- **Contact information**

Important Notes (Disclaimer)

This RFI is not a request for proposal, request for quotation, offer or an invitation for bid, nor does its issuance restrict the Government on its eventual activities. This is an RFI only, and all information received will be used for planning and market research purposes only. Information received will not be published. Respondents will not be notified of any results derived from a review of the information

provided. This RFI should not be construed as a commitment by Ginnie Mae and FHA. All information contained in the RFI is preliminary and is subject to modification and is in no way binding on the Government. The Government will not pay for information received in response to this RFI. Responders to this RFI are solely responsible for all expenses associated with responding to this RFI.

Appendix I. Current Title I Manufactured Housing Data and Trends

GINNIE MAE MH PORTFOLIO TREND *in UPB over 20 years*

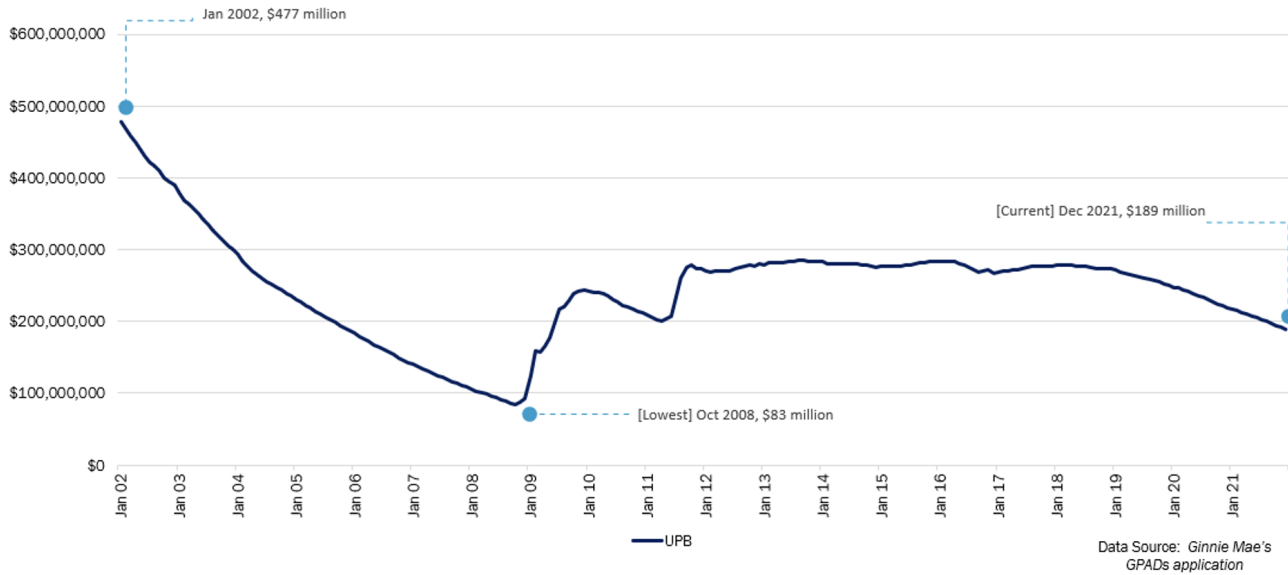


Figure 1 Outstanding Ginnie Mae Manufactured Housing Mortgage-Backed Securities (MBS) over a 10-year period.

Title I Manufactured Home Loans		
Unit	Origination Calendar Year	Sum of Loan Amount (\$\$)
1,572	2008	60,218,817
2,544	2009	114,952,076
1,495	2010	72,791,738
733	2011	35,590,598
732	2012	37,639,933
590	2013	30,938,933
488	2014	24,847,266
724	2015	36,288,938
980	2016	47,120,696
814	2017	39,494,215
456	2018	22,082,523
162	2019	7,659,626
40	2020	1,764,388
3	2021	101,500

Table 1 (Left) Total Title I manufactured home loans at dollar value of origination from 2008-2021. The sum of loan amount has decreased in the last five years.

Table 2 (Below) Production of manufactured homes from 2017-2021. Total production increased between 2020-2021 despite the decrease in Title I manufactured home loans.

Homes Produced (2017-2021)	
Year	Homes Production
2017	93,208
2018	96,965
2019	94,902
2020	94,563
2021	105,857

Appendix II. Ginnie Mae's Manufactured Housing Program— Summary of Requirements

There are special requirements that apply to manufactured home loan pools in Ginnie Mae's Manufactured Housing Program. The below sections summarize the key eligibility requirements to participate in the MH Program. Please refer to [Chapter 30](#) of Ginnie Mae's MBS Guide for additional information regarding special requirements and eligibility.

Issuer Eligibility Requirements

Participating issuers must be FHA Title I approved lenders in good standing. All approved issuers must meet and maintain a minimum adjusted net worth valuation (as calculated in accordance with the HUD Audit Guide), plus \$10 million, plus funds equal to 10% of each of the following:

1. All MH MBS outstanding;
2. The issuer's outstanding Commitment Line balance;
and
3. The issuer's outstanding pool balances for all other Single Family and Multifamily pools.

Loan Eligibility Requirements

Each loan in an MH pool must be insured by FHA under Title I and secured by a manufactured home unit, or by a manufactured home unit and a developed manufactured home lot acquired in a single transaction. Each loan must call for equal monthly payments, except for the last and the first payment. The last payment may not exceed the normal monthly payment. Loans with different face interest rates may be included in the same loan package if the lowest face interest rate is within 150 basis points (1.5%) of the highest. A manufactured home loan must provide that interest will be earned as if the obligation were written as a simple interest transaction.

Pool Requirements:

Only FHA Title I manufactured housing loans with loan application dates of June 1, 2009 or after are eligible for pooling under the Ginnie Mae II MBS Custom pool type ("C MH"). The MH pool must have an original principal balance of \$1 million and comprise of at least eight manufactured housing loans. An MH pool may contain loans with different maturities provided that:

1. At least 50% of the original principal amount of the pool contains loans with an original term equal to that of the loan with the latest maturity in the pool; and
2. No loan has a maturity that exceeds by more than 60 months the term of any other loan in the pool.

Appendix III. Summary of FHA's Title I Manufactured Home Loan Insurance Program

- [Single Family Housing Policy Handbook 4000.1.](#)

Guidelines for the Title I program are found in Sections II.E, III.C, IV.C and IV.D.