



How to: Register, Quote, Close, and Deliver a Manufactured Housing Community Loan with:

- Tenant Site Lease Protections
- Non-Traditional Manufactured Housing Community Ownership

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A. Tenant Site Lease Protections (TSLP) Overview

Effective January 1, 2022, to be eligible for purchase by Fannie Mae, all Mortgage Loans secured by a Manufactured Housing Community (MHC) must require the Borrower to implement all of the applicable Tenant Site Lease Protections for 100% of the Site Leases in the MHC within 12 months following the Mortgage Loan Origination Date (unless grandfathered in under the pre-2022 Guide underwriting requirements, as described below).

The Borrower must covenant in the Loan Documents to implement all of the applicable Tenant Site Lease Protections for 100% of the Site Leases.

FOR ALL SITE LEASE TENANTS:

The Site Lease and/or the MHC's Rules and Regulations must include provisions granting all residents the right to:

- ⇒ A Site Lease term of not less than one (1) year, renewable at the resident's election, unless good cause exists for nonrenewal (e.g., the resident is in default under the Site Lease at the time of renewal, or the resident's serious or repeated violation of the material terms and conditions of the Site Lease or violation of applicable federal, state, or local law);
- ⇒ at least thirty (30) days' written notice from the MHC prior to an increase in the Site Lease rent.
- ⇒ a minimum five (5) day grace period for the non-payment of rent under the Site Lease, and the resident's right to cure defaults on Site Lease rent payments within any applicable cure period in the Site Lease (or within ten (10) days after the five (5) day grace period if the Site Lease does not provide for a cure period for defaults on Site Lease rent payments); and
- ⇒ A provision in the Site Lease requiring at least 60 days' notice of planned sale or closure of the MHC.

FOR ALL OWNER-OCCUPIED SITE LEASES:

The Site Lease and/or the MHC's Rules and Regulations must include provisions granting all owners of manufactured homes the right to:

- ⇒ Sell the manufactured home without having to first relocate it out of the community;
- ⇒ Sublease or assign the Site Lease to the purchaser or sublessee of the manufactured home for the unexpired remaining Site Lease term without any unreasonable restraint, provided the purchaser or sublessee otherwise satisfies the MHC's Rules and Regulations and all of Borrower's then applicable credit and background check requirements;
- ⇒ Post "For Sale" signs for the manufactured home that comply with the Rules and Regulations; and
- ⇒ Sell the manufactured home in place within 45 days after eviction by the MHC.

NOTE: An MHC Mortgage Loan may be delivered in 2022 using the 2021 MHC requirements in Part III, Chapter 6 of the Multifamily Selling and Servicing Guide (i.e., implementation of the TSLPs for 50% of the owner-occupied Site Leases) only if the Mortgage Loan was:

- Quoted and under Application (both officially and as noted in DUS Gateway™) by December 31, 2021; and
- Rate Locked with a confirmed Commitment by February 1, 2022.



B. Implementation of the Tenant Site Lease Protections by the Borrower

The Tenant Site Lease Protections must be implemented by the end of the first Loan Year, by either:

- amending each Site Lease; or
- being added to the MHC's rules and regulations, if the Site Lease incorporates the rules and regulations by reference.

Best Efforts Implementation

The Loan Documents require the Borrower to implement and maintain the TSLPs, and equally importantly, require the Borrower to agree to be bound by the TSLPs and consent to the residents being intended third-party beneficiaries of the TSLP covenants. The Loan Documents contractually obligating the Borrower and making residents the intended beneficiaries of this covenant allow for the implementation of the TSLPs for 100% of the Site Leases on a “best efforts” basis. The Borrower will be deemed to have implemented the TSLPs on a “Best Efforts” basis by the Borrower unilaterally adding the TSLPs to the rules and regulations (even in states where a vote of the residents would otherwise be required to amend the rules and regulations), if the MHC's form Site Lease specifically incorporates the rules and regulations by reference, and the Borrower:

- publicly posts an updated version of the rules and regulations containing the TSLPs; and
- notifies each tenant in writing (by a mailing or notice put in mailboxes or under doors), that each resident in the community (both Homeowners and renters) are now afforded the additional protections of the TSLPs as listed in the notice and incorporated into the rules and regulations.

The Borrower should also update its standard form of Site Lease to add the TSLPs, and go through the normal process of attempting to formally amend the MHC's rules and regulations to include the TSLPs. However, the failure of any vote receiving the necessary percentage will not affect the Borrower having achieved “Best Efforts” implementation.

C. Non-Traditional MHC Ownership Overview

Fannie Mae Multifamily Mortgage Loans provide pricing incentives to borrowers designed to increase acquisitions of MHCs owned by Non-Profits and Government-owned entities. These incentives encourage the preservation of existing manufactured housing communities and the development of new MHCs, including increasing opportunities for resident-owned communities. Mission-driven entities', such as those above, aim is to preserve affordability for households living in MHCs by providing predictable and controlled rent increases, infrastructure repairs, supportive services, and prioritizing households with low incomes.

To qualify for the pricing incentives, the MHC must be owned by a non-profit entity or a government-owned entity.

D. Contact the MHC Financing Team

- ✉ Michael Keeney, Senior Director, Southeast: michael_d_keeney@fanniemae.com
- ✉ William Stoker, Lead Associate, Duty to Serve: william_stoker@fanniemae.com

Product term sheets and more can be found at: <https://multifamily.fanniemae.com/financing-options/specialty-financing/manufactured-housing>.

This Job Aid is regularly updated, and you can always find the latest version at this link:

<https://multifamily.fanniemae.com/financing-options/specialty-financing/manufactured-housing>.



E. Third Party Report Cost Reimbursement Process Overview

Fannie Mae reimburses up to \$10,000 for third-party reports, such as Zoning reports, Appraisals, Environmental Condition Assessments, and Property Condition Assessments (PCAs), on Mortgage Loans that meet the Tenant Site Lease Protections program requirements or if the MHC is Non-Traditionally Owned by a Non-profit, a Government-owned entity, or a Resident-owned Community.

To receive reimbursement:

1. Request an invoice from the third-party report vendor with the expense description listed as a line item separate from any other report's costs. Fannie Mae will not reimburse other costs such as fees for expediting a report

2. Complete Form 4829. Include Lender information, either Fannie Mae commitment number or Fannie Mae Mortgage Loan number, Property information, wiring instructions. Fields in the form related to servicing may be left blank.

3. Manually sign or e-sign Form 4829 and scan or save as a PDF file.

4. E-mail the signed PDF Form 4829 and all invoices to:
MHC_report_reimbursement@fanniemae.com

Important Note: Reimbursement requests must be submitted after the Mortgage Loan is Delivered for purchase by Fannie Mae, but no later than one month after the date that Fannie Mae purchases the Mortgage Loan. If the reimbursement request is not submitted prior to the cutoff date, the expenses will not be eligible for reimbursement. Depending on when the completed reimbursement request was submitted, reimbursement may be received by Lender up to 2 months after the delivery of the Mortgage Loan to Fannie Mae.



F. Mortgage Loan Secured by an MHC with Tenant Site Lease Protections: How to register, quote, close, and deliver.

Note: If the Mortgage Loan receives approval from the Fannie Mae Deal team to be delivered using the pre-2022 Guide requirements, please see [\[add link to current Job Aid\]](#) for instructions on registering, quoting, closing, and delivering the MHC Mortgage Loan.

Register Mortgage Loan

In DUS Gateway, do the following:

- A. Indicate MHC with “Tenant Site Lease Protections.”
 - Go to “Properties” and click “Edit.”
 - Go to “Duty To Serve Loan Purchase Objective(s).”
 - Under “Available,” select “**MHC Site Lease Protections**” from menu.
 - Click on the right arrow to move “MHC Site Lease Protections” to “Chosen” box.
 - Then, click on “Save” at the bottom of the screen.

Zip Code 60409

Duty to Serve Loan Purchase Objective(s)

Available

- HUD Section 8
- LIHTC Debt
- HUD 202
- USDA 515

Chosen

- MHC Site Lease Protections

Additional Information (Read-Only)

Address Standardized?	Yes	Address Latitude (Degrees)	41.630465
Geocode Match Code	S80	Address Longitude (Degrees)	-87.565554
Location Quality Code	AP05		

- B. Complete the MHC MAE (Multifamily Affordability Estimator), upload the MAE to the deal documents, and update the Mission % on the deal details page.
- C. For Pricing “Delegated and “Non-Delegated deals:”
 - Add a non-TSLP and TSLP loan option for each execution to be priced.
 - Designate non-TSLP and TSLP for each loan option in the external comments field.
 - Apply the TSLP pricing reduction to the credit spreads for the TSLP loan options.



In C&D, do the following:

- A. At Commitment, indicate that the Mortgage Loan requires Additional Disclosure by populating the pertinent fields within the Commitment Information section on the Commitment page.

Commitment Information			
Commitment Number	123456	Commitment State	Fulfilled
Commitment Last Updated	03/22/2021 10:31 PM by Jane Doe	Commitment Submitted	02/18/2021 6:09 PM by Jane Doe
Fannie Mae Seller Name & Number	Fannie Mae Seller Name - 123456789	Commitment Confirmed	02/19/2021 10:14 AM by John C Smith
Commitment Expiration Date	+ 03/22/2021	Commitment Period (days)	33
Fannie Mae Pre-Review	+ Pre-Review Mortgage Loan	Pending Review?	<input type="checkbox"/>
Additional Disclosure? (Definition)	+ Yes	Additional Disclosure Comments	MHC Tenant Site Lease Protections
Additional Disclosure Seller Contact Name	Jane Doe	Additional Disclosure Seller Contact E-mail	jane_doe@seller.com

- Select 'Yes' from the dropdown menu for **Additional Disclosure?**
- Add the text 'MHC Tenant Site Lease Protections' to the **Additional Disclosure Comments** field.
 - **Note:** Additional comments should be added for any other characteristics requiring Additional Disclosure. See: [Multifamily Additional Disclosure Guidance \(Form 4098\)](#)
- Provide the first and last name of an appropriate contact in the **Additional Disclosure Seller Contact Name** field.
- Provide the email address of the contact in the **Additional Disclosure Seller Contact E-mail** field.

- B. At Loan Delivery, populate the MHC-related fields within the Property Data section of the Collateral page.

Property Data			
The data sections following "Short Property" do NOT need to be completed at the time of commitment. When a permanent loan is delivered, then the Property Data, Housing Goals and Affordability Restrictions, Dwelling Mix, Servicing Information and Underwriting Valuation sections will need to be completed prior to submit for purchase/securitization. As part of the Underwriting valuation section, the "Base" or "Senior" Underwriting Valuation page will also require completion.			
Management Company Name		Building Type	+ Other
Preferred Equity Type	+ Select...	Total Number of Buildings	+ 2
Year Built	+ At least One Phase Number/Year/Unit Combination Required		
	Delete	Phase Number	Phase Completion Year
	<input type="checkbox"/>	1	1955
			Phase Constructed Units
			253
	Total Constructed Units: 253		
	Add New Row	Delete Selected	
Land Ownership Rights	+ Fee Simple	Assessment Results	+ Phase 1 Acceptable w/ Oper
Ground Lease End Date (mm/dd/yyyy)		Condominium Regime Type	+ Not Applicable
		Borrower Owned Unit Count	
MHC Quality Rating	3 Star Community as defined in DUS Guide	MHC Community Type (Information)	For-profit Owned
		Projected Units with Tenant Site Lease Protections (%)	= 100.0
Property Stabilization Level	+ Stabilized	MHC Non-owner Occupied Units	0
Property Operating at Stable Residential Physical Occupancy?	+ Yes	Property Expected To Reach Stable Residential Physical Occupancy	Select...
Underwritten Physical Occupancy (%)	+ 95.0	Military-Related Physical Occupancy (%)	
Underwritten Economic Occupancy (%)	+ 95.0	Occupancy as of Date (mm/dd/yyyy)	+ 11/30/2020
Rentable Residential Area (sq ft)	+ 2150	Rentable Commercial Area (sq ft)	+ 0
Gross Property Area (sq ft)	+ 8550	Does Property Include Licensed Childcare?	No
Special Flood Hazard Area Indicator	+ No	Special Flood Hazard Area Insurance Type	+ Not in Flood Area No Insurance
Is this Property in a Seismic Zone 3 or 4?	+ No	Terrorism Insurance Coverage?	+ No
ENERGY STAR® Score		ENERGY STAR® Score Date (mm/dd/yyyy)	
Source Energy Use Intensity		Source Energy Use Intensity Date (mm/dd/yyyy)	

- Select the appropriate value from the drop down menu for the **MHC Quality Rating** field.
- Select 'For-profit Owned' from the dropdown menu for the **MHC Community Type** field.
 - **For-Profit Owned:** MHC is owned and operated by a for-profit entity, which may be publicly traded or privately held.
- Enter the projected percentage of pads in the community with protections 12 months post origination into the **Projected Units with Tenant Site Lease Protections (%)** field.



- o **Note:** Pursuant to Section A: Tenant Site Lease Protections (TSLP) Overview, the value entered must equal '100.0'.
- Enter the number of non-owner occupied units within the community into **MHC Non-owner Occupied Units** field.

Tip: Hover your cursor over the label of any field to view its definition. Click the field label while the pop-up window containing the definition is visible to 'freeze' it in place and scroll through its contents.

MHC Community Type (Information)	For-profit Owned	Projected Units with Tenant Site Lease Protections (%) = 100.0
MHC Non-owner Occupied Units	0	
Property Expected To Reach Stable Residential Physical Occupancy	Select	Units with Tenant Site Lease Protections (%) The percentage of units in a manufactured housing community (MHC) property for which the Borrower agrees to implement tenant site lease protections within 12 months after the Mortgage Loan Origination Date. Entering a value of 50% or greater indicates (i) the Borrower has agreed to adopt these additional protections in the MHC, (ii) the Loan Documents reflect the terms of program compliance, and (iii) the Borrower will provide
Military-Related Physical Occupancy (%)		
Occupancy as of Date (mm/dd/yyyy)	+ 11/30/2020	
Rentable Commercial Area (sq ft)	+ 0	
Does Property Include Licensed Childcare?	No	
Special Flood Hazard Area Insurance Type	+ Not in Flood Area No Insurance	

Tip: Click the 'Information' hyperlink to open a separate dialog window containing detailed information and guidance.

The screenshot shows a browser window with a URL pointing to a Fannie Mae information page. The information window is open, displaying the following content:

How to: Deliver a Mortgage Loan Secured by a Manufactured Housing Community (MHC) with:

- Tenant Site Lease Protections (TSLP)
- Non-Traditional MHC Ownership

Contents

- Tenant Site Lease Protections (TSLP) Overview
- Non-Traditional MHC Ownership Overview
- Mortgage Loan Secured by an MHC with TSLPs: How to deliver
- Mortgage Loan Secured by a Non-Traditional MHC: How to deliver

A. Tenant Site Lease Protections Overview

Fannie Mae Multifamily MHC Mortgage Loans provide financial incentives to Borrowers who commit to adopting Tenant Site Lease Protections (TSLP) that go above and beyond what is required by most state or local jurisdictions.

To qualify for the pricing incentive, the Borrower must implement all of the following Tenant Site Lease Protections for a minimum of 50% of the owner-occupied site leases in the MHC within 12 months following the Mortgage Loan Origination Date:

- One-year renewable lease term unless there is good cause for non-renewal;
- 30-day written notice of rent increases;
- 5-day grace period for rent payments and the right to cure defaults on rent payments 10 (ten) days post grace period; and
- Provide residents with:
 - Right to sell the manufactured home without having to first relocate it out of the community;
 - Right to sell the manufactured home in place within a reasonable time period after eviction by the MHC;
 - Right to sublease or assign the pad site lease for the unexpired term to the new buyer of the tenant's manufactured home without any unreasonable restraint;
 - Right to post "For Sale" signs; and
 - Right to receive at least 60 day's notice of planned sale or closure of the MHC.

B. Non-Traditional MHC Ownership Overview

Fannie Mae Multifamily Mortgage Loans provide financial incentives to Borrowers designed to increase acquisitions of MHCs owned by Non-Profits and Government entities. These incentives encourage the preservation of existing, and the development of new, MHCs, including increased opportunities for resident-owned MHCs. Mission-driven entities, such as those above, aim to preserve affordability for households living in MHCs by providing predictable and controlled rent increases, infrastructure repairs, supportive services, and prioritizing households with low incomes.

C. Mortgage Loan Secured by an MHC with Tenant Site Lease Protections: How to deliver

In C&D, do the following:

1. Indicate MHC Community Type:
 - Click on "Collateral" tab
 - Go to "Property Data" Section.
 - Go to "MHC Community Type" drop-down field.
 - Select "For-profit Owned". (**For-profit Owned:** MHC is owned and operated by a for-profit entity, which may be publicly traded or privately held.)
 - Go to "Projected Units with Tenant Site Lease Protections (%)".
 - Enter % of Units with Tenant Site Lease Protections (the projected % of pads in the MHC with protections 12 months post origination).
 - Please note that you should enter either 0 or a value >= 50.



Additional Loan Documents required for “For-profit Owned” MHC types with Tenant Site Lease protections.

- **Form 6102.01:** Modifications to Multifamily Loan and Security Agreement – Schedule 2 Addenda – Summary of Loan Terms (Manufactured Housing Community): The Lender’s entry into C&D should match this document).
 - If the MHC is a “For-profit Owned” Community type, the data element “Non-Traditional Entity” should be indicated as “N/A”.
- **Form 6208:** Modifications to Multifamily Loan and Security Agreement (Manufactured Housing Community).

Quote Mortgage Loan

Close Mortgage Loan

Deliver Mortgage Loan

In DUS DocWay™, do the following:

- Upload Forms 6102.01 and 6208 with Folder II delivery package:
 - Upload to the Document Category “Collateral Agreements” with Doc Type “Multifamily Loan & Sec Agreement (Form 6001 series)



Request Reimbursement for Third-Party Reports: See Section D of this job aid.

For TSLP Certification Requirement:

- No later than 12 months after the Mortgage Loan Origination Date, the Borrower must provide written certification to Fannie Mae that 100% of the Site Leases include the TSLPs. The certification must be emailed to MHC_TSLP_Certification@fanniemae.com.

Servicer's Auditing of Tenant Site Lease Protection Implementation

The Loan Documents require the Borrower to annually provide the Servicer copies of:

- a certified copy of the current residential MH Site Lease form;
- a certified copy of the of the notice sent to all MH Site Lease tenants if the Tenant Site Lease Protections were implemented by the Rules and Regulations;
- copies of any actual MH Site Lease requested by Lender; and
- a certification of the actual percentage of MH Site Leases that include all required Tenant Site Lease Protections, and that no material changes have been made to the MH Community's rules and regulations or to the MH Site Lease form.

The Servicer must annually confirm:

- confirm the Borrower's on-going compliance with the Loan Documents;
- if the Tenant Site Lease Protections were implemented within the MH Community's rules and regulations, confirm:
 - the rules and regulations contain all Tenant Site Lease Protections and are publicly posted in the MH Community; and
 - each Site Lease tenant received written notice of all Tenant Site Lease Protections added to the rules and regulations;
- if the Tenant Site Lease Protections were implemented within the Site Lease:
 - confirm the Site Lease form includes all Tenant Site Lease Protections and that 100% of the Site Leases are covered by the Tenant Site Lease Protections; and
 - annually audit at least 25% of the minimum percentage of MH Site Leases required per the Loan Documents to ensure all Tenant Site Lease Protections are included;

Note: If the Tenant Site Lease Protections were implemented within the MH Community's rules and regulations, an audit of individual Site Lease is not required by the Servicer. The Servicer should only confirm that the TSLPs have been added to the MHC's standard form of Site Lease.



G. Mortgage Loan Secured by a Non-Traditional MHC: How to Register, Quote, Close, and Deliver.

Register Mortgage Loan

In **DUS Gateway**, do the following:

- A. Indicate Non-Traditional MHC Ownership.
 - Go to “Properties” and click “Edit.”
 - Go to “Duty to Serve Loan Purchase Objective(s).”
 - Under “Available,” select “**MHC Non-Traditional Ownership**” from menu.
 - Click on the right arrow to move “MHC Non-Traditional Ownership” to “Chosen” box.
 - Then, click on “Save” at the bottom of the screen.

Additional Information (Read-Only)			
Address Standardized?	Yes	Address Latitude (Degrees)	36.977552
Geocode Match Code	S80	Address Longitude (Degrees)	-121.897801
Location Quality Code	AP05		

- B. For Pricing “Delegated and Non-Delegated deals”:
 - Add a Non-traditional loan option for each execution to be priced.
 - Designate Non-traditional loan option in the external comments field.
 - Apply the Non-Traditional pricing reduction to the credit spreads.

In **C&D**, the Lender must indicate the Non-Traditional MHC Ownership as follows:

- Click on “Collateral” tab.
- Go to “Property Data” Section.
- Go to “MHC Community” Type.
- Select community type from options below:
 - Non-Profit Owned: MHC is owned and operated by a non-profit entity.
 - Government Owned: MHC’s majority owner is a federal, state, or local government entity.
 - Resident Owned: MHC is owned and operated by a legal entity of which the residents of that community are the owners or shareholders. Each household holds an ownership interest in the entity, which owns the land and manages the community.



Additional Loan Agreement requirements for “Non-Traditional” MHC Community Types.

- **Form 6102.01:** Modification to Multifamily Loan and Security Agreement – Schedule 2 Addenda – Summary of Loan Terms (Manufactured Housing Community): The Lender’s entry into C&D should match this document).
 - The data elements of the Form 6102.01 will be used to indicate that the Non-Traditional MHC Community Type (Non-profit, Government, or Resident Owned).
- **Form 6208:** Modification to Multifamily Loan and Security Agreement (Manufactured Housing Community).
 - The TSLPs sections will not be required for a ‘Non-Traditional’ Community Type, as the Tenant Site Lease Protections are not applicable to these transactions.

Quote Mortgage Loan

Close Mortgage Loan

Deliver Mortgage Loan

In **DUS DocWay**, do the following.

- DUS DocWay; Upload forms 6208 and 6102.01 with Folder II delivery package:
 - Upload to the Document Category “Collateral Agreements” with Doc Type “Multifamily Loan & Sec Agreement (Form 6001 series).

Request Reimbursement for Third-Party Reports: See Section D of this Job Aid.