

Manufactured Housing Communities

Fannie Mae Multifamily provides financing options for manufactured housing communities where the Borrower owns the Manufactured Housing Community (MHC) sites and associated common amenities and infrastructure, and leases the individual pad sites to the owners of the manufactured homes.



Term	5 – 30 years.
Amortization	Up to 30 years may be available for either age restricted communities or all age (family) communities.
Interest Rate	Fixed- and variable-rate options available.
Maximum LTV	80%.
Minimum DSCR	1.25x.
Property Considerations	<ul style="list-style-type: none"> • Additional pricing incentive is available for Communities that implemented Tenant Site Lease Protections for at least 25% of the Sites, or are owned by a non-profit entity. • The percentage of tenant-occupied homes generally may not exceed 25%. • Density is based on market norms and generally should not exceed 12 Manufactured Homes per acre for an existing community and 7 Manufactured Homes per acre for a new community. • With limited exceptions, all Manufactured Homes should conform to applicable Manufactured Housing HUD Code standards. • Leases with 2-year terms or longer cannot contain a tenant option to purchase the site.
Supplemental Financing	Supplemental Loans are available.

Benefits

- Customized solutions
- Competitive pricing
- Certainty of execution
- Speed in processing and underwriting

Eligibility

- Existing, stabilized, professionally managed MHC, with or without age restrictions, having a minimum of 50 sites
- Quality Level 3, 4, or 5 communities
- At least one Key Principal of the Borrower should have experience in operating MHC
- Lenders experienced in financing MHC and approved by Fannie Mae

For More Information

Contact a Fannie Mae representative or visit the Multifamily Business Portal for details.

fanniemae.com/multifamily



Prepayment Availability	Flexible prepayment options are available. Loans may be voluntarily prepaid upon payment of yield maintenance for fixed-rate loans and graduated prepayment for variable-rate loans.
Rate Lock	30- to 180-day commitments. Borrowers may lock a rate with the Streamlined Rate Lock option.
Accrual	30/360 and Actual/360.
Recourse	Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy. For loans with the pricing incentive for having minimum Tenant Site Lease protections, a Limited Payment Guaranty for 10% of the Mortgage Loan amount is required.
Escrows	Funding of tax and insurance escrows depend on leverage level. Replacement reserve escrow is typically not required.
Third Party Reports	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.
Third Party Reports Cost Reimbursement	Fannie Mae will reimburse the cost of third party reports, up to \$10,000, for Communities with Tenant Site Lease Protections implemented for at least 50% of the Sites, or if the community is owned by a non-profit entity. Minimum site lease protections must include: <ul style="list-style-type: none"> (a) One-year renewable lease term for the site, unless good cause for nonrenewal; (b) 30-day written notice of site rent increases; (c) 5-day grace period for site rent payments, and right to cure defaults on site rent; and (d) Rights of tenants to: <ul style="list-style-type: none"> (i) sell the manufactured home without having to first relocate it out of the community; (ii) sublease the home or assign the site lease to new buyer, so long as the new buyer meets the minimum MHC rules and regulations and the borrower’s credit standards for new tenants, consistent in the market; (iii) post “for sale” signs that comply with the MHC rules and regulations; (iv) sell the home in place within 45 days after eviction; and (v) receive at least 60 days advance notice of any planned sale or closure of the community.
Assumption	Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience.
Minimum Underwritten Vacancy/Collection Loss	Minimum 5% economic vacancy assumption.