

VA Lenders Handbook (VA Pamphlet 26-7), Chapter 7, Topic 9 — Loans for Manufactured Homes Classified as Real Estate

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9. Loans for Manufactured Homes Classified as Real Estate Change Date March 11, 2019 • This chapter has been revised in its entirety. a. How to Begin This section only addresses manufactured homes which are, or will be, permanently affixed to a lot and considered real estate under state law. Lenders considering making a loan involving a manufactured home that is not permanently affixed should contact 1-877-827-3702 and follow the instructions. b. Allowable Loan Purposes and Calculation of the Maximum Loan Amount Allowable Loan Purpose Maximum Loan To purchase a manufactured home to be affixed to a lot already owned by the Veteran. The lesser of: • the sum of the purchase price plus the cost of all other real property improvements, and the VA funding fee, or • the VA NOV for the property, plus the VA funding fee. To purchase a manufactured home and a lot to which it will be affixed. The lesser of: • the total purchase price of the manufactured home unit and the lot, plus the cost of all other real property improvements, plus the VA funding fee, or • the purchase price of the manufactured home unit, plus the cost of all other real property improvements, plus the balance owed by the Veteran on a deferred purchase money mortgage or contract given for the purchase of the lot, plus the VA funding fee. Continued on next page VA Pamphlet 26-7 Revised Chapter 7: Loans Requiring Special Underwriting, Guaranty, and Other Considerations 7-35 9. Loans for Manufactured Homes Classified as Real Estate, continued b. Allowable Loan Purposes and Calculation of the Maximum Loan Amount, continued To obtain a regular “Cash- Out” refinance for an existing loan on a manufactured home and purchase the lot to which the home will be affixed. The lesser of: • the sum of the balance of the loan being refinanced, plus the purchase price of the lot, not to exceed its reasonable value, plus the costs of the necessary site preparation as determined by VA, plus a reasonable discount on that portion of the loan used to refinance the existing loan on the manufactured home, plus authorized closing costs plus the VA funding fee, or • the total reasonable value of the unit, lot, and real property improvements, plus VA. funding fee. An IRRRL to refinance an existing VA loan on a permanently affixed manufactured home and lot. The sum of: • the balance of the VA loan being refinanced, plus • allowable closing costs, plus • up to two discount points, plus • the VA funding fee. Note: The provisions applicable to IRRRLs apply (See Chapter 6 of this handbook). VA Pamphlet 26-7 Revised Chapter 7: Loans Requiring Special Underwriting, Guaranty, and Other Considerations 7-36

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