

Lenders & thoughts about purchasing a manufactured home in a community (i.e. with leased lots)

Because this type of home 'lives' on leased land there is a need for non-traditional lending. 'Chattel' lenders are those that will lend for the buyer to purchase a manufactured home that lives in a community. Key thoughts about lending itself*:

- 1) **FICO (credit score)** – is a key metric that lenders use to qualify a buyer. The FICO score represents the buyer's history of payment for various loans or services that they have purchased. The FICO score is an indicator of how well the buyer is faithful to make payments and assume the responsibility to pay back their debts (to fulfill their commitments). For partners (married or otherwise) wishing to get a loan based on both incomes – the lender will use the average FICO score of both partners to determine.
- 2) **Income and DTI (debt to income ratio)** – lenders want to make loans to those that can reasonably pay back the loan. Generally, lenders are going to look for a DTI below 45% (meaning that their monthly payments to all forms of debt (rents or mortgage, student loans, credit cards, etc.) is less than 45% of their gross monthly income. Example: if a buyer makes \$1000/month in income the lender will want to see less than \$450/month in all outstanding debts.
- 3) **Down-payment funds** – lenders are going to require a minimum of 5% down-payment on this type of loan. Also, one should always expect that there will be \$1500-\$2500 in closing costs (which includes cost of appraisal & inspections). Example: if the home costs \$80,000 then the down payment is minimum of \$4000 + \$2500 (closing & other costs) – the buyer needs a minimum of ~\$6500 in cash to close.

I've designed the below list of lenders to help buyers understand which lenders are most suitable for their financial situation:

1. Find those that will accept a FICO score based on your credit score (look for the minimum required score)
2. Find those that will accept the amount of cash that you have for down-payment (look for the minimum down payment requirement)
3. If you search and find multiple lenders that will meet your needs then look at the other notations (origination fees, etc.).
4. Most of these lenders have on-line app submission. Go to the website and submit your app. Then follow-up with a call to the lender.
5. Ask me if you need more help!

*NOTE: financial info is approximate; only a lender can give exact loan info.



Lender/ Provider					
Name	ACSI Mobile Finance**	Priority Funding, LLC**	Nationwide Mfg Home Loans JCF Lending Group**	Triad Financial Services**	Credit Human**
Type	Chattel	Chattel	Chattel	Chattel	Chattel
Interest rate	4.7% - 9%	4.99% - 8.75%	5.25%+	6.25% - 9.25%	4.8% - 9.5%
Min FICO Score	600	650	680+	600+	660
Max loan term	20	15 - 20	7 yrs -25 yrs	300 months	20
Min DwnPmt	5%	10%	5%; depends on financials	5%; depends on financials	10%
Max DTI	43%	43%		43%	45%
Max housing debt	34%			30%	34%
PMI/MIP	No		No	No	No
min family income*	None	None	No	None	\$42K-\$54K
Assistance?	No	No	No	No	No
Contact	Bill A Kousmanidis	Brian Hines		Tom Donahue, ext. 1261	Josh Ducharme
Phone:	800.449.4007	877.393.5511 / 518.708.9684	866-967-0143	800.522.2013	877.475.6852
email:	support@approvedcreditny.com	info@prioan.com	https://www.chattelmortgage.net/		JDucharme@credithuman.com
web:	www.ACSIMobileFinance.com	www.prioan.com	Apply TEXAS Mobile Home Loan Ap	www.triadfs.com	credithuman.com
Origination or other fees**	Broker fee - up to 4%; no origination fee; no app fee; closing costs & insurance can be financed into the loan	Minimum loan amount ~\$20K; total closing costs ~\$1600		\$799 processing fee; no more than 3% for Silver program (for credit challenges)	\$1,800
Home type or other comments	Not older than 15yo if SW	Must be 1976 or newer and in a park; can potentially roll closing costs into the loan		Lend on 90% of appraised value; no age limitations	5% down for new homes; 20% down if investment property; 15-yr term on SW homes

*Harston Woods uses various factors to qualify - contact Harston Woods - 817.382.8834

**These are estimates only; lender conditions & qualification is based on individual financial metrics (credit score, etc.) & subject to change - must contact lender for accurate costs & terms

Lender/ Provider					
In Park Lending**	HomeTown Lenders**	Total Lending Concepts (TLC)**	21st Mortgage**	Vanderbilt Mortgage & Finance**	Cascade Financing**
Chattel	Chattel/Land/Traditional	Chattel	Chattel	Chattel	Chattel
6.9% - 8.8%	4.8% - 8.4%	7.0% - 8.9%	7.5% - 11%	9.5% to 12.5%	
660	660	no minimum	none	520	575+
20	20	20-25 (for new)	23	23	
10%	5%	5%	5%	0% - 35% depends on Financials	
45%	50%	50%	43%	49%	
	40%-50%	35%		39%	
No		No	No	No	
\$42K-\$54K	No		\$42K-\$54K	None	
No	No	No	No	No	
Hilda Everett	Alonzo Edwards	Jerry Karlik	Chris Bell	Express lending dept	
888.200.4903	601-957-5602/888.714.8665	817.371.3216	800.955.0021 x1926	866.701.0467	877.869.7082
hilda@inparklending.com	MyHomeLoanLender.com	jerry.karlik@tlclender.com	ChrisBell@21STMORTGAGE.com	craig.strange@vmf.com	
www.inparklending.com	Hometown Lenders (htlenders.com)	TLCmanufactured.com	21stMortgage.com		
1% origination fee	\$0	down payment includes all cash requirements to close	\$2,800	2.75%	
	no mobile homes (1976 or earlier)	both new & preowned; single & double wide		new homes will only do financing for Clayton, Oakwood, or Love homes off their lots (not in a park)	3.5% down FHA qualification for modular homes (permanent foundations)

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When you review the paperwork on each home you'll find a section that looks similar to this on each paper:

Note the key statements made by this notation:

- 1) This home has a lot lease of \$600/month (which is a renewing annual lease)
- 2) This home has unexempt property taxes of ~\$716 per year
- 3) *If one were to get a loan on this home it will cost *approximately* \$1250/month (but this is based on an assumption that the buyer can get a 6% interest loan that is 23-years and is contributing a 5% down-payment)

Manufactured home on leased land - \$600 per month. This type loan requires a lender willing to do chattel loans - ask listing agent! Low taxes! (~\$716/yr) Very affordable for HEB ISD area! Less than ~\$1250 per month assumes qualification w lender at 5% down & 23-yr loan @ ~6% interest rate. No rental or lease of homes allowed in the subdivision. See Community Guidelines.
Make an offer today!

*Approximate income requirements (assuming maximum DTI of 45%):

Price of Home	Approx Property Tax	Proposed Lot Lease	Assume 5% minimum down payment	Total monthly costs for home (including P&I, insurance, and lot lease):	Max total monthly debt (45%) not including mortgage:	Minimum approx Monthly Income required:	Minimum approx Annual income (assumes with max DTI):
\$70,000	\$400	\$565	\$3,500	\$1,083	\$1,324	\$3,730	\$44,764
\$80,000	\$500	\$565	\$4,000	\$1,160	\$1,418	\$3,996	\$47,947
\$90,000	\$600	\$565	\$4,500	\$1,238	\$1,513	\$4,264	\$51,171
\$100,000	\$700	\$565	\$5,000	\$1,315	\$1,607	\$4,529	\$54,353
\$110,000	\$800	\$565	\$5,500	\$1,393	\$1,703	\$4,798	\$57,577
\$120,000	\$900	\$565	\$6,000	\$1,470	\$1,797	\$5,063	\$60,760
\$130,000	\$1,000	\$565	\$6,500	\$1,548	\$1,892	\$5,332	\$63,984
\$140,000	\$1,100	\$565	\$7,000	\$1,626	\$1,987	\$5,601	\$67,208
\$150,000	\$1,200	\$565	\$7,500	\$1,703	\$2,081	\$5,866	\$70,391

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Loan Qualification: All lenders will progress in four stages of loan qualification:

- 1) **Pre-qualification** – is created based on the info provided in the loan app (including pulling credit); this is only an estimate of what the lender believes they can qualify based on the information provided by the buyer
- 2) **Pre-approval** – once the loan has progressed the lender will require prospective buyers to send documentation to verify the information provided with the loan app
- 3) **Conditional approval** – at this stage the lender has verified all the documentation and the loan is ‘conditionally’ approved – meaning the lender is certain the loan can go through provided the ‘conditions’ are satisfied (usually minor aspects); usually there is an executed contract prior to receiving conditional approval
- 4) **Final approval** – once the lender has received the appraisal and verified pertinent info (the lender will continually ask for bank statements, pay stubs, and other docs all the way until the day of closing) – ‘docs’ are created and the lender is ready to ‘close’. ‘Closing’ is the event where the lender docs are signed by both parties (usually with a notary public). Funding occurs once the signed closing docs are returned to the lender and the down payment funds have been verified received by the seller.

Typical items needed by the lender (in general; some lenders may require more or less) for pre/Approval:

Paramount in this discussion is the need to ensure that whatever documents you send to a lender – PLEASE be sure to send via secure means. This is highly personal information which can potentially be used by those perpetrating identity theft. Encrypted email; secure dropbox (or other similar); etc.

- W-2 forms – or business tax return forms if you're self-employed – for the last two or three years for every person signing the loan.
- Copies of at least one pay stub for each person signing the loan.
- Account numbers of all your credit cards and the amounts for any outstanding balances.
- Copies of two to four months of bank or credit union statements for both checking and savings accounts. NOTE: they will also want to validate where the funds for down-payment are coming from.
- Lender, loan number, and amount owed on other installment loans, such as student loans and car loans.
- Addresses where you've lived for the last five to seven years, with names of landlords if appropriate.
- Copies of brokerage account statements for two to four months, as well as a list of any other major assets of value, such as a boat, RV, or stocks or bonds not held in a brokerage account.
- Copies of your most recent 401(k) or other retirement account statement.
- Documentation to verify additional income, such as child support or a pension.
- Copies of personal tax forms for the last two to three years.

When one starts the loan process one should begin gathering all of the above info and have it ready for the lender upon request.

