

To: All Customers **From:** Flagstar Bank
Date: 10/21/21 **Memo #:** 21143
Subject: **Manufactured Home Financing Expansion**

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Effective Friday, October 22, 2021, Flagstar Bank will expand our product options for manufactured home financing to meet the needs of more potential borrowers. Expanded manufactured home financing eligibility will be added to the following products:

- *Fannie Mae Fixed Rate*, [Doc. #5301](#)
- *Fannie Mae RefiNow*, [Doc. #5367](#)
- *Freddie Mac Refi Possible*, [Doc. #5368](#)
- *FHA Fixed Rate*, [Doc. #5810](#)
- *VA Fixed Rate*, [Doc. #5820](#)
- *VA Interest Rate Reduction Refinance Loan*, [Doc. #5821](#)

HIGHLIGHTS OF PRODUCT EXPANSIONS

- Fixed-rate products only
- Subsequent purchase transactions only of existing manufactured homes (MH) already on a permanent foundation and previously converted to real property
- Same credit score requirements as other property types
- We will no longer limit refinance transactions to loans serviced by Flagstar
- *Fannie Mae Fixed Rate*, [Doc. #5301](#)
 - Primary residence purchase and rate/term refinances up to 95% LTV
 - Primary residence cash-out refinances up to 65% LTV
 - Fannie Mae limits cash-out transactions to terms of 20 years or less
 - Second home purchase and rate/term refinances up to 90% LTV
 - Manufactured homes are not eligible as investment properties
- *Fannie Mae RefiNow*, [Doc. #5367](#)
 - Refinances of MH loans not currently serviced by Flagstar will be eligible
- *Freddie Mac Refi Possible*, [Doc. #5368](#)
 - Refinances of MH loans not currently serviced by Flagstar will be eligible
- *FHA Fixed Rate*, [Doc. #5810](#)
 - Purchase transactions up to 96.5% LTV
 - Rate/term refinances up to 97.75% LTV
 - Cash-out refinances up to 80% LTV
- *VA Fixed Rate*, [Doc. #5820](#)
 - Purchase and cash-out refinances up to 100% LTV
 - Both Type I and Type II cash-outs will be eligible
- *VA Interest Rate Reduction Refinance Loan*, [Doc. #5821](#)
 - Refinances of MH loans not currently serviced by Flagstar will be eligible

MANUFACTURED HOME PROPERTY STANDARDS

- Double-wide or multi-width manufactured homes only
 - Single-wide manufactured homes remain ineligible
- Only existing manufactured homes already on a permanent foundation and previously converted to real property
 - Purchases from a manufactured home dealer are not eligible
 - No new construction/never occupied manufactured homes
 - Refinance transactions that pay off interim construction financing, even if not classified as construction-to-permanent, are not eligible
 - Manufactured homes must already have been properly converted to, and taxed as real property
- No leasehold properties
- No manufactured homes that are part of a condominium, cooperative or PUD project
- No manufactured homes that have been moved from their original site
- No Fannie Mae MH Advantage properties

MORTGAGE INSURANCE ELIGIBILITY

- Borrower-paid and lender-paid mortgage insurance will both be available
- Single-financed mortgage insurance (SFMI) will not be available
- Mortgage insurance carriers may have additional criteria outside of those listed here or in our product descriptions; check the mortgage insurers' websites for further details

DOCUMENTATION REQUIREMENTS

- All manufactured home loans **must** include an ALTA 7 and/or 7.1 endorsement (or equivalent) on the lender's title policy
 - That endorsement will be issued by the title insurer when they have been able to verify the manufactured home has been properly converted to real property and is taxed as real property
- All loans must include a properly executed manufactured home rider to the security instrument
- All loans must include a properly executed affidavit of affixture

CUSTOMER SUPPORT

If you have questions, please email underwritingsupport@flagstar.com or call the underwriting support desk at (866) 945-9872.