



## **Product Guideline**

### **Manufactured Housing Finance Product**

Eligible Borrowers:	Natural persons residing or seeking to purchase manufactured housing located within an approved manufactured home community. Each borrower must provide a single valid Social Security Number or Individual Tax Identification Number (ITIN), consistent among all forms of income verification.
Income Threshold:	Verified income at or below 80% of the most recently published HUD Area Median Income, adjusted for actual household size, for the county in which the property is located. Income is established by the currently demonstrated income, excluding overtime, shift bonus, commission and bonus income that have not been earned consistently for the most previous 2-year period with a strong likelihood of continuance.
Loan Amount:	Minimum loan amount: \$10,000 Maximum loan amount: \$100,000. Subject to other credit limitations shown below.
Loan to Value:	Total financing limited to 90% of the contract purchase price.
Debt Ratio:	All contractual and proposed obligations shall not exceed 43% of gross monthly income.
Minimum Investment:	Borrower must have a minimum direct transaction investment of \$1,000 for acquisition financing. Subordinate and gift funds accepted for balance of funds due at closing.
Assets:	Borrower must document liquid assets equal to or greater than one months' housing expense after loan closing. Housing expense is defined as the proposed loan payment, lot rent/land loan, property tax, and hazard/flood insurance, as applicable.
Repayment:	Monthly payment of principal and interest, fully amortized. Escrow for property taxes (if any), hazard and flood insurances will be collected by IDF as a component of the monthly payment.
Term:	Maximum term 180 months.
Use of Funds:	Acquisition, improvement, or rate/term refinance of chattel property located within an approved manufactured home community. Improvement loans subject to direct oversight by local partner. Cash-out transactions not permitted.
Collateral:	First priority lien filed against the subject chattel property. Property must be deemed safe and habitable by qualified third party prior to final loan approval.
Counseling:	All borrowers must complete homebuyer/financial fitness education course offered through an approved source prior to closing.
Loan Fees:	IDF Origination fee charged at time of closing. Fees are subject to change per Impact Development Fund (IDF) fee schedule. Credit report fee shall be paid at time of loan application. Public recording and other applicable transaction and processing fees shall be charged to borrower at the time of loan closing.
Interest Rate:	Fixed interest rate established at the time of loan application. Offered rate shall be based upon loan term and borrower credit score. Reference charts below.

Credit Metrics	Tier 1	Tier 2	Tier 3
<b>Credit Status</b> <ul style="list-style-type: none"> <li>Each borrower must provide credit data</li> <li>Tier classification is based upon all borrowers to a transaction.</li> </ul>	<ul style="list-style-type: none"> <li>All borrowers can produce a traditional credit report with 12 month history on 3 active trade lines.</li> <li>No late payments within 36 months of application date.</li> </ul>	<ul style="list-style-type: none"> <li>All borrowers can produce a traditional credit report with 12 month history on 3 active trade lines</li> <li>No late payments within 24 months of application date.</li> </ul>	<ul style="list-style-type: none"> <li>Alternate credit required.</li> <li>12 months satisfactory payment history from 3 unrelated sources.</li> </ul>
<b>Bankruptcy, Foreclosure, Repossession</b>	None in the last 7 years	None in the last 5 years	None in the last 2 years
<b>Unpaid Collection Accounts, Judgments, Tax Liens</b>	No more than \$250 total	No more than \$500 total	No more than \$1,000 total
<b>Loan Amounts</b>	Up to \$100,000	Up to \$50,000	Up to \$25,000

Tier	120 Month Term	180 Month Term
1	7.50%	7.75%
2	8.75%	9.00%
3	10.00%	N/A

## Origination Procedures

- Application:** Apply online through IDF website: <https://impactdf.org/submit-application> and provide IDF with a signed Borrower's Authorization, E-consent and credit report fee for prequalification.
- Processing:** IDF will collect and verify income, asset, alternate credit (as necessary) and transaction details. Upon completion of a formal application, IDF will deliver formal credit determination and all required disclosure notices to applicants within three business days. IDF will request community report and property inspection prior to loan approval. All outstanding items must be cleared prior to funding.
- Rehabilitation:** Applicants proposing to make improvements to an existing residence are required to meet with the local agency to review all project aspects. In most cases, the local agency will function as general contractor. In all cases, the local agency must approve and inspect all improvements to determine the work meets habitability standards and code requirements. Applicants must certify all work is complete prior to loan closing.
- Closing:** IDF will prepare and deliver all loan documents and disclosures to the borrower prior to closing. Borrower returns all signed originals to IDF. IDF will disburse all funds after receipt of original loan and title transfer documents. For improvement loans, all workmen and suppliers must provide fully executed waivers prior to receiving loan proceeds.
- Fees Collected:** Application, rehabilitation monitoring and public recording fees will be assessed and collected at settlement, as detailed within a statement prepared by IDF. Proceeds wire will include fees due to third parties and public recording fees, as applicable.
- Settlement:** Borrower may NOT receive any proceeds at the time of closing regardless of total contribution to the transaction. Excess proceeds will be retained by IDF and applied as a principal reduction to the loan amount. No changes to the loan documents or loan amount shown on the settlement statement are permitted as a result of excess proceeds.