



1287 Royal Avenue
Louisville, KY 40204-2443
(502) 694-1976
info@nextstepus.org

Manufactured Housing Glossary

No matter the type of home you're purchasing, educating yourself on the homebuying process is a crucial first step. As you dive into this research, you might encounter brand new terms that are key to your success as a new homebuyer. If you're considering factory-built as a home option, then there are even more terms that you should know. No worries, though – this glossary of terms defines common housing terms and introduces manufactured housing definitions that will help you better navigate your homeownership journey.

Manufactured Housing Terms

Chassis

The structural frame of a manufactured home that supports the complete unit of walls, floor, and roof.

Chattel Loan

A personal property loan, somewhat like a car loan, made for the purchase of a manufactured home that is not permanently affixed to real estate. These loans are the most common and most utilized for financing manufactured homes.

CHOICEHome Mortgages

Freddie Mac's affordable mortgage initiative offers conventional site-built financing for real-property factory-built homes built to the HUD code but with many features of a site-built home. Offers financing with as little as 3% down and lower financing costs.

CrossMod

The industry-wide term that captures and expands on many of the new home features that Fannie Mae and Freddie Mac look for when providing conventional financing for manufactured homes with MH Advantage and CHOICEHome, respectively.

Data Plate

An information sheet located on a cabinet door under the kitchen sink or a wall or door face near the electrical panel, utility room or primary bedroom closet. It contains a unique identification number and identifies the wind zone, roof load zone and climatic zone for which the home was constructed.

Manufactured Housing

A Single-family residential dwelling, built to a national construction standard (HUD Code) and comes in both, a single or multi-section.



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MHAdvantage Mortgages

An affordable financing option offered by Fannie Mae to support mortgage lending for manufactured homes. This product combines features, like a down payment as low as 3%, with the lower price and customizable finishes of modern manufactured homes. The appraiser will include photos of the MH Advantage manufacturer sticker.

Modular

Another type of prefabricated home that is constructed in a factory and then assembled at the building site and built to the local or state building code.

Permanent Foundation

A foundation constructed of durable materials such as concrete, mortar masonry, or treated wood. It must have attachment points to anchor and stabilize the manufactured home to transfer all loads to underlying soil or rock.

Resident-Owned Community (ROC)

A resident-owned community is a neighborhood of manufactured homes owned by a cooperative of homeowners who live there as opposed to an outside landlord.

Retailer

A retailer is a seller of homes manufactured within a factory. Retailers of factory-built housing must follow explicit guidelines outlined by federal and state agencies.

General Housing Terms

Appreciation

The increase in value of a home over a period of time.

Appraiser

A person whose job is to assess the monetary value of something, like a home.

Closing

Closing is the final phase of mortgage loan processing in which the property title passes from the seller to the buyer.



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Down Payment

An initial payment made when something is bought on credit, such as a home. The payment represents a percentage of the total purchase price, usually 5 to 20 percent of the home price. Down payments decrease the interest paid over the loan's lifetime, lower the monthly payments, and provide the lender with a "security" payment that the buyer is good for the remainder of the loan.

Down Payment Assistance

Funding from a third party not associated with the transaction that's intended to help with the down payment and closing costs on a home purchase.

ENERGY STAR®

A program that provides certification to buildings and consumer products that meet specific energy efficiency standards.

First-Time homebuyer

A borrower who did not have ownership interest (joint or sole) in a residential property during the three years preceding the date of the new purchase.

Freddie Mac

Freddie Mac is an alternative name for the Federal Home Loan Mortgage Corporation or FHLMC. It's a government-sponsored enterprise (GSE) created in 1970 as part of the Emergency Home Finance Act to expand the secondary mortgage market in the United States.

Fannie Mae

Fannie Mae is a government-sponsored enterprise (GSE) that purchases mortgage loans from smaller banks or credit unions and guarantees, or backs, these loans on the mortgage market for low-to-median income borrowers.

Government-Sponsored Enterprise (GSE)

A quasi-governmental, privately held agency established by Congress to improve credit flow in some regions of the United States' economy. They provide financial services to the public for various things, particularly mortgages, through capital market liquidity.

Housing Finance Agency (HFA)

State-chartered nonprofit organizations that provide financing and services for affordable housing and related community development activities.

Housing Counselor

A financial advocate specifically trained to advise and counsel homebuyers and homeowners.



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Inspection

A visual assessment of a home's condition in which inspectors look for thousands of potential problems in areas of the house, including ceilings, walls, floors, windows, and doors.

Mortgage

A loan given by a bank, mortgage company or other financial institution for the purchase of a residence. Because a mortgage is secured debt—the home acts as backing for the loan—mortgages come with lower interest rates than most other types of loans.

Mortgage Lender

A financial institution or mortgage bank that offers and underwrites home loans.

Mortgage Insurance

An insurance policy that protects a mortgage lender or titleholder if the borrower defaults on payments, passes away, or is otherwise unable to meet the contractual obligations of the mortgage.

Title

A document that shows legal ownership of a property or asset.

Tax Credits

A dollar-for-dollar amount taxpayers claim on their tax return to reduce the income tax they owe. Eligible taxpayers can use them to reduce their tax bill and potentially increase their refund.

We know the homebuying process can seem intimidating, especially when considering all the new terminology you need to learn to understand each step to homeownership. This tool can help you familiarize yourself with some common terms you'll encounter, but a great housing counselor can also be beneficial. Find a HUD-certified housing counselor [here](#) or visit our [Resource Library](#) for additional homebuyer tools and guides.