



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

Date: March 18, 2024

Title I Letter 488

To: All FHA-Approved Title I Lenders
All FHA-Approved Mortgagees
All Direct Endorsement Underwriters
All FHA Roster Appraisers
All FHA-Approved 203(k) Consultants
All HUD-Approved Housing Counselors
All HUD-Approved Nonprofit Organizations
All Governmental Entity Participants
All Real Estate Brokers
All Closing Agents

Subject Updated Title I Manufactured Home Loan Limits

Purpose This Title I Letter updates the loan limits for the Title I Manufactured Home Loan program for 2024 and establishes an annual review process.

Effective Date The provisions of this Letter are effective for FHA case numbers assigned on or after March 29, 2024.

All updates will be incorporated into a forthcoming update of the HUD Handbook 4000.1, FHA Single Family Housing Policy Handbook (Handbook 4000.1).

Affected Programs The provisions of this Letter apply to the Title I Manufactured Home Loan program.

Background

Title I of the National Housing Act authorizes the Secretary of HUD to insure, through the Federal Housing Administration (FHA), Loans made by FHA-approved Lenders to eligible Borrowers to finance the purchase, refinance, or improvement of a Manufactured Home, with or without the purchase of the lot where the Borrower locates the Manufactured Home. The Housing and Economic Recovery Act (HERA) amended the maximum loan limits for Manufactured Home Loans insured under Title I of the National Housing Act and required regulations to implement future indexing of the loan limits for manufactured homes originated under the Manufactured Home Loan program.

The Final Rule, entitled *Indexing Methodology for Title I Manufactured Home Loan Limits*, was published in the Federal Register on February 28, 2024. This Rule established separate indexing methodologies to annually calculate future loan limits for Manufactured Home Loans, Manufactured Home Lot Loans, and Manufactured Home and Lot Combination Loans for the Title I Manufactured Home Loan program. Single- and double-section price data from HUD's and the Census Bureau's annual Manufactured Housing Survey, www.census.gov/data/tables/time-series/econ/mhs/latest-data.html are used to determine maximum loan amounts for Title I Manufactured Home Loans. As discussed in the preamble of the Final Rule, FHA will further calculate loan limits for the program at 115% of the average home price for the given property type, consistent with the process for Title II loans. The preamble stated that an inflation factor such as the CPI-U forecast from the President's Economic Assumptions (PEA) will be used to increase loan limits and account for inflation that has occurred since the relevant Census data were collected. These methodologies will ensure that Title I Manufactured Home loan limits more accurately correspond to current market prices for manufactured homes. Data from HUD's and the Census Bureau's New Residential Sales report <https://www.census.gov/construction/nrs/data.html> will be used to determine maximum loan amounts for Title I Manufactured Home Lot loans. Finally, the preamble stated that HUD will make changes to the indexing methodology through notice where such changes are technical in nature, and that if a change were more than technical, HUD would provide notice to the public with the opportunity for comment prior to changing the index.

This Letter specifies that the inflation factor used in the indexing methodology is calculated based on the Congressional Budget Office's (CBO) forecast of CPI-U, and updates the loan limits based on this indexing methodology.

Title I Manufactured Home loan limits will be reviewed annually.

Summary of Changes

This Letter:

- updates section II.E.4.b.i(A) Nationwide Loan Limits;
 - describes the index used to establish the new Title I Manufactured Home loan limits; and
 - notifies Lenders of the new annual limits for the Title I Manufactured Home Purchase Loan, the Manufactured Home Lot Loan, and the Manufactured Home and Lot Combination Loan.
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FHA Single Family Housing Policy Handbook 4000.1

The policy changes will be incorporated into Handbook 4000.1 as follows:

Allowable Loan Parameters (II.E.4.b)

i. Maximum Loan Amounts

All Loans are subject to loan amount limits based on all of the following:

- Nationwide Loan Limits;
- Minimum Cash Investment (MCI);
- Minimum Decision Credit Score limitations;
- maximum Loan-to-Value (LTV); and
- LTV calculation applicable to the transaction type.

Unless explicitly stated for a transaction type, the loan limits apply to all property types and loan purposes.

(A) Nationwide Loan Limits

The final Loan amount must not exceed the loan limit set by HUD, which includes any portion of the Upfront Insurance Premium (UFIP) and [Financeable Fees and Charges](#) (II.E.4.d.iii(C)(2)(a)) that are to be financed. The loan limits are also available at [Financing Manufactured \(Mobile\) Homes](#).

Title I Manufactured Housing Nationwide Loan Limits are established in accordance with Title I Section 2(b) of the National Housing Act based upon loan type:

- Manufactured Home Loan (Single-section), \$105,532
- Manufactured Home Loan (Multi-section), \$193,719
- Combination Loan (Single-section), \$148,909
- Combination Loan (Multi-section), \$237,096
- Manufactured Home Lot Loan, \$43,377

The Nationwide Loan Limits will be reviewed annually and adjusted accordingly.

**Paperwork
Reduction Act**

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501-3520) and assigned OMB control numbers 2502-0005; 2502-0059; 2502-0117; 2502-0189; 2502-0302; 2502-0306; 2502-0322; 2502-0328; 2502-0358; 2502-0404; 2502-0414; 2502-0429; 2502-0494; 2502-0496; 2502-0524; 2502-0525; 2502-0527; 2502-0538; 2502-0540; 2502-0556; 2502-0561; 2502-0566; 2502-0570; 2502-0583; 2502-0584; 2502-0589; 2502-0600; 2502-0610; and 2502-0611. In accordance with the PRA, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

**Feedback or
Questions**

HUD welcomes feedback from interested parties and will consider feedback in determining the need for future updates. Any feedback or questions regarding this ML may be directed to the FHA Resource Center at 1-800-CALLFHA (1-800-225-5342), answers@hud.gov, or www.hud.gov/answers. The FHA Resource Center is prepared to accept calls from persons who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. Information on how to make an accessible phone call is available at <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

Signature

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Julia R. Gordon
Assistant Secretary for Housing -
FHA Commissioner
