



FHA INFO 2024-05

February 29, 2024

### FHA Establishes Indexing Methodologies for Calculating Title I Manufactured Home Loan Limits

Today, the Federal Housing Administration (FHA) is announcing the publication of its final rule, *Indexing Methodology for Title I Manufactured Home Loan Limits* ([Docket No. FR-6207-F-02](#)). This rule establishes indexing methodologies using data from the [U.S. Census Bureau](#) to annually calculate the loan limits for its Title I Manufactured Home Loan Program, which provides insurance on loans for manufactured homes titled as personal property. The methodologies introduced through this rule are intended to expand the financing options for borrowers seeking to purchase or refinance a manufactured home.

This [final rule](#) takes into consideration comments received in response to FHA's October 18, 2022 proposed rule. The indexing methodologies in the final rule will allow FHA to annually calculate and adjust Title I Manufactured Home Loan Program loan limits using sales data compiled by the Census Bureau as follows:

#### 1. Manufactured Home Loan (Home Only):

- For single-section homes, the loan limit will be set at 115 percent of the average single-section manufactured home price, with future indexing based on movement in single-section home prices; and
- For manufactured homes composed of two or more sections (multi-section homes), the loan limit will be set at 115 percent of the average new double-section home price with future indexing based on movement in double-section home prices.
- For single and multi-section homes, an inflation factor such as the Consumer Price Index for all Urban Consumers (CPI-U) from the President's Economic Assumptions will be used to account for inflation that has occurred since the relevant Census data were collected. This will enable FHA's loan limits to accord with current market prices more accurately for manufactured homes.

#### 2. Manufactured Home Lot Loan (Lot Only):

- Manufactured Home Lot Loan limit is established by the Housing and Economic Recovery Act of 2008 (HERA), index using changes in the median new home price, which includes the value of the lot.

#### 3. Manufactured Home and Lot Loan (Combination Loan):

- The limits for the Manufactured Home and Lot loan will be calculated using the indexed Manufactured Home Lot Loan limit, **plus** the applicable Manufactured Home Loan limit.

These indexing methodologies will more accurately reflect real-world costs of manufactured homes and improve the viability of the Title I Manufactured Housing program in meeting the financing needs of manufactured homebuyers. The provisions in this final rule become effective on March 29, 2024.

FHA will soon publish a Title I Letter that provides implementation guidance for the provisions in the final rule which will include the new loan limits for calendar year 2024.

For more information, read today's [press release](#).

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- Call 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

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