

## Credit Guidelines

Whether you are financing or refinancing a manufactured home we look at three criteria: **Capacity** (can the customer afford it), **Credit** (do they pay their bills on time) and **Collateral** (homes value).

- **Employment Information** – must be obtained in order to develop ability to pay and stability of income. At least three years of employment history must be obtained in each case. A minimum 6 month continuous employment must be verified. A job change is acceptable, but there may be no gap in employment. FHA loans require 2 years of continuous employment with no job gaps. College time can count towards this requirement.
- **Income Information** – income must be verified on every approval using check stubs, W-2's, 1040's, etc. If the applicant is self-employed, income must be verified with copies of 1040's and all supporting schedules, forms, attachments and bank statements where applicable. An IRS form 4506-T "Request for Copy or Transcript of Tax Form" must be completed and signed by the borrower. Part-time job income may only be considered with verification that it has been received consistently for a minimum of 1 year. Child support income may only be considered with verification that it has been received consistently over the prior twelve months and is expected to continue over the next three years. Lack of documentation necessary to sufficiently verify the borrower(s) income may be offset with a minimum 20% down payment for purchases or an 80% LTV (Loan-to-Value) for refinance loans. All income as submitted must be claimed on taxes.
- **Debt to Income Ratio** – housing ratio including lot payment/rent/taxes/insurance (if any) must not exceed 31%. Total Debt ratio including housing and all minimum debt payments must not exceed 45%. House payment/Income = housing ratio. Total Debt/Income = Debt to Income Ratio. Installment loans with less than 5 remaining payments will be disregarded from the debt ratio calculation. May vary depending on lender..
- **Credit Scores** – Although some lenders will require a credit score of 670 or above, we also have lenders requiring a minimum beacon, fico score of **600** from all three major credit bureaus Experian, Equifax and Trans Union is required. Need 3 open trade accounts for minimum of 36 consecutive on time payments. **Typically** if an applicant scores **700+**, 5% is the minimum down payment required, **651-699** 10% down and **600-650** scores usually require 15-30% down. Do you know what your credit score is? Find out before applying for a loan by clicking on <http://www.myfico.com/ficocreditscoreestimator/>. The credit score estimator will help assist you in determining the loan requirements mentioned above.
- **Equity Loan Programs** – are available for applicants scoring **less** than 600. Minimum 35-40% down payment required.
- **Bank Repossessions/HUD Foreclosures** – Some lenders do not provide financing for other lender's repossessions or foreclosed properties including HUD.
- **Co-Signers** – normally used when younger buyers lack the stability and credit experience to qualify. Should not be used in conjunction with an applicant who has credit problems or lack of sufficient income. Co-Signers must score above 640 on the bureau and be a homeowner, to be considered. Must live within 150 miles of the home location and must budget for the house and site payment on their own.
- **Collateral** – Lenders will lend up to 95% of the overall home and land value. Credit quality, loan affordability and collateral value will ultimately determine your loan-to-value or down payment requirement. Value is determined by using the

following methods.

**A. Mobile Home Only:** Value is derived by using the lesser of the N.A.D.A Appraisal Value or Purchase Price of the Mobile Home.\*

**B. Mobile Home and Land:** Certified Land Only Appraisal with Improvements (Well, Septic, Detached Garage, etc.) + valuation in (A).

\* A certified Mobile Home Only Appraisal may be considered if the following conditions are met.

1. All Comps are located within the same park and
2. All Comps have been sold in the past 12 months.

- Loan Amount** – minimum loan amount required is \$ 10,000 to \$15,000 for chattel and \$25,000 for land/home packages.
- Primary Residence, Secondary Home, or Buy-For** – LTV will be based off home classification. All but primary residence will normally require %20 down payment.
- Age of Mobile Home** – must be 1976 or newer in most states. In AL mobile home must be 1990 or newer, MS 1999 or newer and in NY the mobile home must be 1995 or newer.
- Escrow** – is required for insurance and taxes by some lenders.
- Property** – must be on paved road, otherwise a minimum of 20% equity or 80% LTV (Loan-to-Value) is required for consideration. Minimum lot size is ¼ acre. Unable to finance properties with shared wells.
- Land Purchase** – land may be financed with a home refinance. For existing 21st customers who have made 24 payments on time, the house may be financed with up to 95% of the expense of the land, improvements and moving expense, not to exceed \$2,000 per floor for the move.
- Land Improvements (Private Property)** – such as well, septic, grading and foundation may be included in the home purchase price with a first lien on the land. Land improvements must add value to the property for each dollar of improvement.
- Land in Lieu** – real estate may be pledged as additional collateral in-lieu of down payment. The property must be at least ¼ acre, have access from a public road and be served by on-site utilities or public utilities. 21st must have a first lien. The pledged land must be verified to have been owned by the borrower or a family member for a period greater than 12 months. If purchased within prior 12 months, proof of purchase price must be presented. 21st will use quick sale value of the land: i.e. \$10,000 X .65 = \$6,500 (less payoff) \$1,000 = \$5,500 as down payment. 100% of the amount paid for the land may be used if there are no major derogatory accounts.
- Interest Rates** – range from 7.99 to 18% depending on overall credit quality, age of home, collateral type, loan amount and loan-to-value.

**Meeting the above guidelines, does not guarantee approval.**

**How can I get pre-approved for a manufactured home loan?** Either fill out the on-line application or print, complete and email attached [credit application](#) or fax us directly at (888) 762-1923.