

Manufactured Housing

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Manufactured homes are an often overlooked and maligned component of our nation's housing stock, but these homes are an important source of housing for millions of Americans, especially those with low incomes and in rural areas. Although the physical quality of manufactured housing continues to improve, the basic delivery system of how these homes are sold and financed, and how manufactured home communities are owned and managed, still require substantial change to ensure that they are a viable and quality source of affordable housing.

Issue Summary

According to the 2023 American Housing Survey, there are approximately 7.2 million manufactured homes in the U.S, comprising about 5.4% of the nation's housing stock. Manufactured housing is factory-built housing constructed to meet a national standard—the HUD Code—rather than local building codes. More than half of all manufactured homes are in rural areas around the country. In a typical year, new manufactured housing accounts for about 9% of all new single-family housing starts. Although the demographics of manufactured housing are changing, lower-income households are still the primary residents of manufactured homes with a median income of \$40,000. Manufactured homes have their origins in the automobile and recreational travel trailer industry, but most modern factory-built dwellings produced today are comparable in quality and safety to conventionally constructed single-family homes.

It is equally important to recognize the existing stock of older manufactured or mobile homes. According to the 2023 American Housing Survey, about a quarter of currently occupied man-

ufactured homes were built before 1980. These older units are likely to be smaller, less safe, and have fewer amenities and less investment potential than newer manufactured homes. The adoption of the HUD Code (see below) in 1976 and subsequent updates have significantly improved this housing type.

Affordability and convenience make manufactured homes a popular housing option. The average sale price of a new manufactured home in 2023 was \$124,100 (excluding land costs); much less compared to an average of \$409,872 (excluding land costs) for a newly constructed single-family home and approximately \$381,400 (including land costs) for an existing site-built home as of December 2023 (see the U.S. Census Bureau's [Manufactured Homes Survey: https://bit.ly/3GBWkCp](https://bit.ly/3GBWkCp) and [Characteristics of New Housing: https://bit.ly/3GBWkCp](https://bit.ly/3GBWkCp) and the National Association of Realtors' [Median Sales Price of Existing Homes: https://bit.ly/3GDtz8r](https://bit.ly/3GDtz8r)). Manufactured homes cost about half of what site-built homes cost per square foot, though transportation and onsite work slightly increase the final costs.

Despite prevailing notions, recent reports have shown that manufactured housing titled as real estate appreciates similarly to site-built housing. New home purchasing transaction data from the Federal Finance Housing Agency's House Price Index (HPI) shows prices for manufactured homes and site-built homes have grown at almost identical rates over the past 24 years (see: [Manufactured Homes Increase in Value at Same Pace as Site-Built Homes: https://urbn.is/3GBovb2](https://urbn.is/3GBovb2)).

Even though the purchase price of manufactured homes can be relatively affordable, financing them may not. Contrary to common narratives, just about 42% of manufactured homes are financed with personal property, or home-

only loans (see *Manufactured Housing Personal Property Loans (2023)*). With shorter terms and higher interest rates, personal property loans are generally less beneficial for consumers than conventional mortgage financing. Home-only loans do, however, typically have lower closing costs and can close faster than conventional mortgages. According to 2022 “Home Mortgage Disclosure Act” data, the median interest rate on chattel loans was 8%, approximately 1.5 times the interest rate on manufactured home mortgages (5.5%) and 1.6 times the median interest rate on site-built home loans (5%). Data from the “Home Mortgage Disclosure Act” allows for a greater understanding of how specific manufactured home characteristics impact consumer lending rates and affordability. In some cases, dealers resort to unscrupulous sales and financing tactics, trapping consumers into unaffordable loans. See *The Mobile Home Trap: How a Warren Buffett Empire Preys on the Poor*.

A significant portion of manufactured and mobile homes are in community or park settings, though this is becoming less common. According to the U.S. Census Bureau, in 2023, approximately 29% of new manufactured homes were sited in land-leased communities. Estimates suggest that approximately 40% of all manufactured homes are in 45,000 to 50,000 land lease communities. Though about three quarters of manufactured homes are owner-occupied, the sector has a history of being placed on rented land and therefore manufactured homes have a pattern of land tenure status that is unique to this form of housing.

In manufactured home communities, many residents own their homes and rent the land, which can devalue the asset. Ownership of land is an important component to nearly every aspect of manufactured housing, ranging from quality to assets and wealth accumulation. Residents who do not have control over the land on which their home is placed often have reduced legal protections compared to other homeowners. Other common concerns faced by tenants of manufac-

ture home communities include excessive rent increases, poor park management and maintenance, restrictive rules, and restricted access to municipal services. These concerns have been heightened with the growing prevalence of institutional investors purchasing manufactured home communities (See for example, [Rents spike as big-pocketed investors buy mobile home parks: https://bit.ly/431UR0Y](https://bit.ly/431UR0Y)). For these and other reasons, alternative park ownership models, such as resident, nonprofit, and government ownership are gaining traction.

What Advocates Should Know

FEDERAL RESOURCES FOR AFFORDABLE MANUFACTURED HOUSING

Manufactured housing is largely financed in the private marketplace. However, there are several existing federal resources that support the development, financing, and rehabilitation of affordable manufactured housing, such as HUD-HOME, HUD-CDBG, USDA Rural Development, Veterans Affairs, and Weatherization funds. For example, the HUD/FHA Title I Manufactured Home Loan program insures mortgage loans made by the private lending institutions to finance the purchase or refinancing of a new or used manufactured home. In February 2024, HUD published a [final rule: https://bit.ly/3YbxLT1](https://bit.ly/3YbxLT1) to reform the Title I program, mainly to address loan limits that had become outdated and incongruent with home prices. Fannie Mae and Freddie Mac are also increasing their manufactured home as real property loan offerings.

AFFORDABLE HOUSING DEVELOPMENT WITH MANUFACTURED HOUSING

Once shunned by nonprofit housing developers, manufactured homes are now seen as options for infill, new developments, and other settings. Much of this progress is attributable to a growing and innovative group of advocates who challenged assumptions and convention about developing and preserving manufactured hous-

ing. Across the nation, several organizations and initiatives are utilizing manufactured homes to provide and maintain affordable housing. These efforts avoid the pitfalls of traditional dealer-based manufactured housing purchase and finance, and investor ownership of communities.

THE HUD CODE

An important factor in determining the quality of a manufactured home is whether the unit was built before or after June 15, 1976. This date marked the implementation of the “Manufactured Home Construction and Safety Standards Act” (42 U.S.C. Sections 5401-5426: <https://bit.ly/4iABAbR>) regulating the construction of manufactured homes and commonly referred to as the “HUD code.” HUD develops and administers the regulations and other policies that implement the statute. These federal standards regulate manufactured housing design and construction, strength and durability, transportability, fire resistance, and energy efficiency. The HUD code evolves over time and has undergone several major modifications since 1976. In 2018, HUD launched an effort to revise and update various regulations and other guidance governing the HUD Code and issued a proposed rule for comment in July 2022. The final rule was issued in September 2024 (linked above). These updates include design flexibility for floor plans, attics, and roofs, and they include higher energy efficiency standards for appliances and water heaters. The updates provide better alignment between the HUD Code and current industry practice; however, the update did not include significant changes to energy efficiency requirements, which have not been updated since 1994, or reference the Department of Energy standards for manufactured housing.

In June 2023, HUD introduced the Office of Manufactured Housing Programs as a new, independent office within the Federal Housing Administration (FHA). Previously under the Office of Housing’s Office of Risk Management,

the new office reports directly to the Assistant Secretary of Housing. This organizational change reflects the growing recognition of manufactured housing as a critical part of the solution to address the housing supply crisis under the Biden-Harris Administration. Given the Trump campaign’s emphasis on reducing housing costs, there is an opportunity in President Trump’s second term to continue to uplift manufactured housing as a supply-side solution.

Legislative and Regulatory Actions

DUTY TO SERVE

The “Housing and Economic Recovery Act of 2008” mandates that Fannie Mae and Freddie Mac (the government sponsored enterprises, or GSEs) have a duty to serve underserved markets. Manufactured housing was identified in the act as one of three underserved markets along with rural areas and housing preservation. Under the act, the GSEs are directed to increase mortgage investments and improve the distribution of capital available for mortgage financing in these markets. In 2016, the Federal Housing Finance Agency (FHFA) issued a final rule on the [duty to serve requirements: https://bit.ly/3S6wl8K](https://bit.ly/3S6wl8K) requiring each Enterprise to develop a three-year plan to reach the underserved markets.

FHFA approved the GSE’s 2025 – 2027 Duty to Serve plans in November 2024. Both GSEs remain largely conservative in their manufactured housing-related activities. Jointly, Fannie Mae and Freddie Mac commit to increases in their loan purchase targets for Manufactured Housing Titled as Real Property (MHRP) as well as supporting the market through targeted research, product changes and outreach. Neither GSE plan includes any activity or product for the personal property (chattel) market despite work in previous years to launch a personal property pilot.

To address the concerns of lot rent increases, both GSEs outline a potential new product for

manufactured home community conventional financing that includes rental restrictions, modeled on success of tenant site lease protections and rent restriction incentives for conventional multi-family financing.

The [Underserved Mortgage Markets Coalition: https://bit.ly/4IH6Okh](https://bit.ly/4IH6Okh) (UMMC) will publish a “Scorecard” for the Duty to Serve Plans in early 2025. The Scorecard will organize the priorities of affordable housing advocates and measure the quality of the forthcoming Duty to Serve plans against the UMMC [Blueprint 2024: https://bit.ly/4iyFUZ8](https://bit.ly/4iyFUZ8) for effective Duty to Serve plans.

ENERGY EFFICIENCY STANDARDS

In May 2022, the U.S. Department of Energy (DOE) released the final rule for the updated Manufactured Housing Energy Efficiency Standards. The original required date for manufacturer compliance with the updated regulation was May 31, 2023. However, in May 2023, DOE announced a delay in the compliance date until 60 days after it establishes enforcement procedures for single-section homes and until July 1, 2025, for all other homes. In late December 2023, DOE issued a [notice of proposed rulemaking: https://bit.ly/3S53Ulk](https://bit.ly/3S53Ulk) for the enforcement of manufactured housing energy standards. The updated standard offers modest efficiency increases for single-section homes and greater efficiency increases for multi-section homes. The energy standards must be integrated with the HUD Code. As of December 2024, the DOE standards are scheduled to go into effect without a clear understanding of whether and how these standards, will be incorporated into the HUD Code or what input the HUD Manufactured Housing Consensus Committee (MHCC) would have in this process. Industry advocates have filed a federal lawsuit to block the implementation of DOE’s energy standards for manufactured homes and are supporting legislative efforts that would make HUD the sole arbiter of energy standards and regula-

tions for manufactured homes. The MHCC is a federal advisory committee established by the National Manufactured “Housing Construction and Safety Standards Act of 1974” to provide periodic recommendations to the HUD Secretary pertaining to the HUD Code.

Subsequent to DOE’s release of the updated Energy Efficiency Standards, the U.S. Environmental Protection Agency (EPA) issued updates to the ENERGY STAR Manufactured Homes Program. The [ENERGY STAR Manufactured New Homes Version 3 program: https://bit.ly/44ac35A](https://bit.ly/44ac35A) requirements went into effect on January 1, 2023, with an initial transition period of one year for manufacturers. However, the EPA announced in 2023 that manufactured homes produced prior to January 1, 2026, are permitted to be certified using either Version 2 or Version 3 of the program requirements. Manufactured homes produced on or after January 1, 2026, must be certified using Version 3 of the program requirements.

The Department of Energy (DOE) has also issued program guidelines for [Zero Energy Ready Home \(ZERH\) for Manufactured Housing: https://bit.ly/4lMaNfk](https://bit.ly/4lMaNfk) in 2023. Perhaps influenced by the availability of the 45L tax credit for ENERGY STAR and ZERH home certifications, and the ZERH requirement for homes to be ENERGY STAR certified, the number of homes with ENERGY STAR certifications increased from 20% of total homes produced in 2022 to 36% of homes produced in 2023. Although 2023 was the first program year for ZERH, 40 factories were certified and as of March 2024, 7,288 homes had received the ZERH certification.

PRICE PROGRAM

In December 2022, Congress passed the fiscal year 2023 omnibus appropriations bill including groundbreaking federal investment for manufactured housing. HUD issued the Notice of Funding Opportunity for the Preservation and Reinvestment Initiative for Community Enhance-

ment (PRICE) program on February 28, 2024. The [PRICE program: https://www.hud.gov/program_offices/comm_planning/price](https://www.hud.gov/program_offices/comm_planning/price) awards \$235 million in competitive grant funding for the preservation of manufactured housing and manufactured home communities. The PRICE program is a first-of-its-kind initiative and can make important strides to support communities to maintain, protect and stabilize manufactured housing stock.

Throughout 2024, legislators in the Senate and House of Representatives have supported a Preservation and Reinvestment Initiative for Community Enhancement (PRICE) act to make the PRICE program permanent. However, with the changes brought on by the 2024 election, it is not clear whether this will remain a priority in the upcoming legislative sessions.

THE “ECONOMIC GROWTH, REGULATORY RELIEF, AND CONSUMER PROTECTION ACT”

In 2018, the president signed into law S. 2155, which includes a provision on manufactured home loans. The statute amended the “Truth in Lending Act” (TILA) to specify that a retailer of manufactured housing is generally not considered a mortgage originator. The provision was not supported by affordable housing advocates because it reduced already weak consumer protections in the manufactured housing market.

THE “DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT” (PL 111-203)

Enacted in 2010, Dodd-Frank revised TILA to establish specific protections for mortgage loans, origination activities, and high-cost lending. These provisions enhance consumer protections for purchasers of manufactured homes. Dodd-Frank also created what’s now known as the Consumer Financial Protection Bureau to supervise manufactured housing finance activities. S. 2155 (above) modifies one provision of Dodd-Frank.

What to Say to Legislators

Advocates should speak to lawmakers with the message that:

- Manufactured housing is a proven solution to efficient, quality home production and with the right consumer protections is well positioned to help alleviate the housing supply crisis.
- Manufactured homeowners should be provided opportunities to obtain standard mortgage lending instead of more costly personal property loans.
- Borrowers with personal property loans should be afforded consumer protections consistent with real property or standard mortgage loans.
- Legislation should be enacted that limits predatory lending practices involving manufactured homes.
- HUD and FHA should continue to revise the Title I Manufactured Housing loan program to align with the requirements for the Single Family Title II loan program.
- USDA, HUD, and the GSEs should be encouraged to conduct innovative and responsible pilot programs to improve manufactured homeowners’ access to credit.
- The GSEs should be held accountable to implement the manufactured housing elements of their current Duty to Serve plans.
- Policies and programs should be enacted to facilitate manufactured housing community preservation, such as protection from community sales, closures, and predatory rent increases. Residents should be properly notified and given first right of refusal on the sale of their community.
- Improved data collection for manufactured homes should be incorporated into publicly available data resources such as the “Home Mortgage Disclosure Act,” The American Community Survey, and the American Hous-

ing Survey. Manufactured home data should indicate property status (personal property or real property) and location information indicating whether the unit is in a manufactured home community or on a scattered site lot. The inclusion of these updated and enhanced manufactured home data would provide a much more complete assessment of manufactured housing.

For More Information

I'm HOME Network, Lincoln Institute of Land Policy, <https://www.lincolninst.edu/our-work/innovations-in-manufactured-homes-network-im-home>.

The Housing Assistance Council:
202-824-8600, <http://www.ruralhome.org/>.

Next Step: <https://nextstepus.org/>.

ROC USA: 603-856-0246 <http://www.rocusa.org>.

National Consumer Law Center:
202-452-6352 <http://www.nclc.org/issues/manufactured-housing.html>.

National Manufactured Homeowners Association: <http://www.nmhoa.org/>.

The Pew Charitable Trusts: <https://www.pewtrusts.org/en/projects/housing-policy-initiative>.

Overcoming Barriers to Manufactured Housing: Promising New Approaches from Five Case Studies, Joint Center for Housing Studies of Harvard University, 2024. <https://www.jchs.harvard.edu/research-areas/working-papers/overcoming-barriers-manufactured-housing-promising-approaches-five>.

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