

Manufactured Housing Community (MHC) Loans

Arbor's Fannie Mae DUS® Manufactured Housing Community (MHC) loans provide competitive pricing and flexible terms and function as a major source of liquidity for affordable housing community owners.

Benefits

- Customized solutions
- Competitive pricing
- Certainty of execution
- Speed in processing and underwriting

Eligibility

- Existing, stabilized, professionally managed MHC, with or without age restrictions, having a minimum of 50 pad sites
- Quality Level 3, 4, or 5 communities
- At least one Key Principal of the Borrower should have experience in operating MHC

Terms

Five-30 years

Amortization

Up to 30 years

Interest Rate

Fixed- and variable-rate options available

Maximum LTV

80%

Minimum DSCR

1.25x

Property Considerations

- MHC may be either age-restricted or all age (family community)
- The percentage of tenant-occupied homes generally may not exceed 35%
- Density is based on market norms and generally should not exceed 12 Manufactured Homes per acre for an existing community and seven Manufactured Homes per acre for a new community
- With limited exceptions, all Manufactured Homes should conform to applicable Manufactured Housing HUD Code standards
- Leases with 2-year terms or longer cannot contain a tenant option to purchase the pad site
- Additional pricing incentives available for non-traditional MHC ownership forms (e.g., non-profit, government entity, or resident-owned)

Supplemental Financing

Supplemental Mortgage Loans are available

Prepayment Availability

Flexible prepayment options are available. Mortgage Loans may be voluntarily prepaid upon payment of yield maintenance for fixed-rate mortgage loans or graduated prepayment for variable-rate mortgage loans.

Rate Lock

30- to 180-day commitments. Borrowers may use the Streamlined Rate Lock option.

**Accrual
Recourse**

30/360 and Actual/360

Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy.

Escrows

Funding of tax and insurance escrows depend on leverage level. Replacement reserve escrow is typically not required.

Third-Party Reports

Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.

Assumption

Mortgage loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience.

**Minimum Underwritten Vacancy/
Collection Loss**

Minimum 5% economic vacancy assumption