



Champlain Housing Trust

Manufactured Housing Down Payment Loan Program

2013 Highlights

January 10, 2014

Emily Higgins, Director of HomeOwnership at CHT

Program Summary:

Champlain Housing Trust (CHT) and funding partners successfully advocated for state homeownership tax credits to be increased in order to fund the replacement of dilapidated mobile homes with new Energy Star Rated manufactured homes. CHT's Manufactured Housing Down Payment Loan Program became available to consumers on November 1, 2012. The program provides 0% interest second mortgages to help borrowers place a new home on owned land or in a park. Loan amounts cover up to 50% of the installed cost of a new home, with a maximum loan amount of \$35,000. Borrowers must meet income, affordability, and credit guidelines, and must be able to qualify for a first mortgage for the balance of the acquisition cost through another lender. They must also contribute 5% to the transaction, using personal funds or home equity. Home Buyer Education and counseling are provided to participating households by members of the NeighborWorks® Alliance of Vermont, to enable the program to provide comprehensive service throughout the state.

Highlights:

- 19 Loans have been closed through 12/31/2013 in 10 different counties of Vermont
 - 12 replaced mobile homes with model years as old as the early 1970s
 - 5 homes were replaced for survivors of Tropical Storm Irene
 - 4 loans allowed 1st time home buyers to purchase.
- \$568,780 in loans allowed borrowers to leverage an additional \$1,658,885 in financing from other sources including borrower savings, first mortgages from other institutions, Vermont Disaster Relief Fund, and the Community Development Block Grant Disaster Recovery program.
- 15 applications remain in various stages in the pipeline.
- 119 inquiries have been documented from every county in the state except Essex County.
- Outreach has been via marketing brochures, web, telephone, email, and in-person meetings with partners, dealers, park owners and managers, and lenders.
- Dealers have begun exclusively ordering homes with the Energy Star package for their inventory due to demand created by this program.
- One local credit union has instituted a lower interest rate (8% instead of 11%) for customers who participate in CHT's loan program, due to their reduced risk of loss associated with the lower loan amounts required.

**CHAMPLAIN
HOUSING TRUST**



HOUSING LOAN FUND

**MANUFACTURED HOUSING
DOWN PAYMENT LOAN
PROGRAM**

LOAN DETAILS:

ELIGIBLE USES:

- Replace an old manufactured home with a new Energy Star rated model.
- Purchase an Energy Star Rated manufactured home.

LOAN TERMS:

- Security: 2nd mortgage.
- Loan amount: 20% to 50% of the purchase price depending on model year. Maximum of \$35,000.
- Interest rate: 0%
- Monthly payments: \$0.00. Principal due upon sale, transfer, or refinance of the property.

NMLS ID#179570	NMLS ID# 184793
88 King Street	13 Lake Street
Burlington, VT 05401	St. Albans, VT 05478
802-862-6244	802-527-2361

**TOLL FREE: 877-274-7431
WWW.GETAHOME.ORG/LOANS**

BASIC ELIGIBILITY REQUIREMENTS:

- **Income Limits:** Borrowers' gross monthly income (income before taxes) must be less than the maximum limit established by the Vermont Housing Finance Agency for the area in which the home is located. Income limits are available at: <http://www.vhfa.org/homeownership/limits.php> or call 877-274-7431 for details.
- **Cash Contribution:** Borrower must pay at least 5% of the transaction costs from cash savings (exceptions made for survivors of Tropical Storm Irene). For example, if a home purchase costs \$50,000 including all loan closing and installation costs, the borrower would need to pay \$2,500 toward the total.
- **First Mortgage or Other Financing:** Borrower must be able to obtain financing from another source for the balance of the purchase and site costs.
- **Home Buyer Education:** Pre-Purchase Home Buyer Education is required. A certificate of completion must be provided prior to closing.
- **Property Location:** Owned land, non-profit parks, for-profit parks, co-operatively owned parks throughout Vermont.
- **Primary Residence:** The home must be used as the borrower's primary residence.

Additional conditions including purchase price limits apply. Loans are subject to application, credit approval, and other criteria listed above. Program availability, loan terms, conditions, and income limits are subject to change without notice, and not all applicants will qualify.



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WWW.GETAHOME.ORG/LOANS**

For Home Buyer Education information, please contact your local Neighborworks® HomeOwnership Center:

NORTHWEST VERMONT

Champlain Housing Trust
88 King Street
Burlington, VT 05401
802-862-6244
www.getahome.org

NORTHEAST KINGDOM

Rural Edge
(Formerly Gilman Housing Trust)
48 Elm Street
P.O. Box 259
Lyndonville, VT 05851
888.698.8466
www.myvthome.org

CENTRAL VERMONT

Central Vermont Community Land Trust
107 N. Main St., Barre
802-476-4493
www.cvclt.org

SOUTHWEST VERMONT

Neighborworks of Western Vermont
110 Marble Street
West Rutland, VT 05777
802-438-2303
www.nwwwvt.org

SOUTHEAST VERMONT

Windham & Windsor Housing Trust
68 Birge Street
Brattleboro, Vermont 05301
(802) 254-4604
www.w-wht.org



MANUFACTURED HOUSING DOWN PAYMENT LOAN PROGRAM



QUICK REFERENCE GUIDE & CONSUMER PRIVACY POLICY

A down payment loan program to assist manufactured home owners to finance home purchases and replacements throughout Vermont.

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HOME BUYING STEPS THROUGH THE DOWN PAYMENT LOAN PROGRAM



Questions & Answers

about our manufactured housing down payment loan program.

Q HOW LONG DOES THE LOAN PROCESS TAKE?

A The loan process generally takes 4 to 8 weeks, but may take more or less time depending on individual circumstances.

Q DOES CHT REQUIRE COLLATERAL TO SECURE MY LOAN?

A Yes, your loan will be secured by a second mortgage on your home. This means that CHT would keep a security interest in your home until the loan is paid in full.

Q I HAVE SUBMITTED MY PRE-QUALIFICATION FORM. WHEN CAN I EXPECT TO HEAR FROM CHT?

A Once we have received your completed form with all documents on the checklist, we will contact you within 2 weeks or less.

Q WHAT IF I SUBMIT AN ELIGIBILITY PACKET, BUT LATER CHANGE MY MIND?

A You can withdraw your application at any time prior to loan closing without cost or penalty. If you decide not to proceed, please call us or send a written request so that we are aware of your decision.

Q WHAT IF MY APPLICATION IS DENIED?

A If your application is denied and you have additional information that you think may address the reason(s) for denial, please send the information to us within 30 days of the denial notice date. We will then re-evaluate your request. Otherwise, you may send a new application at any time in the future.

Q HOW MUCH WILL THIS LOAN COST?

A CHT will not charge a fee to process your request, and in many cases the only cost associated with a loan will be a flood zone certification and mortgage recording fees, however other costs such as a title opinion, title insurance, appraisal, or home inspection may be required. You will receive a Good Faith Estimate from our Loan Officer during the application process that will include an estimate of any costs specific to your situation.

Q HOW MUCH WILL THE MONTHLY PAYMENTS ON MY LOAN BE?

A \$0.00. You will not be required to make monthly payments on this loan, and interest will not be charged. The loan balance will be paid off when you sell or transfer your home, or it may be assumed by the person who buys your home if s/he is income-eligible.

Q I AM JUST STARTING THE HOME BUYING PROCESS. WHAT IS MY NEXT STEP?

A Home Buyer Education is required for those who choose to participate in this program, and is a great place to start. Please contact your local Home Ownership Center for details regarding workshops and scheduling. The workshop will provide information regarding the home buying process including the types of mortgages, special programs, and financing options that may be available to you.

Q I ALREADY HAVE A PURCHASE CONTRACT. WHAT HAPPENS NOW?

A We will process your pre-qualification request and will contact you regarding our determination as soon as possible. In the meantime, if you have not contacted a lender to inquire about first mortgage financing you may wish to do so to expedite the process. You must also complete Home Buyer Education prior to closing.

TOLL FREE: 877-274-7431
WWW.GETAHOME.ORG/LOANS

Rules

The following rules apply to our program because of our funding sources:

- 1** Income and purchase price limits apply. Please see www.vhfa.org for current limits in your area.
- 2** Homes financed through this program must be used as the borrowers' primary residence.
- 3** Manufactured homes must be energy star rated. Approved ultra-energy efficient modular designs may be eligible subject to conditions.
- 4** All homes must be permanently installed according to HUD and FEMA standards (when applicable). These standards include removal of wheels, hitch, and foundation requirements. A home inspection may be required to verify installation meets these standards, and will be ordered by the borrower at his/her expense.
- 5** Home owners insurance is required of all borrowers, and flood insurance will be required if applicable.

QUESTIONS & CONTACT

If you have any questions, please email Becca at bmcmamara@getahome.org or call:
St. Albans: 802-527-2361
Toll Free: 877-274-7431



Becca McNamara
Loan Officer
MLO NMLS#377856

This project is funded with State Manufactured Home Loan Funds awarded by the Agency of Commerce and Community Development/Department of Economic, Housing, and Community Development.

CONSUMER PRIVACY POLICY

Champlain Housing Trust (CHT) is a non-profit housing organization subject to the laws of the State of Vermont. CHT values the trust of its customers and is committed to the responsible management, use and protection of personal information. This notice describes the HomeOwnership Center's policy for the collection and disclosure of your information. We are entrusted with sensitive non-public information about you and your finances and uphold strict confidentiality procedures within our organization. We do not now, nor have we ever, sold or rented your non-public personal information to any non-affiliated third party for any reason.

What information we collect: We may collect "non-public personal information" which could include but is not limited to items such as your social security number, household income, payment history, and account balances. This information is collected in order to provide homebuyer education, individual counseling, shared equity grants and services, financing options, and loans.

The following are sources we may obtain information from:

- Information you provide to us, on applications and other eligibility or loan related documents
- Information we receive from third parties such as credit bureaus, employers or other income sources, institutions with which you have deposited funds or that have extended you credit
- Information about your transactions with us, our affiliates, or others

What Information We Disclose: We may share information under the law about our experiences or transactions with you or your account (such as your account balance and payment history with us) with companies related to us by common control or ownership ("affiliates"). However, where state law may be more restrictive, we will abide by the more restrictive requirements.

In order to expedite processing of our services on your behalf, CHT may need to disclose non-public personal information about you to "non-affiliated third parties" (that is companies not related to us by common control or ownership) and will do so only with a signed authorization to release information from you. These entities may include: attorneys, other lending entities, CHT funding sources as required, government-funded programs and/or service providers, or other government entities; and when required by law or in response to subpoenas; and to reputable credit reporting agencies via servicers ("credit bureaus"). We also may share information with other funding programs in order to combine different sources of loans and/or grants to help address your housing needs.

If the HomeOwnership Center shares information with any non-affiliated third party, we will require their agreement to protect the confidentiality of customer information and use it only for the specific purpose intended and not reuse, sell, rent, or disclose it in any other form to any other entity. We will continue to adhere to the privacy policies and practices described in this notice whether or not we find you eligible for our program, or if you pay off your loan with us.

Our Security Procedures: We will always maintain control over the confidentiality of our customer information, which includes having physical, electronic and procedural safeguards that comply with federal standards. We will permit only authorized employees, who are trained in the proper handling of our customers' sensitive non-public information, to have access to that information in order to provide you with quality products and superior service. All of our operational and data processing systems are in a secure environment that protects your information from being accessed by third parties.



Program Helps Low-Income Buyers Afford Mobile Homes



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By [STEVE ZIND](#)



Credit Toby Talbot / AP

[Enlarge image](#)

A for sale sign stands in front of an empty mobile home in Berlin in August. The Champlain Housing Trust's Down Payment Loan Program grew out of an effort to help people whose mobile homes were flooded in Tropical Storm Irene.

Demand is growing for a year-old program that's helping Vermonters who don't have the financial resources to buy a mobile home.

Like any home buyers, mobile home purchasers must clear three hurdles to secure a mortgage: credit, income and down payment.

Randy Rouleau, who has been selling mobile homes in Central Vermont for more than 35 years, says

for mobile home buyers, those hurdles are higher and more difficult to clear today than they've been in the past.

Rouleau says for a buyer who owns the land where the mobile home is located, it's easier to get financing. The situation is most difficult for those in mobile home parks who lease the land they live on.

[According to the state](#) there are 246 parks, with nearly 7,000 mobile home units.

Rouleau says since the recession, credit restrictions have tightened. For many mobile home buyers who are lower income, credit can be a problem in securing a loan.

"So many times we'll sit down with someone's credit and they'll say, 'I didn't know I had that, I didn't know that was a collection'," says Rouleau. "In the car business you can almost get a car if you're breathing. In the housing business, [it's] not so simple."

Even for those with good credit, coming up with a 20 percent down payment can be an issue. For an average mobile home, that's more than \$10,000.

At one time, the Vermont Housing Finance Agency was the solution for many buyers. The agency makes it possible for eligible Vermonters to buy a home with a low down payment. It was once the state's largest mobile home lender, but that's not the case anymore.

"We used to do a lot more mobile home lending and we had to pull back from that for a variety of reasons," says Maura Collins, VHFA's policy and planning manager.

She says rating agencies that look at VHFA's lending practices are wary when the portfolio contains too many mobile home loans.

Another problem for buyers is the fact that mobile home loans often come at higher interest rates than typical home mortgages.

All of these factors make it an uphill battle for many people hoping to purchase a mobile home. The situation is better than it was immediately after the recession, but finding financing isn't nearly as easy as it was a decade or more ago.

There has been one bright spot.

Since last November, the Champlain Housing

"In the car business you can almost get a car if you're breathing. In the housing business, it's not so simple." - Randy Rouleau, mobile-home salesman

Since last November, the Champlain Housing Trust's

Trust's [Manufactured Housing Down Payment Loan Program](#) has provided qualified buyers with up to 50 percent of the cost of a new Energy Star-rated mobile home.

The loans are at zero percent interest and buyers don't repay unless they sell, refinance or transfer a mobile home.

The program means buyers can avoid the usual down payment and secure smaller loans from a bank or credit union to cover the balance.

The housing trust worked with VHFA, the Agency of Commerce and Community Development and the Vermont Housing and Conservation Board to raise the money for the program through the sale of state tax credits.

"The demand has steadily increased as word has spread about the program. We've had 110 inquiries and those have come from all over the state," says Emily Higgins, director of home ownership with the housing trust.

Higgins says the program has leveraged \$369,882 in loans to help borrowers secure another \$759,403 in financing from other sources. But the program is limited by the money available. As of the end of October, the program had closed 12 loans in nine Vermont counties.

"There is a cap on the amount of tax credit that the state issued over a certain period of time, so we can do 15 to 20 of these per year, but not more than that," Higgins says.

The down payment loan program grew out of an effort to help people whose mobile homes were flooded in Tropical Storm Irene. Higgins acknowledges that there are larger structural problems with mobile home lending that still need to be addressed.

"We are trying to fill in with a stop-gap measure, essentially," she says. "There were next to no options for people two to three years ago and now with our program we are filling the gap and making purchases possible."

At [Village Homes](#) in Central Vermont, Randy Rouleau says the program has been instrumental in helping him and other dealers sell mobile homes.

Manufactured Housing Down Payment Loan Program has provided qualified buyers with up to 50 percent of the cost of a new Energy Star-rated mobile home.

"There were next to no options for people two to three years ago. And now, with our program, we are filling the gap and making purchases possible." Emily Higgins, Champlain Housing

“I think we’d have a real big problem in this state if it wasn’t for that. It just happened to come along, almost magically,” he says.

| Trust

One of the advantages of the program is that it’s also generating sales of more energy efficient mobile homes to replace older models.

Emily Higgins says one lender, [North Country Federal Credit Union](#), has also lowered interest rates from 11 percent to 8 percent on loans it gives to mobile home park borrowers in conjunction with the down payment loan program.

[Manufactured Housing Down Payment Loan Program Brochure](#)

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