

Manufactured Housing: Vermont Zoning, Titling, and Financing

Rachel Siegel, Senior Officer
rsiegel@pewtrusts.org
Housing Policy Initiative
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Manufactured Housing Roadmap

- What manufactured homes are and how mobile homes differ
- State approaches to zoning reform
- Home titling – personal property vs. real estate
 - How titling impacts access to mortgages, affordability, and consumer protections
 - Vermont and other state approaches to titling policy and modernization
- Federal mortgage programs for non-landowners (USDA, Fannie, Freddie)

Photo source: Zillow.com manufactured homes sold in the last 24 months in the state of Vermont

Factory Built: Mobile Home Compared with Manufactured Home



- Mobile home – no longer made

- Pre- 1976 before federal HUD Code was put in place

- Manufactured home

- 1976 and after, conforms to HUD Code of the year made.
- Significant updates in 1990s led to much higher quality minimum standards



Source: Zillow.com example of 1968 mobile home in Colchester, VT compared with a 2008 manufactured home in Burlington, VT

Array of Manufactured Home Types and Styles

Key to understand titling policy applies to all of these homes

- Basic HUD Code
- EnergyStar or Net-Zero
- Single-section, multi-section
 - Multi-story (especially if chassis is no longer required)
- CrossMod
- Duplex or larger multi-unit

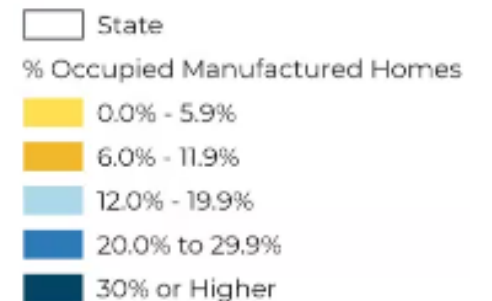
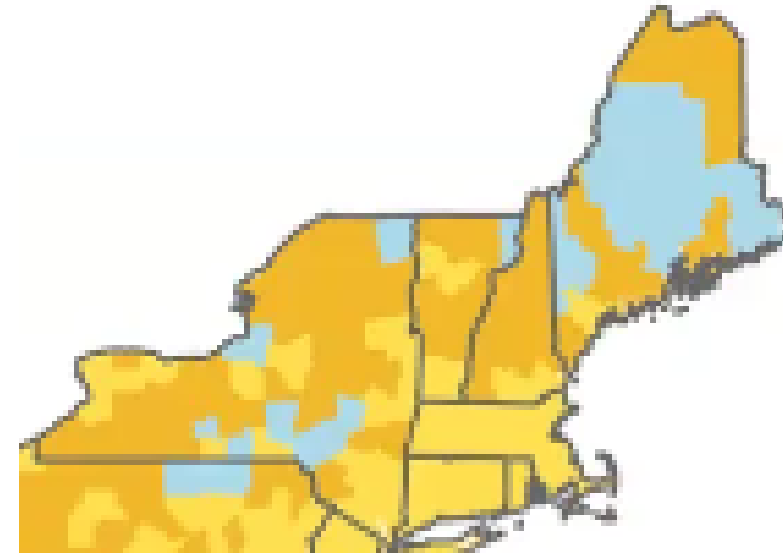


Source: Zillow.com for Vermont State, Clayton Homes

Manufactured Housing is Used Across Vermont

Use:

- About 6% of housing stock in Vermont
- Between 12-19.9% of stock in some areas
- Vermont median home value according to Zillow about \$380,000.
 - Manufactured home values for homes on owned land between 2018-2024 were around \$175,000
 - For homes on rented land were about \$85,000



Ways To Improve Manufactured Home Availability And Affordability

1. [Zoning](#) - Enable manufactured homes to be used where single-family homes are allowed.
2. [Financing](#) - Expand eligibility (reduce frictions for real estate titling) for mortgage financing to reduce monthly loan payments and improve consumer protections.
3. [Reduce minimum lot size](#) - for all housing types (including manufactured housing) eliminate or reduce minimum lot sizes greatly improves affordability of home and land ownership.



10 States - Zoning Reform For Manufactured Homes Over 6 Years



- Key examples include Maine, New Hampshire, Kentucky, Maryland
- Virginia governor signed new manufactured home zoning bill in 2026.
 - Strong bipartisan support
 - Often same requirements as other single-family homes – preventing additional overlays

Sources: [States Take Crucial Steps to Expand Supply of Lower-Cost Single-Family Homes](#), Pew 2025; [SB346 - 2026 Regular Session | LIS](#), Virginia General Assembly

Titling and Financing

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Manufactured Home Titling: Real Estate vs. Personal Property

Real estate titling (like any other home)

Required for mortgage eligibility

- Except for manufactured homes all other housing is automatically owned as real estate.
- In most states (including Vermont) manufactured homes need to be converted to real estate.

Mortgages have lowest interest rates, longest term, and strongest consumer protections of home loans.

Personal property titling (like a car)

Home-only personal property “chattel” loans or contract financing:

- Vermont policy titles manufactured homes as personal property regardless of landownership
- Conversion to real estate requires additional steps, and permanent foundation.

Loan options have higher interest rates and fewer federal and state protections than mortgages

Source: Fannie Mae, Titling Requirements for Manufactured Homes, 2023

Manufactured Home Financing



Photo Credit: Zillow.com, manufactured home for sale in Vermont

Mortgages have the strongest consumer protections and lowest interest rates.

Home-only (aka “chattel” or “personal property”) loans are the next-best choice.

- Fewer protections than mortgages and higher interest rates.

Contract financing (lease-purchase or contract for deed) is often risky and costly.

- Few state- and federal-level laws apply, especially if the home is not titled as real estate.
- Ownership of home does not transfer like mortgage or personal home-only personal property loan, increasing potential for fraud.

Expanding Mortgage Access Could Improve Affordability of Payments

- **New Hampshire** all manufactured homes are automatically owned as real estate once connected to utilities.
- **Vermont** homes on permanent foundations can be converted to real estate
 - Homeowners who rent land or live in resident owned communities rarely convert and get a mortgage

Vermont Borrowers Pay About 16% More Than In New Hampshire

Monthly payment in VT vs. NH for \$100,000 loan with median interest rate and terms

State	Loan amount	Interest rate	# of payments	Monthly payment
Vermont (home-only personal property loan)	\$100,000	6.88%	180	\$892
New Hampshire (home-only mortgage)	\$100,000	6.50%	240	\$746
Savings in New Hampshire	\$0	-0.38%	60	\$146
Percentage savings in New Hampshire				16%

Source: Home Mortgage Disclosure Act, 2018-24; Pew calculations using standard amortization table
 Note: Data are for originated home-only loans covering single-family, owner-occupied manufactured homes.

Approaches To Modernize State Titling Policy

Manufactured Housing Act (2012), Uniform Law Commission

- [Model legislation](#) and approaches to modernize titling and expand eligibility among homeowners who don't own land

Washington 2025 (previously limited to landowners)

- Passed [WA HB 1191](#) to expand real estate conversion for homeowners with 35 year or longer leasehold interest. Allows homes that will ultimately be real estate to skip personal property titling
- Coalition of stakeholders such as lenders, home title insurance, legal experts

Maine 2025 (currently real estate only allowed for landowners, home on permanent foundation)

- [LD 1765](#) Governor's Office of Policy Innovation and the Future led working group (Maine lenders, Housing Finance Agency, national and state legal and non-profit experts) and submitted [report on findings](#).

New York 2025 (currently no statute)

- [S7120](#) (in effect Dec. 2026) in place that allows conversion for landowners or with landowner permission if home is on a permanent foundation.

Federal Policy Approaches To Expand Mortgage Access

Fannie Mae and Freddie Mac, Duty to Serve

- Fannie pilot in NH and expanding to VT and OR to purchase mortgages for buyers and homeowners in **resident-owned communities**.
 - Considering expansion to **land-lease communities**
- Freddie working with buyers on **Tribal land**
- Fannie and Freddie both treat double section CrossMod (highest end energy efficient homes) like site-built in appraisal and mortgage rates.
 - Both expanded program to single-section CrossMod in 2025.

USDA

- Older homes are now eligible
- New energy efficient homes on land with **long-term lease are eligible**

Key Takeaways

1. Some states are updating zoning to expand building with manufactured homes as a lower cost way to build new single-family homes, especially where lot sizes are not particularly large.
2. Titling policies and access to mortgages are key to retaining the affordability and stronger consumer protections for homebuyers and owners of manufactured housing.
3. Vermont allows manufactured homes to be owned as real estate – regardless of landownership.
 - Most manufactured home landowners convert to real estate and use a mortgage.
 - However, many who don't own their land still struggle with conversion process and access to mortgages.

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