From Margin to Mainstream: Modernizing Manufactured Home Financing in Connecticut

| Overview

For many Connecticut households, homeownership remains out of reach due to rising costs and limited entry-level inventory. Mobile and manufactured housing offers one of the most affordable ownership pathways available, yet access to financing has long blocked broader adoption.

Recognizing this gap, the Connecticut Housing Finance Authority (CHFA) modernized its Mobile Manufactured Home Loan Program in May 2025 to remove structural barriers, expand lender participation, and position mobile and manufactured housing as a viable, scalable homeownership solution. The results were immediate and substantial.

| Responding to an Important Housing Need

Mobile and manufactured homes offer substantially lower purchase prices and ongoing housing costs compared to site-built homes, making them an accessible option for low- and moderate-income households. Yet financing access remains one of the primary barriers to broader adoption.

In Connecticut, that challenge was compounded by programmatic constraints (high down payment requirements and limited lender participation) that kept the program out of reach for many. Prior to the 2025 relaunch, CHFA had purchased just 20 manufactured home loans over a three-year period, serving only 10 communities statewide. At a time when entry-level homeownership options are increasingly scarce, that underperformance represented a missed opportunity.

A significant part of the problem is structural. FHA financing, the most common pathway to affordable homeownership, imposes requirements that are broadly incompatible with much of Connecticut's mobile and manufactured housing stock. FHA does not insure homes built before 1976, yet a significant portion of Connecticut's mobile and manufactured homes predate that threshold. FHA also requires that parks meet FHA standards; CHFA only requires state licensure. And FHA requires homes to be affixed to a permanent foundation, while CHFA only requires that hitches and axles be removed. The result is a population of homes, and households seeking to live in them, effectively locked out of the conventional mortgage market through no fault of their own. Participation among approved lenders is extremely limited, leaving many borrowers without a viable path to financing. CHFA's program exists precisely to fill that void.

Consider a household earning 80% of Area Median Income, roughly $65,000 in many Connecticut communities. Under the prior program, a 20% down payment on an $87,000 home would require $17,400 upfront, an insurmountable barrier for many working families. The redesigned program eliminates that hurdle entirely, enabling the same household to step into ownership with no down payment and a predictable fixed monthly payment.

| Innovation

In May 2025, CHFA implemented a series of strategic enhancements that fundamentally redesigned the program. The most significant was consolidating separate purchase and refinance products into a single, streamlined loan offering that simplifies access, expands eligibility, and creates consistent terms across borrower types.

Key program features include:

- A fixed 3% interest rate, ensuring predictable and affordable monthly payments
- Up to 100% loan-to-value financing, eliminating the need for a down payment
- Flexible loan terms of 15 or 30 years
- Loan amounts up to $150,000
- Eligibility for borrowers earning up to 100% of Area Median Income

CHFA also expanded lender participation from one institution to six, significantly broadening borrower access and geographic reach. As one lending partner noted, the program provides "a practical and affordable solution for those seeking stability without the financial strain" — enabling families to step into homeownership without a prohibitive price tag.

| Measurable Results

Program activity increased dramatically following the May 2025 relaunch:

	May 2022 – Apr 2025	May 2025 – Mar 2026
# Loans Purchased	20	72
Median Loan Amount	$87,950	$128,200
Median Borrower Age	65	60
# Towns Served	10	25

These results represent a 260% increase in loan volume in less than half the time -- a clear sign that demand existed and barriers, not interest, were the limiting factor. The expansion from 10 to 25 towns served reflects genuine statewide reach, with loans now closing in communities that had never previously participated in the program. The decline in median borrower age (from 65 to 60) signals that the redesigned program is attracting a broader, more diverse population and not just serving retirees downsizing into manufactured housing. And the increase in median loan amount, from $87,950 to $128,200, reflects enhanced purchasing power: borrowers are accessing more home without sacrificing affordability, thanks to the fixed 3% rate and flexible terms.

| Effective Use of Resources and Partnerships

CHFA's approach was deliberate and efficient: rather than building new infrastructure, the agency restructured existing program terms and recruited additional lenders through targeted outreach to mortgage bankers and community lenders already serving low- and moderate-income borrowers via CHFA's other homebuyer programs. Growing the mobile and manufactured home lender network from one institution to six required no new public funding; it was achieved through policy redesign and relationship-building.

The program also aligns with and amplifies broader statewide efforts, including the public-private Mobile Manufactured Home Advisory Council and the General Assembly's Mobile Manufactured Home Financing Working Group. These partnerships enhance the program's sustainability and position CHFA as a convener, not just a lender.

| Replicability

This program offers a highly replicable model for other HFAs. Its core elements -- streamlined product design, elimination of upfront cost barriers, below-market fixed-rate financing, and expanded lender participation -- require no unique enabling legislation and can be adapted to any state with an existing manufactured housing stock and a secondary market or portfolio lending infrastructure.

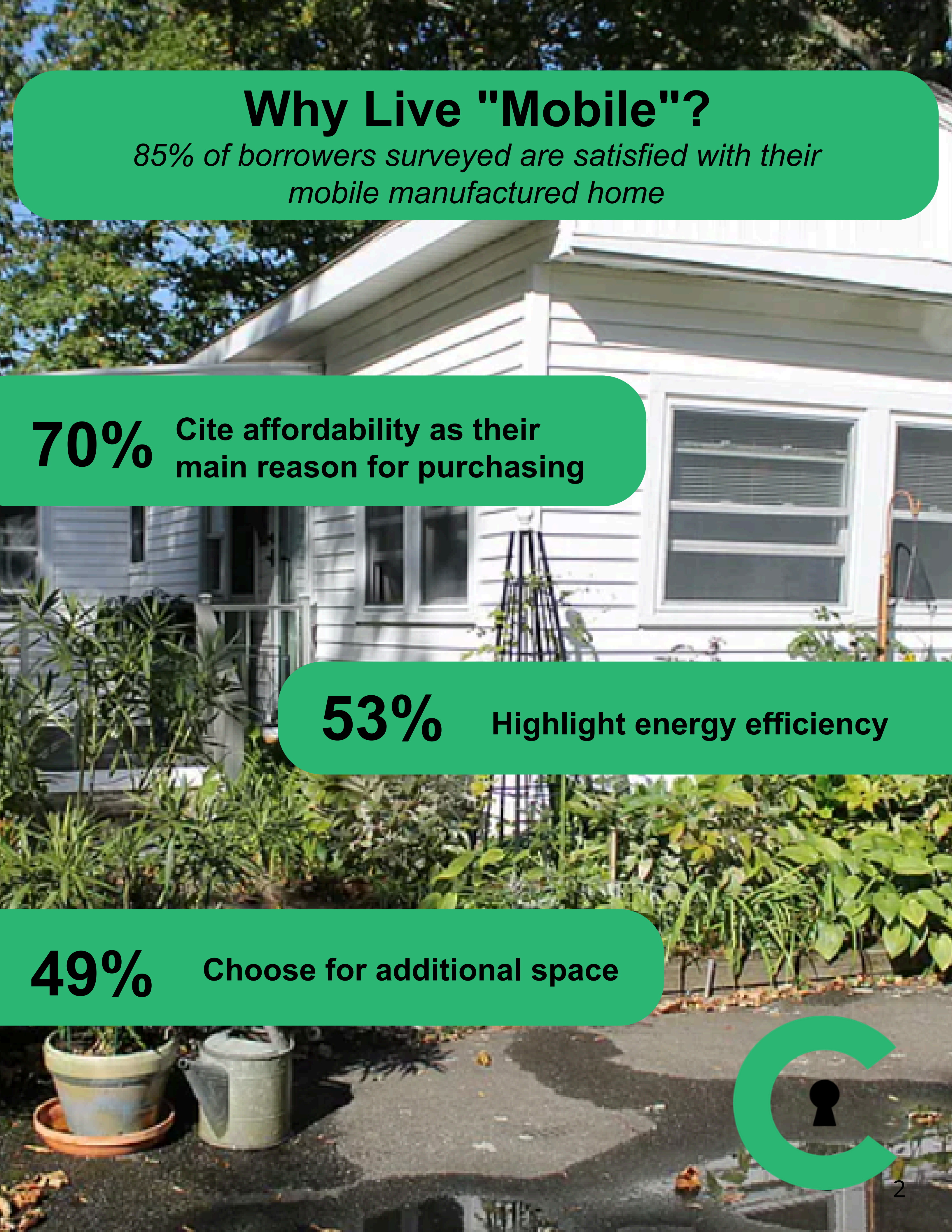
The key insight is transferable: financing barriers, not just supply constraints, limit manufactured housing's potential as an affordable homeownership vehicle. Targeted program redesign, not new resources, can unlock that potential. CHFA is happy to share program details, lender recruitment strategies, and product structure with any HFA interested in adapting this model for their state.

| Conclusion

The modernization of CHFA's Mobile Manufactured Home Loan Program demonstrates how focused program design changes can unlock meaningful homeownership opportunities for underserved households. By removing structural barriers, expanding partnerships, and aligning financing with borrower needs, CHFA transformed a limited program into a growing pathway to ownership. More broadly, the program highlights an underutilized lever available to HFAs nationwide: manufactured housing represents millions of potential affordable homeowners who are being left out not by lack of supply, but by lack of financing access. CHFA's experience in Connecticut shows that fixing the financing can move the needle quickly and durably.

"Because of this program, it has been possible for us to have the best home we could ever ask for. We are very happy in our new home and highly recommend it to anyone looking for a mortgage for a mobile home. Thank you!"

-Southington Residents



Why Live "Mobile"?

85% of borrowers surveyed are satisfied with their mobile manufactured home

70% **Cite affordability as their main reason for purchasing**

53% **Highlight energy efficiency**

49% **Choose for additional space**