

CHFA (CT) Mobile Manufactured Home  
Refinancing Loan Program  
**Connecticut Housing Finance Authority**  
Special Achievement

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## Mobile Manufactured Home Refinancing Loan Program

### Introduction

Individuals and families spending more than 30% of their income on housing, home prices rising at twice the rate of wage growth and a decline in housing stock all over the country are some of the aspects fueling the affordable housing crisis in America. These factors are especially acute in Connecticut, recently ranked the ninth most expensive state in the country to live.<sup>1</sup> Based on a housing needs assessment commissioned by CHFA, low- and moderate-income households face steep competition for affordable ownership opportunities from middle- and upper-income buyers.<sup>2</sup>

Mobile manufactured homes (“MMH”) provide an affordable housing option for low- and moderate-income individuals and families looking to purchase a home. The CHFA Mobile Manufactured Home Refinancing Loan Program was developed to help current MMH owners improve their financial positions over time, helping to ensure continued ownership of these affordable properties in this high cost state.

### Innovation

CHFA is committed to working with our partners to address deep disparities that limit access to affordable housing and impact the quality of life for many individuals and families in our state. The agency uses its investments to create opportunities for all households to have a safe and affordable home wherever they want to live. For more than 20,000 households, MMHs represent an attractive and affordable housing option. MMHs are available at a lower cost than the cost of stick-built single family constructed properties and provides an affordable option for homeownership for borrowers in the lower income brackets between 50% and 80% AMI. According to Home Mortgage Disclosure Act (HMDA) data between 2009 through 2019, the median income of a borrower purchasing a mobile/manufactured home in Connecticut is \$50,000, considerably lower when compared to \$87,000 for a borrower purchasing a non- manufactured one-to-four family home.<sup>3</sup>

In Connecticut, MMHs have historically been considered personal property, and were not eligible for the standard mortgage loan financing that is available for real estate transactions. Many of these homes were financed with “chattel mortgages” at higher interest rates with less favorable amortization terms over the life of the loan. Over the past 20 years, the interest rate for MMH transactions ranged from an average of 6.500% to a high of 12.000%. In today’s declining economy, MMH owners are struggling to pay the higher interest rate loans and are unable to refinance to take advantage of the current low interest rate environment to obtain some relief.

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<sup>1</sup> <https://worldpopulationreview.com/state-rankings/most-expensive-states-to-live-in>

<sup>2</sup> [Connecticut’s Housing Needs Assessment – CHFA 2020](#)

<sup>3</sup> HMDA Data from the Consumer Financial Protection Bureau and the Federal Financial Institutions Examination Council

Connecticut Housing Finance Authority  
 Mobile Manufactured Homes Refinancing Loan Program  
 Special Achievement: Special Achievement, New Program

The preservation of affordable housing is one of the core directives of the CHFA mission and is a critical need for the state; there are nearly 10,000 mobile manufactured homes in state-licensed parks in 64 towns across Connecticut. Including MMH communities in our conservation efforts will help to maintain the overall number of affordable housing units in the state.

To provide an alternative financing option for MMH owners, CHFA committed \$4,975,437 from our Investment Trust Account (ITA); \$24,563 from our Opportunity Fund (OF) and obtained a \$1 million grant from the Federal Home Loan Bank Boston’s (FHLB) Helping to House New England (HHNE) program to leverage a total of \$5 million to offer a new Mobile Manufactured Home Loan Refinancing Program (MMHLRP) that features a below market interest rate of 1.00%. The CHFA MMHLRP will allow eligible applicants to refinance out of higher interest loans and reduce their monthly housing expense by an average of 35% or more.

MMH Loans	Current Financing	CHFA 's Refinance Program
Average Loan Amount	\$75,000	\$75,000
Term	20 years	20 Years
Interest Rate	6.500%	<b>1.000%</b>
Monthly Payment	\$559	\$345

The MMHLRP is a rate/term, no cash out refinancing loan product; the minimum loan amount is \$20,000 and the maximum loan amount is \$100,000. The goal of the program is to ease the cost burden of homeownership for MMH owners that meet the minimum eligibility criteria listed below (*additional criteria may apply*):

- Income cannot exceed the CHFA Income Limit for the applicable town where the property is located
- Homeowners only – must be the borrowers(s) primary residence and applicants cannot own any other residential or commercial property
- Homeowner must have owned the property for at least 12 months and have made 12 consecutive on-time payments
- Current interest rate must be 6% or higher with a remaining loan term that is  $\geq 5$  years

The MMHLRP will amortize over a term of 20 years and help ease the financial hardship applicants are experiencing while helping to preserve the stock of affordable housing created by the mobile manufactured home inventory. Much needed assistance will be available to those with low and very low income, which often includes seniors and retirees living on fixed incomes. Approved borrowers can reallocate savings to other day-to-day expenses like costs for utilities, health care, food, transportation, miscellaneous expenses and financial obligations.

**Respond to an Important State Need**

CHFA is a member of the state Department of Consumer Protection (DCP), Mobile Manufactured Home Advisory Council that was legislated by statute in 2004 and tasked with, among other responsibilities, promoting mobile manufactured homes as decent, safe and affordable housing. CHFA has the full support of the Advisory Council and the membership are actively participating in the marketing campaign to advertise the availability of this unique refinancing opportunity to MMH owners throughout the state.



# DREAMING OF LOWERING THE MONTHLY PAYMENT ON YOUR HOME?



If your mobile manufactured home is financed, you may be eligible to *reduce* your interest rate to 1%\*.

The Annual Percentage Rate (APR) for the CHFA Mobile Manufactured Home Refinance Program is 1.100% - 1.500%.



*The Key To Affordable Housing*

# if your loan...

- has an interest rate of 6% or higher
- carries a remaining term of 5+ years
- has a balance between \$20,000 and \$100,000

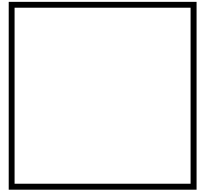
## ...you may be eligible!

Visit:

[www.chfa.org/mobilehome](http://www.chfa.org/mobilehome)

or call:

**1-844-281-4663** to learn more.



**APPROVAL DEPENDS ON THE AVAILABILITY OF FUNDING**

\*This offer is subject to change without notice and may be withdrawn at any time.

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