

# Mortgage Insurance for Manufactured Home Parks: Section 207

**Summary:**

Section 207 Program insures mortgage loans to facilitate the construction or substantial rehabilitation of multifamily manufactured home parks.

**Purpose:**

Section 207 promotes the creation of manufactured home communities by increasing the availability of affordable financing and mortgages.

**Type of Assistance:**

FHA mortgage insurance for HUD-approved lenders.

**Eligible Activities:**

The program insures lenders against loss on mortgage defaults. Insured mortgages may be used to finance the construction or rehabilitation of manufactured home parks. Home parks must consist of 5 or more spaces. Contractors for new construction and substantial rehabilitation projects must comply with prevailing wage requirements under the Davis-Bacon Act.

**Eligible Borrowers:**

Eligible mortgagors include investors, builders, developers and others who meet HUD requirements for mortgagors.

**Eligible Customers:**

Families, individuals, or elderly persons owning manufactured homes or desiring to lease spaces in a manufactured park.

**Application:**

The sponsor has a pre-application conference with the local HUD Multifamily Hub or Program Center to determine the preliminary feasibility of the project. The sponsor must then submit a site appraisal and market analysis (SAMA) (for new construction projects) or a feasibility application (for substantial rehabilitation projects). Following HUD's issuance of a SAMA or feasibility letter, the sponsor submits a firm commitment application through a HUD-approved lender for processing. Considerations include market need, zoning, capabilities of the borrower, and availability of community resources. If the project meets program requirements, the local Multifamily Hub or Program Center issues a commitment to the lender for mortgage insurance.

**Technical Guidance:**

The program is authorized under Section 207 of the National Housing Act (12 U.S.C. 1713), Public Law 84-345. Program regulations are in 24 CFR Part 207.33. The basic program instructions are in HUD Handbook 4545.1, Mobile Home Park Program available on [HUDclips](#). The program is administered by the Office of Multifamily Housing Programs, Office of Production, Program Administration Division.

**Program Accomplishments:**

In fiscal year 2015, the Department did not insure any mortgages under this section.