

### **Title Requirements for Manufactured or Mobile Home Conveyance**

1. Purpose. This Circular provides clarification of the documents required to properly provide clear and marketable title for mobile homes conveyed to the Department of Veterans Affairs (VA) per 38 C.F.R. 4300 in every state and territory in the United States.

2. Background. Pursuant to 38 U.S.C. § 3710(a)(9) and 38 C.F.R. § 36.4301, a manufactured home must be permanently affixed and classified as real property in the state where it is located. If the manufactured home does not meet these criteria, it may not be guaranteed pursuant to section 3710 and the holder may not have the option of conveying the manufactured home to the Secretary. Therefore, to ensure that a guaranty claim is fully payable and that the holder has the election to convey the manufactured home to the Secretary, servicers must also ensure that for home loans guaranteed under the 4300 series, the manufactured home is permanently affixed and classified as real property before attempting to convey the property to the Secretary.

3. Action. Effective immediately, VA is requiring evidence that holders have complied with requirements for guaranteeing manufactured homes. Foreclosure title packages that do not include the required evidence will be rejected. The evidence required (applicable to all jurisdictions) for manufactured homes is as follows:

- a. Copy of the deed or document evidencing transfer of interest and title to the holder at the liquidation sale;
- b. Evidence that the manufactured home is permanently affixed and classified as real property under the laws of the state where it is located;
- c. Special warranty deed or its legal equivalent from the holder to the Secretary, but only after the manufactured home has been deemed permanently affixed and classified as real property under the laws of the state where it is located;
- d. Original or copy of mortgagee's title insurance policy from loan origination (except in Iowa, where a title abstract is required);
- e. Owner's title insurance policy issued as of the recording date of the special warranty deed to the Secretary;
- f. ALTA Endorsement 7-06 to the owner's title policy insuring the Secretary;
- g. Origination deed of trust or mortgage,
- h. All assignments of the origination deed of trust or mortgage (if to effect an assignment a recorded document is legally required in the state where the property is located);
- i. Evidence of proper notice (e.g., affidavit of publication, Affidavit of Substitute Trustee, notice of sale);
- j. Department of Defense Manpower Data Center Status Report pursuant to Servicemembers Civil Relief Act; and
- k. Real estate sales validation form (where applicable).

4. Details. VA's determination of clear and marketable title is dependent on state statutory requirements. This Circular does not affect timeframes for submission of title documents. For

title document requirements related to properties that are not manufactured homes, please reference VA Circular 26-16-14 entitled "Title Requirements for Conveyance of Real Property. VA Circular 26-16-14 is posted on VA's website at:

[http://www.benefits.va.gov/HOMELOANS/documents/circulars/26\\_16\\_14.pdf](http://www.benefits.va.gov/HOMELOANS/documents/circulars/26_16_14.pdf).

5. In states where there is not a legal process for converting a manufactured home from personal property into real property, an ALTA Endorsement 7-06 to the Secretary's owner title policy is sufficient evidence that the manufactured home is permanently affixed and classified as real property under the laws of the state where it is located. These locations are—

- a. Connecticut
- b. District of Columbia
- c. Maine
- d. Massachusetts
- e. New Hampshire
- f. Rhode Island
- g. Vermont
- h. Hawaii

6. Rescission: This Circular is rescinded October 1, 2018.

By Direction of the Under Secretary for Benefits

Jeffrey F. London  
Deputy Director, Loan Guaranty Service

Distribution: CO: RPC 2024  
SS (26A1) FLD: VBAFS, 1 each (reproduce and distribute based on RPC 2024)