

Bulletin 9/98

RE: HUD/FHA Title 1 Appraisal procedures

To: All N.A.S. System Subscribers

BULLETIN 9/98 TITLE 1 APPRAISAL

It has come to our attention that some appraisal firms are using non-trained/certified persons to inspect Title 1 subject properties and then they are not utilizing a qualified/certified appraiser who completes the appraisal using the required N.A.S. Forms #2 and #3.

This is a direct violation of HUD/FHA Title 1 directives.

A qualified/certified appraiser must sign on the N.A.S. Certificate Value Form (#3) and Worksheet Form (#2) as the responsible review appraiser in all cases of this type.

See attached:

1. HUD Directive TI-437 dated 1/29/96.

THIS BULLETIN IS EFFECTIVE IMMEDIATELY.

This directive applies only to HUD Title 1 Default Program appraisals.

REMINDER! PLEASE BE SURE ALL FORMS ARE TYPED OR PRINTED LEGIBLY!

Mailing Address: P.O. Box 7800 • Costa Mesa • CA • 92628
Corporate Offices: 3186-J-K-L Airway Avenue • Costa Mesa • CA • 92626
Phone: (800) 966-6232 • (714) 556-8511 • FAX (714) 556-8715



January 29, 1996

OFFICE OF THE ASSISTANT SECRETARY
FOR HOUSING-FEDERAL HOUSING COMMISSIONER



TI-437

TO: ALL TITLE I LENDING INSTITUTIONS

SUBJECT: APPRAISALS OF MANUFACTURED HOMES AND LOTS

Over the last four years, the Title I manufactured home loan program has experienced a dramatic reduction in loan volumes. During this same period, all of the States have established procedures for the licensing or certification of real property appraisers, and many appraisers have taken specialized courses in the valuation of manufactured homes.

As a result, there is less need for a national contractor to furnish manufactured home appraisals. The Department has decided that its present contract with Policy Management Systems Corporation (PMSC), which expired on December 31, 1995, will not be renewed. However, any appraisals ordered by December 31, 1995 will be completed by PMSC.

Effective January 1, 1996, the Department has revised the procedures for obtaining HUD-approved appraisals for existing and repossessed manufactured homes and for manufactured home lots. This letter describes the new procedures to be followed by all lenders in obtaining HUD-approved appraisals as required by §§ 201.10(b)(2), 201.10(c), 201.10(d)(1) and (2), 201.10(f)(3) and (5), 201.23(b), and 201.51(b)(3) of the Title I regulations.

Appraiser Qualifications and Fees

For all appraisals of manufactured homes classified as personal property, lenders must use independent fee appraisers who (a) have successfully completed a specialized course in manufactured home valuation based upon the N.A.D.A. appraisal system, and (b) are not engaged in the business of manufactured home retail sales. Evidence that the appraiser has successfully completed a manufactured home valuation course must be furnished to the lender. Appraisal services may be obtained from an appraisal company, as long as the individual appraiser meets the qualifications. Fees for manufactured home appraisal services will be negotiated between the lender and the appraiser.



17


For manufactured home lot loans and other transactions where the home and/or lot are classified as real property, it will no longer be necessary for lenders to contact the local HUD field office to obtain an appraiser. Lenders may use any independent fee appraiser who is licensed or certified by the State to perform real property appraisals. All real property appraisals must be carried out in accordance with the current edition of the Uniform Standards of Professional Appraisal Practice, as adopted by the Appraisal Standards Board of

COPY

N.A.D.A. APPRAISAL GUIDES


the Appraisal Foundation. Fees for real property appraisal services will be negotiated between the lender and the appraiser.

Determination of Appraised Value

 All appraisals of manufactured homes that are classified as personal property shall be based on the current National Edition of the N.A.D.A. Manufactured Housing Appraisal Guide, which is published quarterly. The manufactured home appraisal must include pictures of the home and all of the worksheets and computations required by the N.A.D.A. appraisal system, and it must be signed and dated by the appraiser. The lender shall obtain a copy of the complete appraisal, including all exhibits, from the appraiser.

The appraised value will be valid for a period of six months from the date of the appraisal. The complete appraisal must be retained by the lender for at least six years from the date of the appraisal.

Procedure for Obtaining Appraisals

 Requests for appraisals are to be made directly to the appraiser on Form HUD-92802, Application for Manufactured Home Appraisal. A copy of this application form is enclosed; it may be reproduced as needed. The appraiser will complete the Statement of Appraised Value at the bottom of the application form and return it to you for retention in the loan file.

The application form must contain the following information, as appropriate:

- The name and address of your lending institution, your Title I contract of insurance number, and the name and telephone number of a contact person.
- The type of property to be appraised, whether it is an existing manufactured home, a repossessed home, a home to be traded-in, a manufactured home lot, or an existing manufactured home and lot.
- For an appraisal on a repossessed home, the names of the borrowers and the 12-digit Title I case number for the loan. You may also furnish your institution's loan number if desired. The application must be accompanied by copies of the manufacturer's invoice and the retail installment contract.
- For all other appraisals, the names of the loan applicants in the box labelled "Names of Borrowers." The Title I case number will be assigned by HUD when the loan is reported for insurance; therefore, no Title I case number will appear on the form. The application must be accompanied by a copy of the purchase contract or retail installment contract for the sale of the manufactured home and/or lot to the borrowers.

COPY

N.A.D.A. APPRAISAL GUIDES

- The location of the manufactured home and/or lot and the name and telephone number of the person to be contacted for the appraisal appointment. If the home is located in a manufactured home park or on a dealer's lot, provide the name and address of the park or dealer.
- A description of the manufactured home to be appraised, including the manufacturer's name, model name and year, serial number, dimensions, and the year the home was purchased if it is a repossessed home.

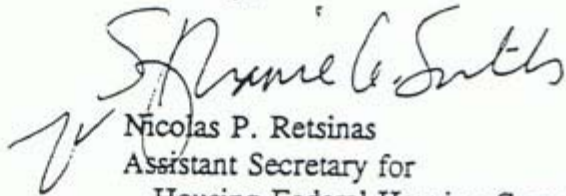
Waiver of Existing Regulations

The Department's property appraisal regulations at 24 CFR 267.8(a)(3) require that the appraisal of a manufactured home classified as personal property shall be carried out under the terms and conditions of a contract between HUD and a contractor selected to perform such appraisals. As of January 1, 1996, the Department has waived this requirement in favor of the procedures described in this letter. In the near future, the Department will amend § 267.8(a)(3) to reflect the revised procedures for obtaining manufactured home appraisals outlined in this letter.

For Further Information

If you have any questions about this letter, please write to Robert J. Coyle, Director, Title I Insurance Division, 490 L'Enfant Plaza East, Suite 3214, Washington, DC 20024, or call the Division at 202-755-7400.

Sincerely,



Nicolas P. Retsinas
Assistant Secretary for
Housing-Federal Housing Commissioner

Enclosure

COPY

N.A.D.A. APPRAISAL GUIDES

Dear Lender:

Effective January 1, 1996, HUD Title 1 qualifications require personal property independent fee appraisers to complete a specialized course in manufactured housing valuation.

YOU SHOULD REQUEST COPIES OF EACH OF THE SAMPLES SHOWN BELOW FROM EACH APPRAISER YOUR FIRM USES FOR YOUR FILES.

EXAMPLES

Lincoln Graduate Center

96633 1196

303 W. Cypress PO Box 12528
San Antonio, Texas 78212
Local (210) 225-2897
Fax (210) 225-8450
1-800-531-5333

TO: STUDENTS WHO SUCCESSFULLY COMPLETED COURSE 669
RE: COURSE 669 MANUFACTURED HOUSING APPRAISAL

This letter, along with the Lincoln Graduate Center Transcript for Course 669 Manufactured Housing Appraisal, will serve as verification that the student named on the transcript has successfully completed a specialized course in manufactured home valuation based upon the N.A.D.A. appraisal system as required by the U.S. Department of Housing and Urban Development (HUD), Title I Manufactured Home Loan Program.

The Lincoln Graduate Center Course 669 Manufactured Housing Appraisal is a fifteen classroom hour hands-on course in which the student uses the standard practice forms to prepare typical appraisal reports in class using the N.A.D.A. system and the Uniform Residential Appraisal Report (URAR). This course is tested and is approved in 35 states for Appraiser Certification, Appraiser Continuing Education and Real Estate Continuing Education credit.

Successful completion of this course will also meet the education requirements for Board Certification in Manufactured Housing Valuation (MHV) through the Professional Certification Board of the National Society of Appraiser Specialists.

Should you have any questions, do not hesitate to contact us at 1-800-531-5333.

SAMPLE
Gary T. Deane, Ed.D.
Administrative Dean

96135

SAMPLE

COPY

N.A.D.A. APPRAISAL GUIDES

STUDENT: TRTX1426

Lincoln Graduate Center
National Association of Master Appraisers
303 W. Cypress St. San Antonio, TX 78212 (210) 225-2897

YOUR COPY STUDENT COURSE TRANSCRIPT

Agency Credit Hrs:	16.0
Sponsor No.:	
Date Issued:	Dec 1, 1998
License No.:	P 98
Final Grade:	Satisfactory
Attendance:	

Location: Houston, TX
Contact Hrs: 15.0
Course No.: 669
Start Date: 12/19/98
End Date: 12/20/98
Course Title: Manufactured Housing Appraisal
Agency: Texas Appraiser Licensing & Certification Board

SAMPLE

John O. Public
303 W. Cypress
San Antonio, TX 78212

Link to verify that the student named in the report has completed the described course in accordance with the requirements of the agency listed. It is important to retain this transcript on your file for purposes of audit and to refer to your listing agency for application, renewal or archiving of a course.

STUDENT COPY ONLY

SCXXX CRUCIA
IN WILSON

Application for Manufactured Home Appraisal

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0328 (exp. 2/28/96)

Reporting Burden for this collection of information is estimated to average 0.25 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600 and to the Office of Management and Budget, Paperwork Reduction Project (2502-0328), Washington, D.C. 20503. Do not send this completed form to either of these addressees.

Name & Address of Lending Institution	Title I Contract Number	Type of Property <input type="checkbox"/> Existing Home <input type="checkbox"/> Repossessed Home <input type="checkbox"/> Home to be Traded-In <input type="checkbox"/> Manufactured Home Lot <input type="checkbox"/> Existing Home and Lot
Contact Person		
Telephone Number		
Names of Borrowers	Title I Case Number (repossession only)	
	Institution Loan Number	

Location of Manufactured Home and/or Lot

Street Address of Home and/or Lot	Name & Address of Park or Dealer
Contact Person	Telephone Number

Description of Manufactured Home

Name of Manufacturer				Model Year	Year Purchased
Serial Number	Size (L x W) Ft. x	Expando (L x W) Ft. x	Ft. x	Ft.	
Signature of Authorized Official					Date Submitted

X
Title of Authorized Official

To be Completed by Appraiser

Statement of Appraised Value

Estimated Market Value in Present Condition \$

Estimated Market Value if Repaired \$

Signature of Appraiser

Date of Appraisal

X
Address of Appraiser

N.A.D.A. APPRAISAL GUIDES

HUD FORM

18

COPY

RETAIL PURCHASE AGREEMENT

In this contract the words "YOU" and "YOU" refer to the Buyer and Co-Buyer signing this contract. The words "YOU" and "YOU" refer to the Dealer. Subject to the terms and conditions on both sides of this agreement you agree to sell and I agree to purchase the following described unit.

SUPPLIER: [Redacted] PHONE: [Redacted] DATE: 7-29-99
 ADDRESS: 4724 [Redacted] [Redacted] SALES PERSON: [Redacted]
 DELIVERY ADDRESS: Lot 11 [Redacted] [Redacted] N.C.
 MAKE & MODEL: Fleetwood / Lake Springs YEAR: 99 DOORS: 4 FLOOR SIZE: 52' x 40' HEIGHT: 56' x 40'
 SERIAL NUMBER: 059-17783 COLOR: [Redacted] PROPOSED DELIVERY DATE: [Redacted] KEY NUMBER: [Redacted]
 MAKE: NEW USED DEAL: Deal

LOCATION	R-VALUE	THICKNESS	TYPE OF INSULATION	BASE PRICE OF UNIT	
CEILING				\$ 55,000	0
EXTERIOR				OPTIONAL EQUIPMENT	332
FLOORS					0
				SUB-TOTAL	\$ 88,300

THIS INSULATION INFORMATION WAS FURNISHED BY THE MANUFACTURER AND IS DISCLOSED IN COMPLIANCE WITH THE FEDERAL TRADE COMMISSION RULE 16CRF SECTION 460.16. SALES TAX: 600 00

OPTIONAL EQUIPMENT, LABOR AND ACCESSORIES	NON-TAXABLE ITEMS	
		70 00
Triple-wide Delivery & complete set-up to County Codes		5000 00
	VARIOUS FEES AND INSURANCE	

Heating & Air Conditioning Unit & complete installation	5800 00	NET ALLOWANCE	\$
Septic Tank - Purchase, installed & Hooked up	5500 00	CASH DOWN PAYMENT	\$ 10,000 00
Complete Brick Foundation with Front & Rear Steps & Brick Pads (Patio)	12,500 00	CASH AGREED BY YOU	\$
Electrical & Plumbing Hook-up	3,500 00	1. CASH PURCHASE PRICE	\$ 98,970 00
		TRACE-IN ALLOWANCE	\$
		LESS BAL DUE ON ABOVE	\$
		2. LESS TOTAL CREDITS	\$
		SUB-TOTAL	\$
		SALES TAX (If Not Included Above)	
		3. Unpaid Balance of Cash Sale Price	\$ 78,970 00

I UNDERSTAND THAT I HAVE THE RIGHT TO CANCEL THIS PURCHASE PRIOR TO WEIGHT OF THE THIRD BUSINESS DAY AFTER THE DATE THAT I HAVE SIGNED THIS AGREEMENT. I UNDERSTAND THAT THIS CANCELLATION MUST BE IN WRITING. IF I ATTEMPT TO CANCEL THE PURCHASE AFTER THE THREE-DAY PERIOD, I UNDERSTAND THAT THE DEALER HAS NO OBLIGATION TO REFUND MY DEPOSIT.

*** Exclusion of Wheels and Axles Should be Properly Disclosed**

While some states have specific statutory requirements that dictate how wheels and axles are handled in the retail sale of manufactured homes, others do not. Retailers in a state that does not specify requirements should disclose how the wheels and axles are treated in the sales transaction. If the wheels and axles are not included in the sale of the home, this fact should be prominently disclosed in the purchase agreement or in a separate form executed at the time of the sale.

REMARKS: *

BALANCE DUE TO OPTIONAL EQUIPMENT: \$ 83,300 00

ANY DEBT OWED ON THE TRADE-IN IS TO BE PAID BY YOU ME

19

[Signature] DEALER

[Signature] SIGNED BY

11. A.D.A. APPRAISAL GUIDES

FACTORY INVOICE

WOOD HOMES OF NC, INC.

WOOD HOMES OF NC, INC.
PO BOX 1155
LUCY BARRETT ROAD
COLUMBIANA, NC 27823
597-3502 336/597-9885 (FAX)
Subsidiary of Fleetwood Enterprises, Inc.

Date Shipped Invoice Date Brand Name
07/14/99 07/14/99 LAKE SPRINGS

Serial Numbers Total Width Total Length Bedrooms Baths
40' 56' 4 2
Exterior Material VINYL

Order # 11778/990500071991
R.O.B. Point ROYSCRO, NC

To: LINDA VAUGHAN (513603)

Inspection/Approved by ROGER MCCARTER

THIS HOME CONTAINS INSULATION AS FOLLOWS:
Location Ceiling Wall Floor
R-Value 28 11 22
Approx. Thickness 3/8 3 1/2 7

CASH ON DELIVERY "C.O.D."

Appliance/Furnace Serial Numbers:
A/C UNIT 11778/990500071991
REFRIG 11778/990500071991
DISHWASHER 11778/990500071991
STOVE 11778/990500071991
WASHER 11778/990500071991
DRYER 11778/990500071991
WATER HEATER 11778/990500071991

Financed by: FLEETWOOD FINANCE

Approval Number: 517991

NOTES

- This home is not eligible for FHA Title I financing unless the appropriate "FHA Invoice Suspension and" is attached and certified.
- This home is not eligible for VA Manufactured Home Financing unless it has been stamped with the appropriate VA Certification and signed by a Fleetwood manager.
- The total base price includes:
 - 1. 10% Manufacturer's Dealer Association
 - 2. 10% Marketing Fee
 - 3. 10% Freight
 - 4. 10% Dealer Prep
- VIP - (Volume Incentive Program) The Purchaser may qualify for VIP payments if certain volume levels are reached. For copies of the Volume Incentive Program for this manufacturing center or region, please address your written request to Fleetwood Enterprises, Inc., Marketing Department - "VIP Request," Housing Group, 3050 Myers Street, Riverside, California 92513.
- Specific amounts which may be paid under the VIP program and certain other marketing programs cannot be identified on a per-home individual basis and are charged to overhead and profits as a cost of doing business. Payments made under any individual per-home marketing programs will be listed as separate line items on the invoice.
- Some homes may qualify for an "Instant Discount" and it will be shown as a line item. All homes that contain the "Instant Discount" line item will not be eligible for VIP program(s) of payments.

- Furniture: If information is desired regarding the furniture package shipped with the home, include the retailer wholesale price and the type of furniture, please forward a written request "General Manager" at the address listed at the top of this invoice.
 - Certification: Fleetwood Homes of NC, Inc. certifies that (1) this invoice is in compliance with the Truth in Invoicing Practices Statement (Statement A) approved by resolution of the Manufactured Housing Institute on October 8, 1985; (2) that the manufacturer, in preparing and certifying this invoice and any disclosure required to be made by the statement, is providing to the best of his knowledge and belief accurate, complete, and truthful information; and that (3) the manufacturer expressly acknowledges that lenders and investors rely on invoices and any disclosure required to be made by the statement to make finance, insurance and purchase decisions.
- [Signature]*
Authorized Manufacturer Representative

QTY	DESCRIPTION	PRICE	QTY	DESCRIPTION	PRICE
1	48" Fiberglass Shower-MB		1	Guest Closet	
	Decor: CABERNET			Line Shelving-Closets	
	BACKSPLASH COLOR AT TUB			Textured Ceiling	
	IN MASTER BATH:			Vaulted Ceilings Thru Ou	
110	1 HUD Fees and Inspections	225.00		White Main Panel	
	Tripble - wide only			High Pile Carpet Pad	
	Line - Hall		1	Upgrade Insulation - R28	880.00
	Kitchen Island			Removable Hatch	
128	3 Alternate Laminate	75.00		Exterior Water Faucet	
	both baths and kitchen			Dead Bolt - Front & Rea	
132	1 Ceramic Tile Backsplash-	185.00		Cottage Door	
	Mineberry			Houge Type Door w/Storm	
135	1 Ceramic Tile Edging	125.00	1	FHA Steel Replace Cottag	175.00
	Mineberry		1	60" Exchange Window	400.00
	1 1/2" CE Tray Refrigerator			60" DEN	450.00
	60" Naving Electric Range			60" Storm Windows	450.00
	60" O/A Kitchen Cabinet			60" Kitchen Window	100.00
	Lined Cabinets w/Center				
	Stainless Steel Kit Sink				
	Water Cut-Off Valves T/O				
	1 Woodgrain Tile	50.00			
	throughout				
300	1 Omit Std Refrigerator	200.00			
310	1 Omit Range	150.00			
	10 Gal Water Heater				
	Utility Shelf				
	1 1/2" Washer/Wire Dryer				
	Pantry:				
	Includes 3 shelves and				
	Pantry door				
359	1 Ceiling Bullet Lights	50.00			
315	1 OVER STAND ALONE BAR	60.00			
	CHANDLER				
324	1 Ceiling	80.00			
	1 1/2" Backsplash-Mst Bath				
	Mineberry				
330	1 Drawer Bank - Master Bat				
330	1 Double Lavatory Sink-Mst				

NOTE
If a component has been omitted at factory, no "replacement cost new" adjustment is used. Obviously, the item(s) was not in the home at time of shipment

COPY 20

Remarks: RAD1186753, RAD1186754, RAD1186755

HUD CODE LABEL NUMBERS

TOTAL BASE PRICE	34,880.00
TOTAL OPTION PRICE	2,134.00
TOTAL OMTS	
SUBTOTAL	39,014.00
FREIGHT	868.00
SALES TAX AS APPLICABLE	752.00