

PROGRAM: FHA Title I Property Improvement and Manufactured Home Loan

AGENCY: Department of Housing and Urban Development (HUD)

DESCRIPTION: HUD insures private lenders against loss on property improvement loans they make. The applicant must have a good credit history and the ability to repay the loan in regular monthly payments. Both large and small improvements can be financed. Search HUD's list to find an approved Title I lender in your state. HUD does not lend money for property improvements.

ELIGIBLE USES:

- Property improvements, repairs and related costs.
- Loans on multifamily structures may be used only for building alteration and repairs.
- Purchase of, and movement and installation of manufactured homes, and purchase of a lot for the dwelling.
- Title I can be used in connection with a 203k Rehabilitation Mortgage.
- Refinancing a loan in default is permitted, but cannot exceed an amount greater than the original balance.

PROGRAM/LOAN STRUCTURE:

- Maximum Loan Amount:
 - Single family house - \$25,000.
 - Manufactured house on permanent foundation - \$17,500. (classified and taxed as real estate)
 - Manufactured house (classified as personal property) - \$7,500.
 - Multifamily structure - an average of \$12,000 per living unit, up to a total of \$60,000.
- Maximum Loan Term:
 - Single family house - 20 years.
 - Manufactured house on permanent foundation - 15 years.
 - Manufactured house (classified as personal property) - 12 years.
 - Multifamily structure - 15 years.
 - Equity: At a minimum, should equal the outstanding balance of any Title I loan on the property exceeding \$15,000.
- Rates: Negotiable between the lender and the borrower.
- Fees: The origination fee is not to exceed 1% of the loan. Other chargeable fees may cover architectural and engineering services; credit reports; flood insurance; inspections and appraisals.

QUALIFICATION CRITERIA/COMMENTS:

- The borrower must own the property being improved.
- The borrower must apply to the lender and meet the lender's criteria.
- The lender approves/denies all applicants and services the loans.
- Loan Security: Any loan over \$7,500 must be secured by a mortgage or deed of trust on the property.
- For additional information on that program, call (800) 767-7468 and request item number 2571. See also http://www.hud.gov/offices/hsg/sfh/title/ti_home.cfm .