§ 36.4234  Title and lien requirements.

(a) The interest in the manufactured home acquired by the veteran at the time of purchase shall be either:

(1) Legal title evidenced by such document as is customarily issued to the purchaser of a manufactured home in the jurisdiction in which the manufactured home is initially sited, or

(2) A full possessory interest convertible into a legal title conforming to paragraph (a)(1) of this section upon payment in full of the guaranteed loan.

(b) The loan must be secured by a properly recorded financing statement and security agreement or other security instrument that creates a first lien on or equivalent security interest in the manufactured home and all of the furnishings, equipment, and accessories paid for in whole or in part out of the loan proceeds.

(c) It is the responsibility of the lender that the veteran initially obtains an interest in the manufactured home meeting the requirements of paragraph (a) of this section and to obtain and retain a security interest meeting the requirements of paragraph (b) of this section.

§ 36.4251  Loans to finance the purchase of manufactured homes and the cost of necessary site preparation.

(a) A loan to finance the purchase of a manufactured home may include funds (or be augmented by a separate loan) to pay all or a part of the cost of the necessary site preparation of a lot on which to place the manufactured home and the loan shall be eligible for guaranty: Provided, that:

(1) The veteran has, or incident to the transaction will acquire, a title to the lot that conforms to §36.4253(a).

(2) The loan is secured as required by §36.4253(d).
Department of Veterans Affairs

§ 36.4252 Loans for purchase or refinancing of a manufactured home.

(a) A loan to purchase a manufactured home may include funds (or be augmented by a separate loan) to finance all or part of the cost of acquisition by the veteran of a lot on which to place the manufactured home and the loan shall be eligible for guaranty: Provided, That:

(1) The veteran will acquire title to such lot that conforms to the requirements of §36.4233(a),
(2) The loan is secured as required by §36.4253(d),
(3) The lot is determined by the Secretary to be an acceptable manufactured homesite pursuant to §36.4208,
(4) The portion of the loan allocated to acquisition of the lot does not exceed the reasonable value of the lot as determined by the Secretary, and
(5) The loan conforms otherwise to the requirements of the §36.4200 series.

(b) Notwithstanding that the veteran-borrower’s obligation for acquisition of the lot be evidenced and secured separately from the obligation for purchase of the manufactured home, the obligations together (including, where appropriate, that for site preparation) shall constitute one loan for the purposes of the §36.4200 series, including computation of the Secretary’s guaranty liability.

(6) The portion of the loan allocated to the refinancing of the manufactured home does not exceed an amount equal to the sum of the balance of the loan being refinanced; a reasonable discount as authorized in §36.4204(d)(8) with respect to that portion of the loan used to refinance the existing mortgage loan on the manufactured home, and closing costs as authorized in §36.4232 or §36.4254, as appropriate,

(7) The loan conforms otherwise to the requirements of the §36.4200 series,