



DELAWARE

July 2004

Purchase Money Loans for New Manufactured Housing

Title to a manufactured home initially is in the form of a Certificate of Title issued by the Delaware Division of Motor Vehicles.

Upon completion of the application process, the Certificate of Title, showing the lender's lien, is issued to the homeowner.

If the loan is being made before the Certificate of Title surrender process has been completed (by issuance by the Division of Motor Vehicles of the C-Grade Classification Notice), the lender may wish to record its lien on the Certificate of Title.

When the manufactured home has been delivered and attached to the homeowner's land, the Certificate of Title should be surrendered and the home treated as real property. The procedures for surrendering the Certificate of Title and classifying the manufactured home as real property differ in each of the three Delaware counties, as explained on the "Surrendering the Certificate of Title" page below.

Whether or not the Certificate of Title has been surrendered, the lender should also record the lien on real property by way of a Mortgage, including a description of the manufactured home in the Mortgage. The legal description should include the metes and bounds description of the land on which the home is located, along with make, model, and Vehicle Identification Number (VIN) of the home, and the language "which is affixed and attached to the land and is part of the real property."

Closing instructions should affirm that the title company or closing agent will take all actions necessary to obtain any Certificate of Title to the manufactured home that is outstanding, ascertain that the manufactured home has been affixed to the land, and surrender the Certificate of Title.

Fannie Mae is offering information to aid lenders in fulfilling their responsibilities under the Selling Guide to deliver manufactured housing mortgages secured by one or more real estate liens. Use of these practices is not mandatory; there may be other practices that meet the requirements of our Guide and that comply with applicable law. Whether or not they use this information in originating manufactured housing loans, lenders remain responsible for the representations and warranties contained in the Mortgage Selling and Servicing Contract and in the Selling Guide.



DELAWARE

July 2004

Purchase Money Loans for Previously Owned Manufactured Housing

Determine whether a Certificate of Title to the manufactured home is outstanding.

- If the manufactured home is affixed to the land and titled as part of the real property (the Certificate of Title having been surrendered in accordance with the procedures of the Delaware Division of Motor Vehicles and the county in which the manufactured home is located), proceed to obtain the lien as for a site-built home.
- If a Certificate of Title has been issued by the Delaware Division of Motor Vehicles and not surrendered, surrender the Certificate of Title. The procedures for surrendering the Certificate of Title and classifying the manufactured home as real property differ in each of the three Delaware counties, as explained on the “Surrendering the Certificate of Title” page below. If the loan is being made before the Certificate of Title surrender process has been completed (by issuance by the Division of Motor Vehicles of the C-Grade Classification Notice), the lender may wish to record its lien on the Certificate of Title.

Whether or not a Certificate of Title has been issued and surrendered, the lender should record the lien on real property by way of a Mortgage, including a description of the manufactured home in the Mortgage. The legal description should include the metes and bounds description of the land on which the home is located, along with make, model, Vehicle Identification Number (VIN), and the language “which is affixed and attached to the land and is part of the real property.”

Closing instructions should affirm that the title company or closing agent will take all actions necessary to obtain any Certificate of Title to the manufactured home that is outstanding, ascertain that the manufactured home has been affixed to the land, and surrender the Certificate of Title.

Fannie Mae is offering information to aid lenders in fulfilling their responsibilities under the Selling Guide to deliver manufactured housing mortgages secured by one or more real estate liens. Use of these practices is not mandatory; there may be other practices that meet the requirements of our Guide and that comply with applicable law. Whether or not they use this information in originating manufactured housing loans, lenders remain responsible for the representations and warranties contained in the Mortgage Selling and Servicing Contract and in the Selling Guide.



DELAWARE

July 2004

Refinance Loans for Manufactured Housing

Determine whether a Certificate of Title to the manufactured home is outstanding.

- If the manufactured home is affixed to the land and titled as part of the real property (the Certificate of Title having been surrendered in accordance with the procedures of the Delaware Division of Motor Vehicles and the county in which the manufactured home is located) proceed to obtain the lien as for a site-built home.
- If a Certificate of Title has been issued by the Delaware Division of Motor Vehicles and not surrendered, surrender the Certificate of Title. The procedures for surrendering the Certificate of Title and classifying the manufactured home as real property differ in each of the three Delaware counties, as explained on the “Surrendering the Certificate of Title” page below. If the loan is being made before the Certificate of Title surrender process has been completed (by issuance by the Division of Motor Vehicles of the C-Grade Classification Notice), the lender may wish to record its lien on the Certificate of Title.

Whether or not a Certificate of Title has been issued and surrendered, the lender should record the lien on real property by way of a Mortgage, including a description of the manufactured home in the Mortgage. The legal description should include the metes and bounds description of the land on which the home is located, along with the make, model, Vehicle Identification Number (VIN) of the manufactured home, and the language “which is affixed and attached to the land and is part of the real property.”

Closing instructions should affirm that the title company or closing agent will take all actions necessary to obtain any Certificate of Title to the manufactured home that is outstanding, ascertain that the manufactured home has been affixed to the land, and surrender the Certificate of Title.

Fannie Mae is offering information to aid lenders in fulfilling their responsibilities under the Selling Guide to deliver manufactured housing mortgages secured by one or more real estate liens. Use of these practices is not mandatory; there may be other practices that meet the requirements of our Guide and that comply with applicable law. Whether or not they use this information in originating manufactured housing loans, lenders remain responsible for the representations and warranties contained in the Mortgage Selling and Servicing Contract and in the Selling Guide.



DELAWARE

July 2004

Obtaining a Certificate of Title

In order to obtain a Certificate of Title for a manufactured home, the homeowner must make application on Division of Motor Vehicles form MV212A. If the manufactured home is purchased from a Delaware-licensed dealer, the dealer has the responsibility to submit required paperwork to obtain the Certificate of Title. Certificates of Title are applied for, and issued separately for, each unit of a multiwide home.

The application must contain or be accompanied by:

- a full description of the manufactured home, including the make, Vehicle Identification Number (VIN), and any distinguishing marks
 - a statement whether the manufactured home is new or used
 - a full and complete statement of liens and encumbrances against the home and name and address of lienholders
 - the name and address of the person to whom the Certificate of Title should be sent
 - if the manufactured home is purchased from a dealer, the manufacturer's certificate of origin
 - the appropriate fee
 - if the home is purchased from an out-of-state dealer or individual, an inspector from the Division of Motor Vehicles must verify the VIN. The Division must be contacted to schedule the inspection
 - a tax certificate from the applicable Delaware county stating that there are no outstanding taxes owed on the manufactured home (manufactured homes are subject to a separate property tax in Delaware prior to classification as real estate)
- a bill of sale

If a Certificate of Title has been issued to a previous owner, the existing Certificate must be endorsed by the transferor to the new owner and the new owner must present the endorsed original certificate and pay a transfer fee with its application for a new Certificate of Title.

Fannie Mae is offering information to aid lenders in fulfilling their responsibilities under the Selling Guide to deliver manufactured housing mortgages secured by one or more real estate liens. Use of these practices is not mandatory; there may be other practices that meet the requirements of our Guide and that comply with applicable law. Whether or not they use this information in originating manufactured housing loans, lenders remain responsible for the representations and warranties contained in the Mortgage Selling and Servicing Contract and in the Selling Guide.



DELAWARE

July 2004

Surrendering the Certificate of Title

Although Delaware law does not provide a statutory basis for surrender of a Certificate of Title to a manufactured home, when the manufactured home has been delivered and attached to the homeowner's land, the Certificate of Title may be surrendered, whereupon the home will be treated as real property for all purposes. The procedures for surrendering the Certificate of Title and classifying the manufactured home as real property differ slightly in each of the three Delaware counties.

In Sussex County, the Mobile Home Division of the Sussex County tax office is to receive a telephone call, after which Sussex County schedules a site visit by an assessor to verify that the manufactured home is affixed to the land by having its wheels and axles removed and being anchored to the land. After a favorable inspection report is issued, a fee must be paid to the Mobile Home Division, after which a letter is issued by the county, which must be presented to the Division of Motor Vehicles along with the original Certificate of Title with all liens released. The Division will then issue a C-Grade classification certificate and a notice to the county stating that the Certificate of Title has been surrendered based on the county's determination that the home has been affixed permanently to the land.

In Kent County, the Certificate of Title must be presented at the Building Inspector's office, along with the payment of a fee. The required form must be completed, which will result in a physical inspection by a Kent County tax assessment inspector to verify that the manufactured home is affixed to the land by having its wheels and axles removed and being anchored to the land.

The inspector will then issue a letter verifying that the manufactured home meets all qualifications

Fannie Mae is offering information to aid lenders in fulfilling their responsibilities under the Selling Guide to deliver manufactured housing mortgages secured by one or more real estate liens. Use of these practices is not mandatory; there may be other practices that meet the requirements of our Guide and that comply with applicable law. Whether or not they use this information in originating manufactured housing loans, lenders remain responsible for the representations and warranties contained in the Mortgage Selling and Servicing Contract and in the Selling Guide.

to be classified as real estate, and the letter and original Certificate of Title, with all liens released, are to be presented to the Division of Motor Vehicles. The Division will then issue a C-Grade classification certificate and a notice to the county inspector stating that the Certificate of Title has been surrendered based on the county's determination that the home has been affixed permanently to the land.

In New Castle County, the owner should contact the tax assessor's office to arrange for a physical inspection to verify that the manufactured home is affixed to the land by having its wheels and axles removed and being anchored to the land. The inspector will then issue a letter verifying that the manufactured home has been affixed, and the letter and original Certificate of Title, with all liens released, are to be presented to the Division of Motor Vehicles. The Division will then issue a C-Grade classification certificate and a notice to the County stating that the Certificate of Title has been surrendered based on the county's determination that the home has been affixed permanently to the land.

Fannie Mae is offering information to aid lenders in fulfilling their responsibilities under the Selling Guide to deliver manufactured housing mortgages secured by one or more real estate liens. Use of these practices is not mandatory; there may be other practices that meet the requirements of our Guide and that comply with applicable law. Whether or not they use this information in originating manufactured housing loans, lenders remain responsible for the representations and warranties contained in the Mortgage Selling and Servicing Contract and in the Selling Guide.