

GAO Highlights

Highlights of [GAO-23-105615](#), a report to the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies, Committee on Appropriations, House of Representatives

Why GAO Did This Study

The U.S. has a shortage of affordable housing, particularly for low- and medium-income households. Manufactured housing is a source of affordable housing. However, some stakeholders have raised questions about the limited options for financing manufactured housing.

GAO was asked to review the federal role in supporting the financing of manufactured housing. Among its objectives, this report examines (1) trends in the use of federal financing for manufactured housing and (2) federal efforts to assess and improve financing options.

GAO examined federal housing data, reviewed regulations, analyzed information on federal financing products, conducted a literature review, and interviewed federal entity officials and lenders, industry groups, and other stakeholders.

What GAO Recommends

GAO is making two recommendations—one each to the Federal Housing Administration and Ginnie Mae (entities in HUD)—to implement planned changes to increase financing options for manufactured homes, including identifying options for greater securitization of mortgage and personal property loans, and establish time frames and milestones for actions. FHA and Ginnie Mae agreed with these recommendations.

View [GAO-23-105615](#). For more information, contact Alicia Puente Cackley at (202) 512-8678 or cackleya@gao.gov.

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MANUFACTURED HOUSING

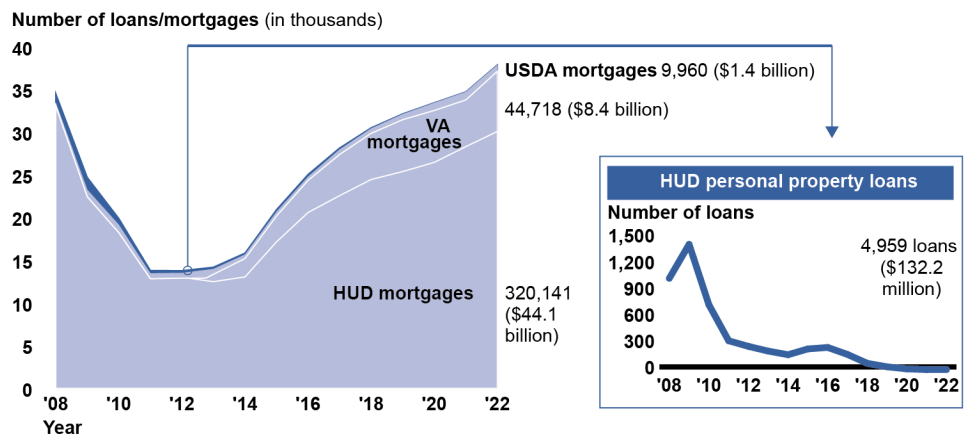
Further HUD Action Is Needed to Increase Available Loan Products

What GAO Found

Manufactured housing, prefabricated factory-built homes, can be financed with personal property or mortgage loans. The Departments of Housing and Urban Development (HUD), Veterans Affairs, and Agriculture administer loan guarantee programs for manufactured housing. Federal entities also participate in the secondary market to provide housing finance options. Ginnie Mae guarantees securities backed by federally insured mortgages, and Fannie Mae and Freddie Mac (enterprises) purchase mortgages that are not federally guaranteed and securitize them (package them into securities and sell them to investors).

Federal agency financing of manufactured homes increased for mortgages but not for personal property loans in recent years (see figure). Few personal property loans were made because these loans are capped at an amount lower than the average purchase price of a manufactured home. The limited secondary market for personal property loans also may deter lenders from making them.

Federally Guaranteed Mortgage Loans and Personal Property Loans for Manufactured Housing, Fiscal Years 2008–2022



Source: GAO analysis of Department of Housing and Urban Development (HUD), Department of Veterans Affairs (VA), and Department of Agriculture (USDA) data. | GAO-23-105615

Notes: Based on available agency data. HUD provided calendar year data for personal property loans and fiscal year data for mortgage loans. VA and USDA provided fiscal year data. VA did not track loans for manufactured housing before 2013.

Several federal entities have supported increasing financing options for manufactured housing. For instance, VA and USDA developed new or modified existing loan programs to assist borrowers. The enterprises expanded eligibility requirements and increased purchase targets to help increase the availability of financing. HUD also has taken some steps to address long-standing requirements to improve the financing and securitization of manufactured housing, but has not fully implemented several proposed changes. Implementing these changes and establishing time frames and milestones for its actions would better assure that HUD could promote the availability and affordability of manufactured homes.