



Home Buying Guide



Welcome

Whether you're a first-time homebuyer, looking to move-up or preparing for retirement, buying a new home is one of the most important decisions you will ever make. With so much at stake, choosing your new home can be stressful and full of uncertainty.

Become Informed

The more information you have available to you, the more you can be certain that you are making the right decision for you, your family and your budget. Stop dreaming and start living!

MHIA Home Buying Information

This guide provides you with valuable insight and basic facts related to home purchasing. Each section features frequently asked questions and answers to help provide you with the knowledge to make well-informed home buying decisions.

Identify Home Builders, Retailers, Lenders, Contractors, Installers, and Supply and Service Firms

Link directly to MHIA member home builders, retailers, lenders, contractors, and supply and service firms through the informative links located above. Companies listed on this website are members in good standing of the MHIA and you can be confident doing business with them.

Quality, Performance & Affordability

Today's factory-built homes offer all the quality, amenities and performance you expect in your new home...at prices you can afford. Continue reading to find out how factory-built homes offer the best value in housing today.

Factory Built Homes – How to Buy the Perfect House for You



Factory Built homes are an excellent housing option for all potential homeowners, whether they are looking to buy their first home, upsize from their present home, looking for something more modern and energy efficient, or trying to find a home for their retirement. This is because today's factory built homes are quality crafted structures that deliver better overall value and energy efficiency than site-built properties. If you're considering a factory built home for your next residence, the many options you have for its location, floor plan, financing, and other considerations may make the process seem overwhelming. However, the process is made easier when you're able to gather the information you need from the right resources.

There are two important steps to take when considering factory built homes as a housing option:

- Learn about the industry – You'll need to gain insight on deciding between different housing types, choosing homeowners insurance, attaining financing, hiring contractors and service providers, getting the proper building permits and permissions, and more. From there, you can make an informed decision about what type of factory built home is right for you.
- Make the necessary decisions about your home – If you decide to buy a factory built home, you'll have a whole set of decisions to make, such as where to place the home, whether you want to buy or lease the land, who will build the home, and what floor plan will work best for you, among other choices.

The process of learning about factory built homes and buying a factory built home is made easier with assistance from the Manufactured Housing Industry of Arizona (MHIA), an organization founded to promote the best-built homes in America. Our members include builders of factory built homes, community developers and owners, retail sales centers, financial institutions, contractors, suppliers, and others who can provide you with the information you need to make informed decisions throughout the home-buying process. Our website will help connect you with one or more MHIA members who can help you get the high-quality factory built home of your dreams built to your exact specifications at an affordable price.



Factory Built Home Prices – Get the Most Value for Your Money When Buying a Home



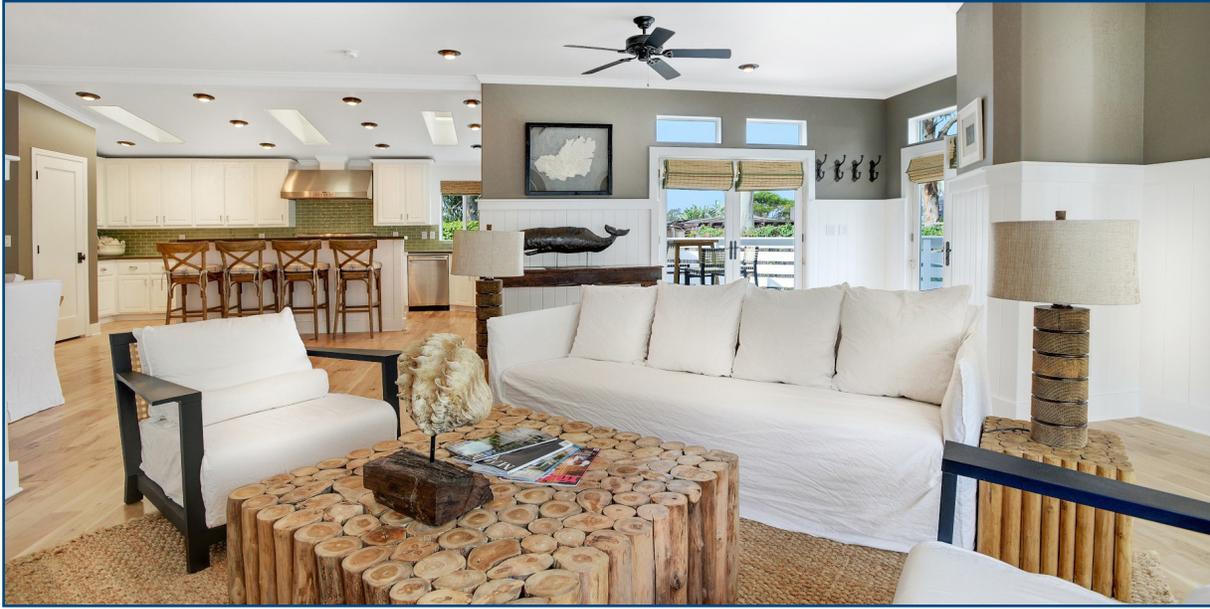
Factory built home prices are not too good to be true – they’re too good to pass up! While building a traditional home from the ground up is an incredibly expensive venture, you can have all the benefits of a brand new home at a fraction of the cost when you choose a factory built home instead.

There are several benefits of factory built homes that ultimately make them a more cost-effective choice than site-built homes:

- Their construction environment prevents material loss – Factory built homes are constructed in a covered, controlled environment that’s protected from inclement weather, so there won’t be any delays in construction or material loss due to external factors that would ordinarily cause damage, such as rain or hail. Additionally, this environment enables the use of precise construction technologies and inventory controls that help to minimize material waste. These practices generally keep factory built home prices lower than those for site-built homes.
- They can be built with the same materials for less money – In terms of material quality, factory built houses are made with the same building materials that are used in site-built homes. However, factory built home builders are able to negotiate substantial savings on building materials because of the volume of homes they make. These savings get passed on directly to home buyers through reduced factory built home prices.
- They are built efficiently with exceptional craftsmanship – Factory built homes are built in a team environment using advanced building technology, quality building materials, and skilled labor that result in a more precise and better built home. Builders are trained and skilled in specific areas of construction, so every aspect of your home will be built with exceptional craftsmanship. What’s more, every step of the construction process is governed by a strict federal building code and closely monitored by third-party inspectors.

When you connect with the Manufactured Housing Industry of Arizona to learn more about factory built home prices and how factory built homes provide the best possible value for your dollar, you’ll discover that there are many additional benefits that factory built houses have over site-built homes.

Buying a Factory Built Home – What You Need to Know



If you're thinking about buying a factory built home, it is important to learn as much as you can about this type of housing so that you can make informed decisions throughout the home-buying process. Getting all the information you need is as easy as turning to the Manufactured Housing Industry of Arizona (MHIA). From explaining what a factory built home is to connecting you with every resource you need.

At the outset, we feel it is important that you understand what a modern-day factory built home is. Here is a brief overview of the difference between Manufactured and Modular Homes:

- **Manufactured homes** – These are homes built in a factory setting to the manufactured housing construction and safety standards established by the U.S. Department of Housing and Urban Development (HUD). In the years since the HUD Code was first introduced in 1976, it has been continually updated to incorporate new advances in construction techniques, procedures, and materials. Manufactured homes are often referred to as “mobile homes” as they can be transported from the construction facility to their final location. Manufactured homes can typically be bought at lower price points than any other type of housing and are especially popular when hitting a tight budget is necessary. At the same time, manufactured homes can be customized and built with as many exotic features as your budget will allow. Minimal maintenance and low utility bills are hallmarks of manufactured homes.
- **Modular homes** – Modular Homes are also built in a controlled factory facility. Modular homes are substantially built in a factory, and then transported in sections to the home site where onsite work is completed. Modular homes are the fastest-growing segment of the home building industry. They allow for considerable architectural design freedom, are built to local code, can typically be built anywhere that is zoned residential, and provide the opportunity for higher appraisals.

Despite their differences, manufactured and modular homes do have several similarities that are worth discussing. First, both benefit from the inherent advantages of being built inside a factory under predictable conditions. Second, both manufactured homes and modular homes must conform to strict building codes that are constantly being updated. Third, either one can be built to be energy efficient using the latest ENERGY STAR®-rated materials and technologies.

The MHIA has members that build both manufactured and modular housing, as well as other members including financial institutions, retail sales centers, housing communities, and other specialists you can turn to if you are interested in buying a factory built home. When you've decided to have a manufactured or modular home built for you and your family, we can connect you with the right resources to facilitate the process.

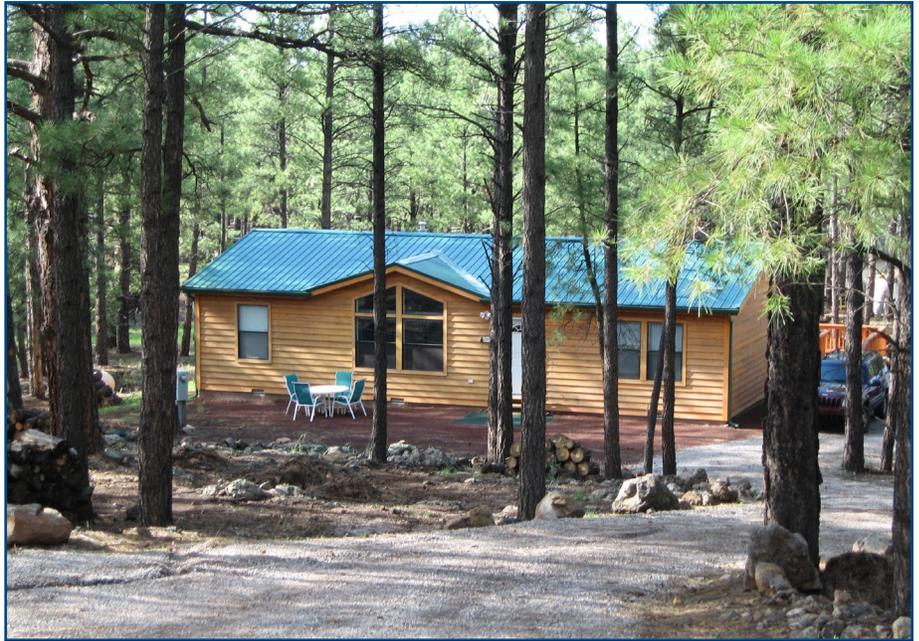
Factory Built Homes - Myth vs. Reality

Approximately one of every ten new homes sold in Arizona is a factory-built home and it's no wonder! Today's factory-built homes offer the foremost in quality, livability and affordability. If you've been thinking about a factory-built home, you've probably heard of a few myths and misconceptions. But we want you to know the real facts...so you can judge for yourself the real benefits and value of today's factory-built homes.

MYTH: Factory-built homes are not well-made.

FACT: All manufactured and modular homes are built to standards and codes that require the highest standards in every aspect of construction. Manufactured homes must pass a rigorous inspection process during construction by third-party inspectors, unlike site-built homes. Modular homes are built to the same codes and standards as site-built homes, but in a controlled, efficient environment with highly skilled construction teams.

MYTH: Factory-built homes are not safe.



FACT: Factory-built homes in Arizona are designed and built to withstand the most severe weather. And one of the largest insurers of factory-built homes in America has concluded that the chance of fire in a site-built home is twice that of today's factory-built home. Thanks to stringent building codes, safety inspections standards, and Arizona's comprehensive installation requirements, an Arizona factory-built home may be the safest home you can buy.

MYTH: Factory-built homes are difficult to finance and insure.

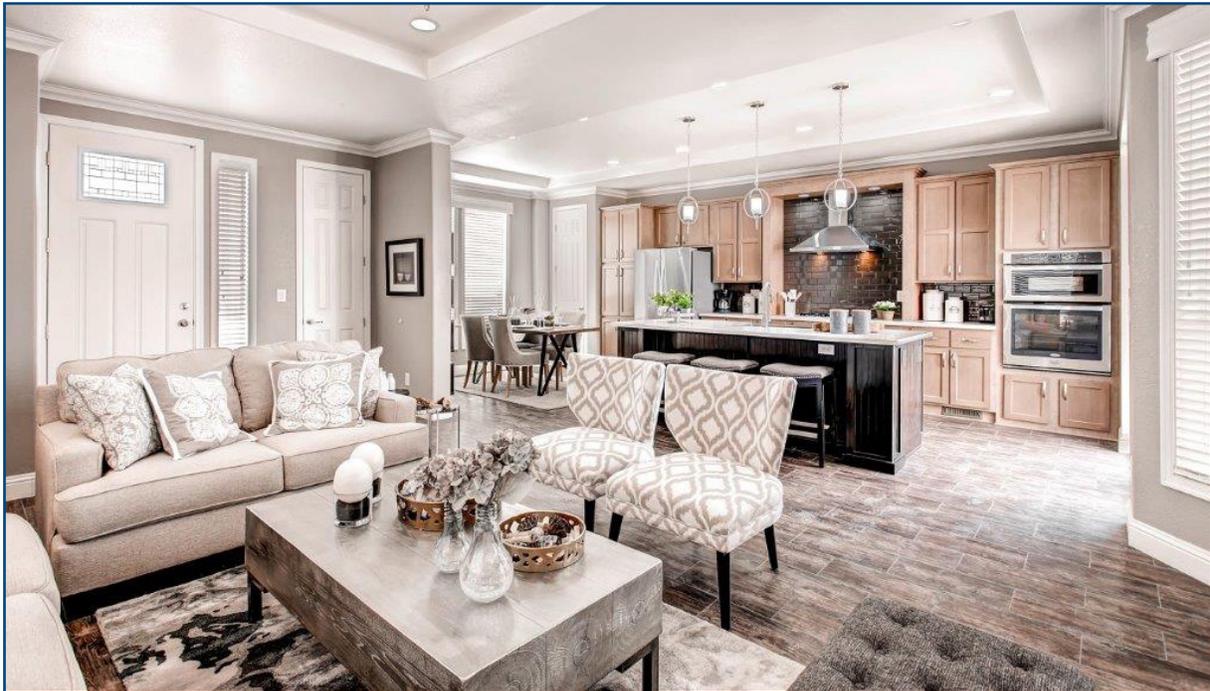
FACT: Buyers of today's factory-built homes may choose from a wide array of financing options. Financing a factory-built home is no more difficult than any other home. Retailers are knowledgeable about home financing and may provide you a list of lending institutions – large national lenders as well as local companies – that can assist you obtain financing for your home. Of course, you are free to shop independently for your financing as well.

Personal property financing (home only) is readily available. Conventional, VA, FHA and other financing programs, with terms up to 30 years, are available when a home is financed as real property. Should you choose to acquire land in conjunction with the home, you can finance the home and land together. Lenders are active in financing factory-built homes because studies prove that these homes appreciate in value just like any other comparable homes. Likewise, insuring your home is easy and readily available from a host of recognized insurance companies.

MYTH: Factory-built homes are not attractive and don't fit in with most neighborhoods.

FACT: See for yourself the appeal and comfort you expect in a high-quality home. There's a spacious, stylish and beautiful factory-built home for every taste, lifestyle and budget. Whatever you want in your new home, you can have it in a factory-built home.

Determining Your Home's Location – Manufactured Home Communities, Private Properties, Age-Restricted Communities & More



As you decide between manufactured home communities and other locations where you can choose to locate your new home, it's important to consider how they compare in terms of geographical area, local neighborhood amenities, and community amenities, as well as how they can accommodate your lifestyle. From there, using the right resources can help you make the most informed decision possible by giving you the information you need.

If you decide to purchase real estate instead of residing in a land-lease community, you will have plenty of options. You can buy a lot of land on private property or in a subdivision or you can buy land into a community with common ownership, such as a condominium or cooperative. When purchasing your own real estate, it's best to visit a retailer or real estate agent that can guide you in the right direction, as they are familiar with the local real estate markets and can help you find the property you need.

Alternatively, if you are looking to buy or lease a home in a manufactured home community, you'll then have to decide on the type of community you wish to live in. There are two main types of manufactured home communities:

- All-age communities – These communities are designed to accommodate families of all ages. There are no age restrictions, so families with children are welcome. These communities offer different amenities and features, so be sure to research what's important to you in a planned community and neighborhood.
- 55+ communities – These communities typically require at least one resident in the home to be 55 years of age or older. A 55+ community – also called an age-restricted community, retirement community, or active adult community – is a place designed to accommodate the lifestyle goals of older individuals who desire affordable, low-maintenance housing inside of a development with lots of age-appropriate facilities and activities.

Finding a location to build your home is easier when you can talk to knowledgeable people in the industry. The Manufactured Housing Industry of Arizona (MHIA) – the voice of the factory built housing industry in Arizona – website can connect you with home retailers, manufactured home communities, lenders, installers, and other service providers in our network who can assist you during the purchasing process.

Factory Built Home Buying – Taking the Next Step



Choosing to buy a factory built home is an exciting decision, yet it is one quickly followed by a number of additional critical choices that you will need to make. In order to go from wanting a factory-built house to actually owning one, it is advised that you first establish a realistic idea of how much you can afford to spend on a home. An easy way to do this is to use an online mortgage calculator. This is a tool that can generate your estimated monthly mortgage payment after factoring in a variety of relevant variables, such as your loan amount, interest rate, and desired loan term length.

You will also need to decide where you want your factory built home to be located. Your options include:

- Owner-occupied land – MHIA-affiliated retailers and other members will be happy to advise you on both the benefits and challenges of putting a factory built home on your own land.
- Land lease community – Another option is to live in a land lease community, where you will own your home but lease the land it sits on. Land lease communities are highly affordable residential environments that exclusively feature factory-built housing. Some, but not all, land lease communities restrict residency to individuals who are 55 or older. The main attraction of a 55+ community is that it affords older adults the opportunity to purchase a low-cost factory built home and live in a place with age-appropriate facilities, activities, and services. An aging population, combined with advances in factory built housing, has helped spur an ever-increasing number of retirees to buy homes in 55+ communities across the country.

MHIA is a not-for-profit organization that has been instrumental in helping to bring homeownership within reach for countless people. With help from MHIA and our constituent members, you will be able to make informed decisions throughout the process of buying a factory built home.

For more information on taking the next step, refer to the MHIA website – one of the most influential voices in the factory built home industry for more than twenty-five years. We also invite you to contact any of our members directly, whether you have questions about financing a factory built house, obtaining insurance, selecting a floor plan, or any other matter related to the home-buying process.

Factory Built Home Financing & Insurance – The Basics



A rumor we'd like to dispel about factory built home financing is that it is harder to obtain than if you were buying a site-built structure. In truth, the process of applying for a loan and obtaining insurance is substantially similar for each. Many financial institutions – from large, national lenders to regional and local banks and credit unions – have a variety of lending programs that are specifically designed for buyers of factory-built housing. 21st Mortgage Corporation, Triad Financial Services, and C.U. Factory Built Lending are just a few of the MHIA member organizations that specialize in providing financing for factory built and modular housing. Down payment requirements and loan terms differ from lender to lender, though in the world of factory built housing, down payments between 5 and 10 percent, term lengths between 15 to 30 years, and affordable insurance rates are the norm.

An important aspect of financing a factory built home is that you might not be able to qualify for a traditional mortgage if the home will be located on leased land. In that scenario, the home will be titled as personal property and financed through a personal property, or “chattel,” loan. Applying for a traditional mortgage will likely only be possible if your factory-built home is set on a permanent foundation and on land you own.

Other factors that can come into play when seeking financing and obtaining insurance for a factory-built house include:

- Your credit history
- Your income history
- Your employment status
- Your debt-to-income (DTI) ratio
- The size of your down payment
- The cost of the home

MHIA-affiliated lenders are your best source of information with regard to financing a factory built home. And, all offer competitive rates on both land-home packages and leased land arrangements.

Contact one of our member Lenders for additional information and assistance in finding the right financing option for you. Visit us at www.azhousing.org