Using MH CONNECT for Used Homes with the Fannie Mae 1004C and Freddie Mac 70B Manufactured Home Appraisal Forms

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J.D. Power MH CONNECT for Used Homes
Fannie Mae 1004C/Freddie Mac 70B Walk-through

This walk-through was developed to assist users in using J.D. Power MH CONNECT for Used Homes with the Fannie Mae 1004C or Freddie Mac 70B manufactured home appraisal forms.

Please note: The Editors and Publisher have used reasonable care in producing this walk-through. However, neither the Editors nor Publisher shall be liable for damages of any type of description, including loss of profits or other business damages, incurred by the use of this publication.

We suggest you visit www.fanniemae.com to review all Fannie Mae appraisal requirements. Information on the Fannie Mae website specific to manufactured homes can be found at:

https://www.fanniemae.com/singlefamily/manufactured-homes

In addition, visit www.freddiemac.com to review all Freddie Mac appraisal requirements.

J.D. Power MH CONNECT for Used Homes is a cost estimate guide that was developed specifically for the factory-built, manufactured housing industry. Its product line has been available to users in various formats/product names (printed guidebook, CD-ROM program, and currently, as a web-based application) since it was first published in 1973.

Approved or Recognized
- 1977 - Recognized by the DVA (Circular 26.77-11)
- 1979 - Approved by HUD/FHA (Transmittal 4150.1-27 10/11/79)
- The National Appraisal System (NAS) is approved by HUD for Title 1 field inspection and estimation of market value (Regulation 1060.2)
**Important Excerpts**

**From the Fannie Mae Announcement 03-06**

- The manufactured home must be attached to a permanent foundation system in accordance with the manufacturer’s requirements for anchoring, support, stability, and maintenance. The foundation system must be appropriate for the soil conditions for the site and meet local and state codes.
- The running gear: towing hitch, wheels, and axles must be removed (i.e., off/separated from the chassis/frame).
- The appraiser must not include his or her value conclusion on any non-realty items such as kitchen appliances, insurance, warranties, furniture, etc.
- The manufactured home must be a one-family dwelling that is legally classified as real property.
- Contact appropriate manufactured housing state or local titling agency to verify personal property title document surrender.

**From the Fannie Mae Announcement 07-06**

- The lender must provide the appraiser with a complete copy of the executed contract for sale of the manufactured home and land, or if the manufactured home and land are being purchased separately, the executed contract for each. In addition, the lender must provide the appraiser with a copy of the manufacturer’s invoice of the manufactured home is new. The appraiser must analyze the contract (and manufacturer’s invoice for new homes) and summarize his or her analysis in the appraisal report.

**From the Freddie Mac Fact Sheet – Publication Number 387b**

- The seller must provide the appraiser with a complete copy of the executed contract for sale of the manufactured home and land, or if the manufactured home and land are being purchased separately, the executed contract for each. In addition, the lender must provide the appraiser with a copy of the manufacturer’s invoice of the manufactured home is new. The appraiser must analyze the contract (and manufacturer’s invoice for new homes) and summarize his or her analysis in the appraisal report.
- If the home was purchased after October 20, 2008, the seller must provide the appraiser with a copy of the Certificate of Installation (or comparable state-specific form).
Important Excerpts (Continued)

Title 24 – Housing and Urban Development

CHAPTER XX – OFFICE OF THE ASSISTANT SECRETARY FOR HOUSING – FEDERAL HOUSING COMMISSIONER, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Part 3280 – MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS

Subpart A – General

Sec. 3280.1 Scope. [Code of Federal Regulations]
[Title 24, Volume 5]
[Revised as of April 1, 2001]

This standard covers all equipment and installations in the design, construction, transportation, fire safety, plumbing, heat-producing and electrical systems of manufactured homes which are designed to be used as dwelling units. This standard seeks to the maximum extent possible to establish performance requirements. In certain instances, however, the use of specific requirements is necessary.

Sec. 3280.5 Data plate.

Each manufactured home shall bear a data plate affixed in a permanent manner near the main electrical panel or other readily accessible and visible location. Each data plate shall be made of material that will receive typed information as well as preprinted information, and which can be cleaned of ordinary smudges or household dirt without removing information contained on the data plate; or the data plate shall be covered in a permanent manner with materials that will make it possible to clean the data plate of ordinary dirt and smudges without obscuring the information.

Sec. 3280.6 Serial number.

A manufactured home serial number which will identify the manufacturer and the state in which the manufactured home is manufactured, must be stamped into the foremost cross member. Letters and numbers must be 3/8" minimum in height. Numbers must not be stamped into hitch assembly or drawbar.

Sec. 3280.11 Certification label.

A permanent label shall be affixed to each transportable section of each manufactured home for sale or lease in the United States. This label shall be separate and distinct from the data plate which the manufacturer is required to provide under Sec. 3280.5 of the standards.

The label shall be approximately 2 in. by 4 in. in size and shall be permanently attached to the manufactured home by means of 4 blind rivets, drive screws, or other means that render it difficult to remove without defacing it. It shall be etched or stamped with a 3 letter designation which identifies the production inspection primary inspection agency and which the Secretary shall assign. Each label shall be marked with a 6-digit number which the label supplier shall furnish. The labels shall be stamped with numbers sequentially.
## Manufactured Home Appraisal Report

The purpose of this summary report is to provide the appraiser with an accurate, and reasonably supported, opinion of the market value of the subject property.

### Property Address
- **Address:**
- **City:**
- **State:**
- **Zip Code:**

### Description
- **Purpose:**
- **Property:**
- **Date:**
- **Type:**
- **Category:**
- **Condition:**
- **Assignment:**
- **Transaction:**
- **Reference:**

### Manufactured Home Appraisal

**Location:**
- **Community:**
- **Street:**
- **City:**

**Ownership:**
- **Condominium:**
- **Cooperative:**
- **Other:**

**Property Rights:**
- **Legal:**
- **Deed:**
- **Assignment:**

**Legal Description:**
- **Parcel:**
- **Record:**
- **Page:**
- **File:**

**Type of Property:**
- **Residential:**
- **Commercial:**
- **Other:**

**Date of Sale:**
- **Month:**
- **Year:**

**Possession:**
- **Vacant:**
- **Occupied:**

**Deficiency:**
- **Legal:**
- **Other:**

**Pending:**
- **Yes:**
- **No:**

**Condition:**
- **Good:**
- **Fair:**
- **Poor:**

**Rehabilitation:**
- **Yes:**
- **No:**

**Financial Information:**
- **Rent:**
- **Sales:**
- **Tax:**
- **Assessment:**

**Current Market Value:**
- **Sales Price:**
- **Adjusted:**
- **Recent Sale:**

**Market Trends:**
- **General:**
- **Specific:**

**Comparable Sales:**
- **Number:**
- **Price:**
- **Location:**

**Neighborhood:**
- **Type:**
- **Condition:**
- **Environment:**

**Zoning:**
- **Yes:**
- **No:**

**Utilities:**
- **Public:**
- **Other:**

**Electrical:**
- **Type:**
- **Service:**

**Gas:**
- **Type:**
- **Service:**

**Water:**
- **Type:**
- **Service:**

**Sanitation:**
- **Type:**
- **Service:**

**Space:**
- **Type:**
- **Service:**

**FEMA:**
- **Yes:**
- **No:**
- **FEMA Flood Zone:**
- **FEMA Map #:**
- **FEMA Map Date:**

**Lender:**
- **Name:**
- **Address:**
- **City:**
- **State:**
- **Zip Code:**

**Financing:**
- **Type:**
- **Terms:**
- **Amount:**
- **Rate:**

**Other Information:**
- **Comments:**
- **Attachments:**

**Manufacturer's Name:**
- **Address:**
- **City:**
- **State:**
- **Zip Code:**

**Model:**
- **Type:**
- **Year:**
- **Model:**
- **Serial #:**

**Certification Information:**
- **Label #:**
- **Date:**

**Additional Information:**
- **Notes:**
- **Remarks:**

**Signatures:**
- **Appraiser:**
- **Appraiser:**
- **Lender:**
- **Inspector:**

**Date:**
- **Month:**
- **Year:**
## Manufactured Home Appraisal Report

<table>
<thead>
<tr>
<th>General Description</th>
<th>Foundation</th>
<th>Exterior Description</th>
<th>Interiors</th>
<th>Material &amp; Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Style</td>
<td></td>
<td></td>
<td>1-2</td>
<td></td>
</tr>
<tr>
<td>Roof System</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exterior Finish</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># of Stories</td>
<td></td>
<td></td>
<td>1-2</td>
<td></td>
</tr>
<tr>
<td>Type</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># of Bathrooms</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># of Bedrooms</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interior Finish</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Type</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># of Bedrooms</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># of Bathrooms</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Foundation Details

- **Foundation Type:** Block, Strip, Slab, etc.
- **Foundation Material:** Concrete, Wood, etc.
- **Foundation Finish:** Stucco, Paint, etc.

### Exterior Description

- **Exterior Finish:** Vinyl, Aluminum, Steel, etc.
- **Exterior Material:** Brick, Stone, etc.

### Interiors

- **Interior Finish:** Paint, Wallpaper, etc.
- **Interior Material:** Wood, Tile, etc.

### Additional Details

- **Building Code:** Building A, Building B, etc.
- **Energy Efficiency:** Energy Star, LEED, etc.

---

### Manufactured Home Appraisal Report

- **Appraiser:** [Name]
- **Appraisal Date:** [Date]
- **Model Year:** [Year]

---

### Estimate or Replacement Cost New

- **Replacement Cost:** [Amount]
- **Building Code:** Building A, Building B, etc.

---

### Summary of Cost and Value

- **Effective Date of Cost:** [Date]
- **Quality Rating:** [Rating]
- **Exterior Dimensions:** [Dimensions]

---

### Market Value

- **Market Value:** [Amount]
- **Estimated Remaining Economic Life:** [Years]

---

### Analysis

- **Cost Approach:** [Analysis]
- **销售:** [Analysis]

---

### Additional Notes

- **Notes:** [Notes]

---

### Source

- **Source:** [Source]

---

### Signatures

- **Appraiser:** [Signature]
- **Appraiser:** [Signature]
Important Information About J.D. Power MH CONNECT for Used Homes

Base Structure Value Definition
Base Structure Value represents an abstraction of sales data from the open marketplace (not from repossession, foreclosure, or auction sales). The data is obtained nationally from a variety of sources and indicators for each of our nine delineated regions, and it is deemed to be reliable. This, and other proprietary data, is used in our analysis, which includes traditional assumptions that were developed as a result of our continuous research (since 1973) in the manufactured housing industry. This analysis produces an estimated value for the structure only, unfurnished, with 300-mile freight, delivered and installed on the home site, according to its initial cost per square foot, and current regional market activity.

Base Structure Value figures represent:
- Depreciated replacement cost
- In current-year, retail dollars
- For a home in average condition
- With traditional retailer mark-up
- With transportation costs
- With installation (set-up) costs – traditional pier/block set-up; not excavated grade level placement, or permanent foundation system

Standard Items Included in the Base Structure Value
In addition to the other costs established by our methodology, Base Structure Value includes the cost of the following home components:
- Bath and kitchen modules
- Window coverings (drapes, curtains, blinds)
- Furnace and ductwork
- Running gear and frame/chassis
- 3/12 roof pitch (multi-wide homes)
- Water heater and plumbing system
- 30” freestanding range
- 12 CF single-door refrigerator
- Roofing and siding (standard metal type)
- Windows and doors (standard type with screens)
- Average-quality carpeting in the living room, dining room, hallway(s), and bedroom(s), and vinyl floor covering in the kitchen, bathroom(s), and utility room (if applicable)

To the Base Structure Value, you should add for additional features, or subtract for any missing/damaged home components, as listed above. Do this by using the Additional Features and/or Repair Section of MH CONNECT for Used Homes.

The appraiser will need to omit non-realty items and running gear that are included in the Base Structure Value.
Important Information About J.D. Power MH CONNECT for Used Homes (Continued)

**Condition:** Base Structure Value assumes the subject home is in average (marketable) condition. Condition is assessed during the physical inspection of the appraisal process. Note that it is a generally good practice to deduct for significant, necessary repairs and reconditioning. Rather than using the Overall Condition adjustment for this, you should consider using the repair/replacement costs featured in the Repair Section.

**Components:** parts, materials, or appliances that are built into the subject home (as an integral part) during the factory construction. Components must be built to the HUD construction code.

**Accessories:** features or structures added on-site and built to a state or local code, but not permanently attached to the subject home. Examples of accessories include skirting, steps, porches/decks, awnings, and central air conditioning.

**Additive Values:** items, features, or upgrades found in or outside the subject home that are not addressed in the Components and Accessories subsections of Additional Features. Examples of Additive Values include basements, energy-efficiency upgrades, HUD wind zone upgrades, site-built room additions/garages, and site improvements.
The Fannie Mae 1004C/Freddie Mac 70B Manufactured Home Appraisal Form
Cost Approach Block

**Left Side Sample**

<table>
<thead>
<tr>
<th>Source of cost data</th>
<th>J.D. Power MH CONNECT</th>
<th>Effective date of cost data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPINION OF SITE VALUE</strong></td>
<td>$53,463.00</td>
<td></td>
</tr>
<tr>
<td><strong>Section One</strong></td>
<td>1,680 Sq. ft. @ $ 31.82</td>
<td>$53,463.00</td>
</tr>
<tr>
<td><strong>Section Two</strong></td>
<td>Sq. ft. @ $</td>
<td></td>
</tr>
<tr>
<td><strong>Section Three</strong></td>
<td>Sq. ft. @ $</td>
<td></td>
</tr>
<tr>
<td><strong>Section Four</strong></td>
<td>Sq. ft. @ $</td>
<td></td>
</tr>
<tr>
<td><strong>Components</strong></td>
<td>$ 5,346.16</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>$ 58,809.16</td>
<td></td>
</tr>
<tr>
<td><strong>Cost Multiplier (if applicable):</strong></td>
<td>x N/A</td>
<td></td>
</tr>
<tr>
<td><strong>Modified Sub-total</strong></td>
<td>$ 58,809.16</td>
<td></td>
</tr>
<tr>
<td><strong>Physical Depreciation or Condition Modifier:</strong></td>
<td>x 1.11</td>
<td></td>
</tr>
<tr>
<td><strong>Functional Obsolescence (not used for N.A.D.A.):</strong></td>
<td>66,278.17</td>
<td>total</td>
</tr>
<tr>
<td><strong>External Depreciation or State Location Modifier:</strong></td>
<td>x 1.03</td>
<td></td>
</tr>
<tr>
<td><strong>Delivery, Installation, and Setup (not used for N.A.D.A.):</strong></td>
<td>$ 67,236.51</td>
<td>total</td>
</tr>
<tr>
<td><strong>Fndn/Accessories Other Depreciated Site Improvements:</strong></td>
<td>$ 28,750.12</td>
<td></td>
</tr>
<tr>
<td><strong>Market Value of Subject Site (as supported above):</strong></td>
<td>$</td>
<td></td>
</tr>
<tr>
<td><strong>Indicated Value by Cost Approach:</strong></td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

**Right Side Sample**

- **Quality rating from cost service:** Good
- **Exterior Dimensions of the Subject Unit**
  - 28 x 60 = 1,680 Sq. ft.
- **Total Gross Living Area:** 1,680 Sq. ft.

**Other Data Identification**

- **N.A.D.A. Data Identification Info:** Edition Mo: JulAugYr: 2022
- **MH State:** NE  **Region:** WN  **Size:** 28 ft. x 60 ft.
- **Gray pg:** N/A  **White pg:** N/A  **Black SVS pg:** N/A
- **15 years and older Conversion Chart pg:** N/A  **Yellow pg:** Chart 289

**Comments**

- J.D Power MH CONNECT for Used Homes was used. Because of this, Gray, White, and Black SVS page numbers are N/A. See attached J.D. Power value report.
- Data Plate was located under the kitchen sink.
- Estimated Remaining Economic Life (HUD and VA only) 46-53 Years
The first page of a J.D. Power MH CONNECT for Used Homes value report includes details about the subject home, the guide edition and yellow chart number used for valuation, an itemized value summary, a 1004C/70B construction quality conversion, user comments, the date of the value report, and file save/reference information. The value report’s total number of pages is determined by how many Additional Features and Repair Section items are accounted for.

Include all pages of the subject home’s value report as an addendum to its 1004C/70B manufactured home appraisal form.
Sample J.D. Power MH CONNECT for Used Homes Value Report (Continued)

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Unit of Measure</th>
<th>Age</th>
<th>Unit Price</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BATH FIXTURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiberglass Shower Stall</td>
<td>1</td>
<td>ea.</td>
<td>5+ Years</td>
<td>$130.00</td>
<td>$130.00</td>
</tr>
<tr>
<td>Fiberglass Tub - Combo</td>
<td>1</td>
<td>ea.</td>
<td>5+ Years</td>
<td>$191.00</td>
<td>$191.00</td>
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<tr>
<td>Garden Tub (Skirted)</td>
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<td>ea.</td>
<td>5+ Years</td>
<td>$226.00</td>
<td>$226.00</td>
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<tr>
<td><strong>TOTAL BATH FIXTURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$553.00</td>
</tr>
<tr>
<td><strong>BUILT-INS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deluxe Soffit</td>
<td>1</td>
<td>ea.</td>
<td>5+ Years</td>
<td>$136.00</td>
<td>$136.00</td>
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<tr>
<td><strong>TOTAL BUILT-INS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$136.00</td>
</tr>
<tr>
<td><strong>CABINETs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dishwasher/Refrigerator</td>
<td>1</td>
<td>all</td>
<td>5+ Years</td>
<td>$54.00</td>
<td>$54.00</td>
</tr>
<tr>
<td>Overhead Cabinet Utility Room</td>
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<td>ea.</td>
<td>5+ Years</td>
<td>$47.00</td>
<td>$47.00</td>
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<tr>
<td><strong>TOTAL CABINETS</strong></td>
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<td></td>
<td></td>
<td></td>
<td>$101.00</td>
</tr>
<tr>
<td><strong>DOORS</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Deluxe House Type Exterior Over</td>
<td>2</td>
<td>ea.</td>
<td>5+ Years</td>
<td>$245.00</td>
<td>$490.00</td>
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<tr>
<td><strong>TOTAL DOORS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$490.00</td>
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<tr>
<td><strong>ELECTRICAL</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>200 Amp Main</td>
<td>1</td>
<td>ea.</td>
<td>5+ Years</td>
<td>$131.00</td>
<td>$131.00</td>
</tr>
<tr>
<td>Electric Home - Total</td>
<td>1</td>
<td>ea.</td>
<td>5+ Years</td>
<td>$363.00</td>
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<tr>
<td><strong>TOTAL ELECTRICAL</strong></td>
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<td></td>
<td></td>
<td></td>
<td>$494.00</td>
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<tr>
<td><strong>EXTERIOR</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 x 6 Ext. Walls on 16’ Centers</td>
<td>176</td>
<td>lin. ft.</td>
<td>5+ Years</td>
<td>$2.60</td>
<td>$462.16</td>
</tr>
<tr>
<td>Door</td>
<td>1</td>
<td>ea.</td>
<td>5+ Years</td>
<td>$214.00</td>
<td>$214.00</td>
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<tr>
<td><strong>TOTAL EXTERIOR</strong></td>
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<td></td>
<td></td>
<td></td>
<td>$676.16</td>
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</table>
### J.D. POWER MH CONNECT for Used Homes Value Report (Continued)

**Components**

<table>
<thead>
<tr>
<th>Component</th>
<th>Quantity</th>
<th>Unit</th>
<th>Years</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Fan</td>
<td>1</td>
<td>ea</td>
<td>5 Yrs</td>
<td>$20.00</td>
</tr>
<tr>
<td>- Bath Ceiling Exhaust Fan</td>
<td>1</td>
<td>ea</td>
<td>5 Yrs</td>
<td>$20.00</td>
</tr>
<tr>
<td>- Bathtub Exhaust Fan/Water Heater</td>
<td>1</td>
<td>ea</td>
<td>5 Yrs</td>
<td>$95.00</td>
</tr>
<tr>
<td><strong>Total FANS</strong></td>
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<td></td>
<td></td>
<td>$124.00</td>
</tr>
<tr>
<td>- HOUSE TYPE ROOFING</td>
<td>1</td>
<td>home</td>
<td>5 Yrs</td>
<td>$430.00</td>
</tr>
<tr>
<td>- HOUSE TYPE SIDING</td>
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<td>home</td>
<td>5 Yrs</td>
<td>$900.00</td>
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<tr>
<td><strong>Total HOUSE TYPE SIDING</strong></td>
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<td></td>
<td></td>
<td>$930.00</td>
</tr>
<tr>
<td>- KITCHEN APPLIANCES</td>
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<td>ea</td>
<td>5 Yrs</td>
<td>$177.00</td>
</tr>
<tr>
<td>- Trash Disposal</td>
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<td>ea</td>
<td>5 Yrs</td>
<td>$80.00</td>
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<td><strong>Total KITCHEN APPLIANCES</strong></td>
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<td></td>
<td></td>
<td>$257.00</td>
</tr>
<tr>
<td>- MISCELLANEOUS</td>
<td>1</td>
<td>ea</td>
<td></td>
<td>$1,011.00</td>
</tr>
<tr>
<td><strong>Total MISCELLANEOUS</strong></td>
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<td></td>
<td></td>
<td>$1,011.00</td>
</tr>
</tbody>
</table>

**GMV VALUES (Subtotal):** Deduct from Base Structure Value

<table>
<thead>
<tr>
<th>Component</th>
<th>Number</th>
<th>Unit</th>
<th>Years</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Air w/Alt (12 to 18 Watts)</td>
<td>4</td>
<td>ea</td>
<td>5 Yrs</td>
<td>($187.00)</td>
</tr>
<tr>
<td>- Brake w/Alt (12 to 18 Watts)</td>
<td>2</td>
<td>ea</td>
<td>5 Yrs</td>
<td>($374.00)</td>
</tr>
<tr>
<td>- Removable High/low Bar</td>
<td>2</td>
<td>ea</td>
<td>5 Yrs</td>
<td>($230.00)</td>
</tr>
<tr>
<td>- Wheel, Rim, and Tire (3 to 19 Ply)</td>
<td>12</td>
<td>ea</td>
<td>5 Yrs</td>
<td>($350.00)</td>
</tr>
<tr>
<td>- 12 CF Single Door Refrigerator</td>
<td>1</td>
<td>ea</td>
<td>5 Yrs</td>
<td>($215.00)</td>
</tr>
<tr>
<td>- 20’ Faced Laminate</td>
<td>1</td>
<td>ea</td>
<td>5 Yrs</td>
<td>($177.00)</td>
</tr>
<tr>
<td>- Window Coverings</td>
<td>1</td>
<td>ea</td>
<td>5 Yrs</td>
<td>($342.00)</td>
</tr>
<tr>
<td><strong>Total GMV VALUES (Subtotal):</strong> Deduct from Base Structure Value</td>
<td></td>
<td></td>
<td></td>
<td>($2,220.00)</td>
</tr>
</tbody>
</table>

**Notes:**
- Omit the non-realty items and running gear that are included in the Base Structure Value.
Sample J.D. Power MH CONNECT for Used Homes Value Report (Continued)

<table>
<thead>
<tr>
<th>Year Model</th>
<th>Manufacturer</th>
<th>Trade Name</th>
<th>State</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>SKYLINE</td>
<td>AMBER COVE</td>
<td>NE</td>
<td>WA</td>
</tr>
</tbody>
</table>

### Components

<table>
<thead>
<tr>
<th>Component</th>
<th>Quantity</th>
<th>Hours</th>
<th>Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Lever Faucet</td>
<td>1</td>
<td></td>
<td>$50.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Spa/Hot Tub</td>
<td>1</td>
<td></td>
<td>$1,465.00</td>
<td>$1,465.00</td>
</tr>
<tr>
<td>Stainless Steel Sink</td>
<td>1</td>
<td></td>
<td>$42.00</td>
<td>$42.00</td>
</tr>
<tr>
<td>Total Plumbing</td>
<td></td>
<td></td>
<td>$1,575.00</td>
<td></td>
</tr>
<tr>
<td>Total Wet Bars</td>
<td></td>
<td></td>
<td>$120.00</td>
<td></td>
</tr>
<tr>
<td>Walk in Shower</td>
<td>1</td>
<td></td>
<td>$20.00</td>
<td>$20.00</td>
</tr>
<tr>
<td>Total Wet Bars</td>
<td></td>
<td></td>
<td>$120.00</td>
<td></td>
</tr>
<tr>
<td>Windows</td>
<td></td>
<td></td>
<td>$80.00</td>
<td></td>
</tr>
<tr>
<td>Skylight</td>
<td>2</td>
<td></td>
<td>$300.00</td>
<td>$600.00</td>
</tr>
<tr>
<td>Total Windows</td>
<td></td>
<td></td>
<td>$680.00</td>
<td></td>
</tr>
<tr>
<td>Total Components</td>
<td></td>
<td></td>
<td>$5,548.16</td>
<td></td>
</tr>
</tbody>
</table>

### Accessories

<table>
<thead>
<tr>
<th>Accessory</th>
<th>Area</th>
<th>Hours</th>
<th>Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awnings (Wood Type w/Deck-top Rail)</td>
<td>125 sq. ft.</td>
<td>5 yrs</td>
<td>$8.00</td>
<td>$1,197.50</td>
</tr>
<tr>
<td>Unitizing (Sheet Metal)</td>
<td>22 linear ft.</td>
<td>5 yrs</td>
<td>$4.00</td>
<td>$88.00</td>
</tr>
<tr>
<td>Total Awnings (Wood Type w/Deck-top Rail)</td>
<td></td>
<td></td>
<td></td>
<td>$1,285.50</td>
</tr>
<tr>
<td>Central Air Conditioning System (1 Ton, 12,000 Btu)</td>
<td>1</td>
<td>5 yrs</td>
<td>$955.00</td>
<td>$955.00</td>
</tr>
<tr>
<td>2 1/2 Ton Central Air Conditioning System (1 Ton, 12,000 Btu)</td>
<td>1</td>
<td>5 yrs</td>
<td>$955.00</td>
<td>$955.00</td>
</tr>
<tr>
<td>Enclosure Rooms - Three Sided (attached to home, requires porch or attic)</td>
<td>2</td>
<td>5 yrs</td>
<td>$11.00</td>
<td>$22.00</td>
</tr>
<tr>
<td>Enclosure Rooms - Screen Only (without door)</td>
<td>2</td>
<td>5 yrs</td>
<td>$9.00</td>
<td>$18.00</td>
</tr>
<tr>
<td>Total Enclosure Rooms - Three Sided (attached to home, requires porch or attic)</td>
<td></td>
<td></td>
<td></td>
<td>$340.00</td>
</tr>
<tr>
<td>Source of cost data: J.D. Power MH CONNECT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effective date of cost data:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Component Costs

- **Subtotal**: $5,548.16
- **Federal Subtotal**: $5,548.16
- **Modified Subtotal**: $5,548.16
- **Applicable**: x
- **Base Rate**: $5,548.16
- **Addition Rate**: $5,548.16
- **Other Depreciation/State Location Modifier**: $5,548.16
- **Total**: $54,893.62
- **Market Value of Subject Site (as supported above)**: $54,893.62
- **Indicated Value by Cost Approach**: $54,893.62

**Value Report Producer**: J.D. Power MH CONNECT for Used Homes
©2022 J.D. Power. All Rights Reserved.
Add Total Accessories to Total Additive Values, then insert their sum in the Other Depreciated Site Improvements field of the cost approach block (see Page 9 of this tutorial) on the 1004C/70B manufactured home appraisal form.

**Important** – the foundation MUST be a HUD, State, or local PE approved permanent system (NOT the traditional standard elevation pier/block or excavated (pit-set) at grade level with a perimeter block wall) that is situated on fee simple-owned land.

Also, the structure MUST be state-titled as real estate, not personal property.
Add Total Accessories to Total Additive Values, then insert their sum in the Other Depreciated Site Improvements field of the cost approach block (see Page 9 of this tutorial) on the 1004C/70B manufactured home appraisal form.
Quality Rating Explanation

Every J.D. Power MH CONNECT for Used Homes value report includes a conversion from the cost estimate guide quality of the subject home being valued to the equivalent construction quality rating needed for completion of the Fannie Mae 1004C/Freddie Mac 70B Manufactured Home Appraisal Form. This conversion is found within a box in the lower portion of the first page of the value report (see below).

Enter the construction quality rating in the Quality Rating from Cost Service field of the Cost Approach block on the 1004C/70B manufactured home appraisal form.

Cost Estimate Guide Quality Conversion to Construction Quality Rating

1004C/70B Cost Approach Block

1004C/70B: Users - cost guide quality converts to Good.
For detailed explanation, see "Construction Quality" under "Help".

J.D Power MH CONNECT for Used Homes was used. Because of this, Gray, White, and Black SVS page numbers are N/A. See attached J.D. Power value report.

Data Plate was located under the kitchen sink.

Estimated Remaining Economic Life (HUD and VA only) 46-53 Years
Assemblages
As they Apply to Manufactured Housing

Assemblage: the act of combining multiple, usually contiguous parcels into one ownership and/or use.

Assemblage Cost: the amount paid to acquire and combine multiple, usually contiguous parcels into one larger parcel.

Assemblage Value: the additional value, resulting from increased utility, that is developed by combining multiple, usually contiguous parcels into one larger parcel. This is also known as “plottage”.

In order to arrive at an opinion of market value for a subject property, the sale comparables data used in the analysis must meet (or be adjusted to meet) the definition of market value. The following definition of market value was obtained from the Fannie Mae website (www.fanniemae.com):

“Market value is the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

• buyer and seller are typically motivated;
• both parties are well informed or well advised, and each acting in what he or she considers his/her own best interest;
• a reasonable time is allowed for exposure in the open market;
• payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
• the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Note: Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs that are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable because the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third-party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession, but the dollar amount of any adjustment should approximate the market’s reaction to the financing or concessions based on the appraiser’s judgment.”
**Assemblages (Continued)**
As they Apply to Manufactured Housing

Regarding assemblages, SR 1-4(e) of the *Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition* (Appraisal Standards Board, The Appraisal Foundation, 2020) states the following:

"When analyzing the assemblage of the various estates or component parts of a property, an appraiser must analyze the effect on value, if any, of the assemblage. An appraiser must refrain from valuing the whole solely by adding together the individual values of the various estates or component parts.

Comment: Although the value of the whole may be equal to the sum of the separate estates or parts, it also may be greater than or less than the sum of such estates or parts."

Market Value definition as applied to comparable sales for the analysis and appraisal of new manufactured homes:

If a person were to purchase a site, put a new manufactured home on a permanent foundation on the site, connect all of the utilities, provide adequate access (driveway, walks, etc.), expose it to the open market, and negotiate a sale of the property, this sale could be used as a sale comparable for a new or existing manufactured home.

If, however, a site was purchased from one party, and a manufactured home was purchased from another, and site development, permanent foundation, etc. was provided by another, this could not be used as a sale comparable; costs gathered were from different units of production, they may or may not represent the value of the whole, and therefore, this property must not be used as a comparable sale. This scenario is an example of an assemblage, not the sale of a single property offered as one unit on the open market.
Foundations
HUD/FHA, Fannie Mae/Freddie Mac Required

A HUD-coded manufactured home qualifies for a 30-year real estate-type mortgage when it is
permanently installed on a foundation that is consistent with criteria outlined in HUD's *Permanent
Foundations Guide for Manufactured Housing (4930.3G)*. Such installations consider the site's location, climate
extremes, soil composition, topography, etc.

The documentation one would submit to a local building and safety department for approval of a HUD-
approved foundation installation can be found at:

https://www.hud.gov/program_offices/administration/hudclips/guidebooks/4930.3G

This approval process should leave a paper trail for the appraiser to be able to ascertain that, in fact, the
subject property's foundation system is consistent with HUD's requirements.

Note: We have been told that a stand-alone letter submitted by a professional engineer (PE) or certified
home inspector will not satisfy the requirements. Supporting documentation from the HUD 4930.3G
handbook may also be required.

We also caution that this foundation documentation (paper-trail) is required for new factory-ordered
homes (proposed construction), new existing homes (never lived in), and especially, existing (previously
lived in) homes.
State-Approved Installation Labels

Some states control all aspects of their manufactured housing industry. They are PIA for HUD, and have laws and regulations covering the following:

1. Retailer licensing
2. Installer licensing
3. Transporter licensing
4. Tax collection
5. Escrow closing
6. Titling
7. Installation
8. Accessories

BE SURE YOU KNOW WHAT THE LAWS ARE IN YOUR STATE