

California Department of Veterans Affairs
Division of Farm & Home Purchases

Field Office Directive

NO. FH 2009-3

DATE: April 13, 2009

SUBJECT: Mobile Home in a Park

The department has experienced an increase in repossession activity for Mobile Homes in a park (without a permanent foundation). This has prompted the department to re-examine our current Mobile Home in a park guidelines and institute some immediate changes to prevent and/or minimize our losses when lending on this type of property. The following changes are to be implemented on all loans originated effective immediately.

New *Singlewide* units may be financed for up to a maximum term of 15 years
Required down payment amount is 15%

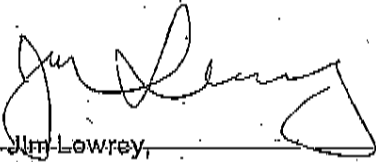
Used *Singlewide* units – no financing available

New *Multwide* units may be financed for up to a maximum term of 20 years
Required down payment amount is 10%

Used *Multwide* units may be financed for up to a maximum term of 20 years or the economic life expectancy, whichever is less.
Required down payment amount is 15%

CalVet will not finance mobile homes that are over 20 years old.

When lending on these types of properties it is prudent for property agents to be more diligent in the review of the park where the purchase is being made, we want to continue to make sound decisions. We are looking to purchase in a clean well-managed and maintained project with a high owner occupancy ratio versus rental occupancy. When possible it is highly advisable that a physical inspection be made to assure that the park meets the department's standards.



Jim Lowrey,
Deputy Secretary
Division of Farm and Home Purchases