



FHA INFO 2023-86

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### **FHA Updates the Sales Comparison Approach for Appraisals of Certain Manufactured Homes**

Today, the Federal Housing Administration (FHA) published [Mortgagee Letter \(ML\) 2023-18, Update to the Sales Comparison Approach for Manufactured Housing](#). This ML updates the policy exception announced in [ML 2020-48](#), that established an exception to the traditional comparable sales selection requirements for manufactured homes certified under the Government Sponsored Enterprises (GSE) [Fannie Mae's MH Advantage™](#) and [Freddie Mac's CHOICEHome®](#) programs.

This update now requires appraisers to use the most appropriate site-built-home comparable sales when there are less than two comparable sales of these GSE-certified manufactured homes available.

This ML aligns FHA appraisal requirements with those of other industry participants, providing more precision in determining an appraised value for these homes, which in turn will expand flexibilities for borrowers seeking FHA-insured mortgages on these properties. This update supports FHA's efforts to increase the availability and affordability of manufactured housing and further aligns FHA policy with the Biden-Harris Administration's [Housing Supply Action Plan](#).

The provisions of this ML are effective immediately and apply to mortgages insured under FHA's Title II Single Family forward and reverse mortgage programs.

These policy updates will be incorporated into a future version of the *Single Family Housing Policy Handbook 4000.1* ([Handbook 4000.1](#)).

For more information, read today's [press release](#).

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- Visit our knowledge base to obtain answers to frequently asked questions 24/7 at [www.hud.gov/answers](http://www.hud.gov/answers).
- E-mail [answers@hud.gov](mailto:answers@hud.gov). Emails and phone messages will be responded to during normal hours of operation, 8:00 AM to 8:00 PM (Eastern), Monday through Friday on all non-Federal holidays.
- Call 1-800-CALLFHA (1-800-225-5342). Persons with hearing or speech impairments may reach this number by calling the Federal Relay Service at 1-800-877-8339.

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