

# HUD / Manufactured Homes Versus BOCA / Modulares “The Real Difference”

**Legal Status:** HUD Code homes are considered chattels, except when affixed to the land with a permanent foundation system in a land/home configuration.

Modulars are always affixed to the land and are always considered as real property, except when being transported to the site for installation.

**Financing:** When sited in a LL-C (Land Lease Community), HUD Code homes are most often financed with a chattel mortgage, sometimes called a security agreement. These loans are typically taken for 20 year terms, at interest rates that may be 2.5% to 4.5% higher than 30 year site built financing. Down payments are generally 10% or more, and credit scores may start at a minimum of 630 to 650. When sited on land with a permanent foundation system in a land/home configuration, HUD Code homes are often eligible for long term financing at the same rates and terms as site built homes or modulars.

Modular homes in a land/home configuration are eligible for long term 30 year financing at the same rates and terms as site built homes.

**Land Use Restrictions:** In some cases, HUD Code homes must be placed on land which has been zoned MHP Zoning or the equivalent. However, in many areas they may be placed on land which has the same zoning as single family residential. In many rural areas, there is no special zoning required.

In most instances, modular homes, subject to any specific deed restrictions, may be placed on permanent foundations in a land/home configuration on R-1 zoned or other zoning which provides for single family detached housing, the same as for site built homes.

**Land Lease Community:** Often HUD Code homes are placed in LL-C communities, also referred to as mobile home or trailer parks, as chattel or personal property.

Modular homes are rarely placed in land lease communities.

**Building Codes:** HUD Code homes are built in a factory to designs which have been Design Approval Inspection Approved (DAPIA) to the Federal Housing Codes, and supervised by the National Conference of States on Building Codes and Standards (NCSBCS) organization. The codes are performance based and allow for more flexibility in the use and application of materials than for site built or modular housing. HUD Code minimum construction standards are in some cases less than for site built or modular housing. Optionally HUD Code homes may be built with the same physical characteristics and features as a modular. Inspection of the homes while still in the factory is done by an In Plant Inspection Agency (IPIA) who is also supervised by NCSBCS.

Modular homes are built to state and local site built housing codes. Designs are done by draftsmen or architects and approved by local, county, or state building departments. They are typically built to BOCA, UBC, or SBCC codes, which are prescriptive in the use and application of materials. In-plant inspections are often carried out by state housing agency inspectors in-lieu of local building code inspectors. Building codes are not uniform, and may vary by local, county, parish, or state standards.

**Costs:** HUD Code homes generally cost from \$18 per sq. ft. and up depending on the standards and options which are applied, and may be as expensive as \$60 per sq. ft. for higher end, more site built appearing homes.

Modular homes will cost from \$25 per sq. ft. for a smaller home with minimum features and standards to upwards of \$70 per sq. ft. for homes which have a more site built appearance.

**Standards and Features:** HUD Code homes generally have house type siding, and optionally, house type windows and doors. A 3/12 roof pitch is the typical standard throughout the industry.

Modular homes generally have house type siding, windows and doors. Depending on the manufacturer, a 5/12 or 7/12 roof pitch may be standard, with 9/12 and 12/12 pitches available depending on the style and floor plan.

**Configuration:** HUD Code homes may be constructed in a single section or multi section configuration. In some cases, they may have 3, 4 or even 5 sections.

Modulars rarely are built in single section configuration, but most often are multi sectional, with other designs which provide for Cape Cod, Garrison, or even Gambrel types of architecture.

**Physical Sizes:** Most states now allow HUD Code or modular home sections to be 16' wide, but limit the overall length to 76', and the height for transport over public roadways to 13'6" in height. A few still have limitations to 14' in width. Depending on the location and type of roadway, flag or escort vehicles may be required.

**Transportation:** HUD Code homes have an in-board chassis system underneath, which must remain on the home after installation, except for rare circumstances. After sitting, in most jurisdictions, the wheels and axles may be removed. Perimeter chassis systems are available from some manufacturers as an option for use with permanent foundation home installations.

Modulars are built at the factory with a chassis system underneath for transport, which may or may not be removed and returned to the factory after home installation. Some modular manufacturers transport homes from the factory to the site using a caisson system consisting of a returnable, reusable steel frame and wheels.

Both home type sections may not be transported over public roadways before 1 hour after sunrise to 1 hour before sunset. Special permits may be required by some jurisdictions. Winter/Spring transport limitations over more rural roadways may apply to some northern areas with heavy frost.

**Foundation Systems:** HUD Code homes are provided with a DAPIA approved installation manual which shows required setup specifications. In most cases, there is a recommended foundation system design for permanent installation in a land/home configuration. For FHA approved land/home configurations, there are published approved foundation system designs. However, in most cases, foundation system designs and installation are determined by local or county standards. In some states such as Texas, the state housing authority has published a recommended foundation system.

Modular home foundation systems are completely up to local building codes, using the manufacturers recommended methods.

The selection and use of various different foundation systems on a home may impact the overall cost of the home widely. Approved designs range from the use of piers and blocks to perimeter stem walls or even lateral pre-cast concrete and steel bearing structures.

There may be some exceptions to all the features listed here. To be sure, it will be necessary to contact the factory staff to configure your home for your specific application.