

WFG Underwriting Bulletin



To: All New Jersey Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: May 23, 2017
Bulletin No. NJ 2017-04
Subject: Insuring Mobile Homes and Manufactured Housing and the issuance of the ALTA 7-06 Endorsement

Mobile homes and manufactured housing (pre-fabricated) units are not insurable interests in realty unless they are permanently attached to the land on which they are placed. Some mobile homes are located in trailer parks on leased property and registered with the NJ Motor Vehicle Commission like a car or truck and titled as such. This creates difficulties in insuring any type of mobile/manufactured housing unit as part of a real estate loan or sale transaction.

Issuing the ALTA Endorsement 7-06 Manufactured Housing Unit

Lenders and owners, understandably, want assurance that they are getting the interest in the mobile home they think they are. Fannie Mae rules require it.¹

- The ALTA 7-06 provides that the definition of “land” in the policy includes the manufactured housing unit located on the land. This endorsement may be issued for a manufactured home that has previously been “converted” to real property or which is currently being converted, subject to the requirements below.
- The ALTA 7-06 is routinely requested by lenders when the collateral includes a mobile home or manufactured home.

¹ Fannie Mae Selling Guide (4-25-17) [§B5-2-05](#)

NOTE: The information contained in this Bulletin is intended solely for the use of employees of WFG National Title Insurance Company, its title insurance agents and approved attorneys. Disclosure to any other person is expressly prohibited unless approved in writing by the WFG National Title Insurance Company’s Underwriting Department.

The Agent may be held responsible for any loss sustained as a result of the failure to follow the standards set forth above.

- The ALTA 7.1-06 (loan) and 7.2-06 (owners) are not available in New Jersey.

Before the ALTA 7-06 endorsement may be issued, you must verify and do the following:

1. That the home is permanently affixed to land on which it is situated (if the unit is a mobile home, this will typically include removal of the axle and wheels; that it rests on a permanent foundation; and that it be connected to the local water and sewer systems, if there are such utilities available in that community. This can be verified by visual inspection and/or an affidavit and survey; and
2. That the owner of the home also owns the land on which it is situated; and
3. That the municipal tax records show the home as a real property improvement and not “vacant” land; and
4. That any motor vehicle title certificate has been cancelled. This can be confirmed with a search of the NJ Motor Vehicle Commission (NJ MVC). If the search reveals that the unit is registered with the NJ MVC, then the certificate of ownership must be cancelled and any liens appearing on the title certificate must be discharged or otherwise disposed of; and
5. A UCC Search in both Trenton (state level) and the county, where the land is located, must be obtained. If any are filed, then your commitment must require same to be terminated of record. (Per N.J.S.A. 12A:9-515, a UCC Financing Statement securing an interest in “Manufactured housing” has a life-span of 30 years from the date of filing if it indicates it is filed in connection with a manufactured-home transaction): and
6. An affidavit must be executed by all who have an ownership interest in the manufactured home and the land to the effect that the manufactured home is permanently affixed. A standard seller’s or mortgagor’s affidavit can simply be modified to include the following: “The above-described manufactured home is permanently affixed or is to be permanently affixed to the land on which it is placed or is to be placed and the title certificate, if applicable, has been or will be cancelled in accordance with applicable law.”

A downloadable version of this bulletin can be accessed [Here](#).

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