

WFG Underwriting Bulletin



To: All Pennsylvania Policy Issuing Agents of WFG National Title Insurance Company
From: WFG Underwriting Department
Date: August 28, 2016
Bulletin No. PA 2017-04
Subject: Insuring Mobile Homes and Manufactured Housing and the issuance of the ALTA 7-06 (TIRBOP Endorsement PA 400)

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 PennDOT 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 (TIRBOP Endorsement PA400) 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 (TIRBOP Endorsement PA400) 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 (TIRBOP Endorsement PA400) is routinely requested by lenders when the collateral includes a mobile home or manufactured home and is available for Owner’s and/or Loan Policies.
- The ALTA 7.1-06 (loan) and 7.2-06 (owners) are not available in Pennsylvania.

Before the ALTA 7-06 (TIRBOP Endorsement PA400) endorsement may be issued, you must verify and do the following:

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

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 PA Department of Transportation (PennDOT) using form [PA Form DL-135 Request for Vehicle Information.pdf](#). If the search reveals that the unit is registered with PennDOT, then the certificate of ownership must be cancelled and any liens appearing on the title certificate must be discharged or otherwise disposed of. To cancel a certificate of ownership, PennDOT requires that form [MV-16](#) be completed.

In addition, according to a Fact Sheet published by PennDOT, [PennDOT Fact Sheet - Titling a Mobile Home or Manufactured Home.pdf](#), if the home is anchored to the ground, was used a residence and the certificate of ownership is not yet cancelled, the transferor (seller) shall obtain a tax status certification from the Tax Claim Bureau of the county in which the home is situated, showing the real estate taxes due on the home as shown by the Tax Claim Bureau records as of the date of the certification. This certification shall be provided to the transferee (buyer) and PennDOT in conjunction with the transfer of ownership; and

5. A UCC Search at both the state level (PA Department of State) and the county recorder of deeds level, where the land is located, must be obtained. If any are filed, then your commitment must require same to be terminated of record. (Per 13 Pa. C.S.A. § 9515(b), a UCC Financing Statement filed in connection with a “manufactured-home transaction” 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 of Affixation](#)” 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.

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.