

Buying a home will probably be the largest purchase you will ever make. There are many types of homes from single family homes to mobile homes. It is important to evaluate your budget and needs to determine which type of house is best for you.

For many homeowners, a manufactured (or mobile) home is a good option. But it is important to understand that manufactured homes come with issues that are different than other types of homes. Be sure to protect yourself and protect your investment by following our Do's and Don'ts for Mobile Homes.

The biggest thing to remember when purchasing a manufactured home is that you may be looking at two separate purchases – the home and a lot on which to put your home. If you are looking at a manufactured home already situated in a manufactured home neighborhood, don't assume the lot comes with the home.

Do's and Don'ts

- **Do take your time.** Don't be pressured into filling out credit applications or other forms. If a salesperson is rushing you to make a decision you do not feel prepared to make, walk away.
- **Do your research.** Shop around, learn what is available and what the standard prices are – the better informed you are, the better deal you can make.
- **Do negotiate.** A manufactured home is no different than other types of homes in this respect. Don't be afraid to negotiate for the best price.
- **Do check references.** Ask for a dealer's references and be sure to check them before entering into a contract with them. Check with your state's Attorney General's office, your state's manufactured home association and the Better Business Bureau to make sure you are buying from a reputable dealer.
- **Do make sure your home will fit.** Check the homes dimensions to be sure it will fit on your lot. Make sure you take into account any local regulations when you measure (like the home must be a certain amount of feet from the curb). If you purchase a lot in a manufactured home neighborhood, most of these issues will not be a problem but be sure to ask!
- **Do inspect your purchase agreement carefully.** Read it thoroughly and make sure everything you agree to is on the purchase agreement – along with the price of each item! Don't sign anything that has mistakes or blanks.
- **Do get the warranties.** Get copies of all the dealers' warranties when you are doing your research. Take them home and compare them – look at the length of the warranty, what is covered and what is not, and what voids the warranty. Also look to see if a "mandatory arbitration" clause is included since means that you give up your right to go to court if a conflict between you and the manufacturer can not be resolved. Be sure to compare warranties along with price since a good warranty can save a lot of money down the road.
- **Do keep a tick list.** Be sure everything you ordered and paid for has been delivered to your satisfaction. If you have not received a goods or services, or it hasn't been installed properly, inform you dealer immediately in writing.

- **Do shop around for financing.** Don't assume the dealer as the best offer. Check your local banks and mortgage companies who can often offer a much better rate. On average, people pay about 10% more if they finance their home through the dealer. It's a lot of money so be sure to do your homework. If you do decide to finance through the dealer, be sure you know all the loan options they offer and ask about FHA or VA loans if you qualify.
- **Do get your credit score.** By knowing your credit score before you begin shopping, you will have a good idea of what type of mortgage rates you qualify for – it will help you develop a budget.
- **Don't be talked into lying.** If a salesperson suggests you provide false information on your loan application, leave immediately and find a reputable dealer to buy from.
- **Don't fall prey to marketing.** Ignore flashy marketing campaigns and focus on the facts. It doesn't matter if the home is "top of the line" – be sure you know what that really means in terms of the home's features and price.
- **Don't make a deal based on "freebies."** Free items usually mean the cost is hidden somewhere else. Make sure you know the cost of everything so you can evaluate if it fits into your budget or if you are paying a fair price for it.
- **Don't accept last minute changes.** "Bait and switch" tactics are when a dealer tries to make a last minute change to what you've agreed to – usually switching high end features for lower quality features without renegotiating the price or trying to get you purchase a more expensive home or features after you've settled on a home. "Bait and switch" is illegal in most states so don't accept the changes even if a dealer says it's normal.
- **Don't enter into a "buy-for" program with out understanding it.** If you need a co-signer, a dealer may tell you that the title to the home will automatically transfer to you after a set number of years. It's not true – titles never automatically transfer so your co-signer will continue to be a co-owner of the property, even if you are only one making the payments.
- **Don't sign anything until you're sure what it means.** Installment contracts can be confusing. Be sure to have all your questions answered before you sign any document. Bring a trusted family member or friend to the contract signing if it makes you feel more comfortable.

Additional Information

The National Consumer Law Center has a guide to Mobile Homes with extensive information on the purchase process, avoiding costly mistakes and maintaining your manufactured home. It can be purchased for \$12 online at

http://www.consumerlaw.org/publications/guides/mobile_homes.shtml.

HUD has resources for manufactured home buyers on their website at <http://www.hud.gov/homes/manufactured.cfm> and the Consumers Union also provides information at <http://www.consumersunion.org/mh/>