

**Table I Monthly Principal & Interest Payment Factor (Fixed Rate)**

Loan Duration	Percentage Rate																	
	5.0%	5.25%	5.5%	5.75%	6.0%	6.25%	6.5%	6.75%	7.0%	7.25%	7.5%	7.75%	8.0%	8.25%	8.5%	8.75%	9.0%	
10 yrs.	10.61	10.73	10.85	10.98	11.10	11.23	11.35	11.48	11.61	11.74	11.87	12.00	12.13	12.27	12.40	12.53	12.67	
15 yrs.	7.91	8.04	8.17	8.30	8.44	8.57	8.71	8.85	8.99	9.13	9.27	9.41	9.56	9.70	9.85	9.99	10.14	
20 yrs.	6.60	6.74	6.88	7.02	7.16	7.31	7.46	7.60	7.75	7.90	8.05	8.21	8.36	8.52	8.65	8.84	9.00	
25 yrs.	5.85	5.99	6.14	6.29	6.44	6.60	6.75	6.91	7.07	7.23	7.39	7.55	7.72	7.68	8.05	8.22	8.39	
30 yrs.	5.37	5.52	5.68	5.84	6.00	6.16	6.32	6.49	6.65	6.82	6.99	7.15	7.34	7.51	7.69	7.87	8.05	

**Example for:  
Computing your monthly payment**

- 1) \$46,170.00 Amount to be financed (Line 3, Section I or line 11, Section II)
- 2) \$46.17 Divide line 1 by 1000
- 3) 7.72 Payment factor—use loan information from Section I or Section II & Table I above
- 4) \$356.43 Approximate monthly payment (Multiply line 2 by line 3) [46.17 x 7.72]

**Worksheet for:  
Computing your monthly payment**

- 1) \_\_\_\_\_ Amount to be financed (Line 3, Section I or line 11, Section II)
- 2) \_\_\_\_\_ Divide line 1 by 1000
- 3) \_\_\_\_\_ Payment factor—use loan information from Section I or Section II & Table I above
- 4) \_\_\_\_\_ Approximate monthly payment (Multiply line 2 by line 3)

**Table II Tax Savings Factor**

Loan Duration	Percentage Rate																	
	5.0%	5.25%	5.5%	5.75%	6.0%	6.25%	6.5%	6.75%	7.0%	7.25%	7.5%	7.75%	8.0%	8.25%	8.5%	8.75%	9.0%	
10 yrs.	0.57	0.60	0.63	0.66	0.69	0.72	0.76	0.79	0.82	0.85	0.88	0.92	0.95	0.98	1.02	1.05	1.08	
15 yrs.	0.59	0.62	0.65	0.69	0.72	0.75	0.79	0.82	0.86	0.89	0.93	0.96	1.00	1.04	1.07	1.11	1.15	
20 yrs.	0.61	0.64	0.69	0.71	0.75	0.79	0.82	0.86	0.90	0.93	0.97	1.01	1.05	1.09	1.13	1.17	1.21	
25 yrs.	0.63	0.65	0.70	0.74	0.78	0.82	0.85	0.89	0.93	0.97	1.01	1.05	1.10	1.14	1.18	1.22	1.26	
30 yrs.	0.65	0.69	0.73	0.76	0.80	0.84	0.89	0.93	0.97	1.01	1.05	1.10	1.14	1.18	1.23	1.27	1.32	

**Example for:  
Computing your tax savings**

- 1) \$46,170.00 Amount to be financed (Line 3, Section I or line 11, Section II)
- 2) \$46.17 Divide line 1 by 1000
- 3) 1.10 Tax savings factor—use loan information from Section I or Section II & Table II
- 4) \$50.79 Approximate monthly tax savings (Multiply line 2 by line 3) [46.17 x 1.10]

**Worksheet for:  
Computing your tax savings**

- 1) \_\_\_\_\_ Amount to be financed (Line 3, Section I or line 11, Section II)
- 2) \_\_\_\_\_ Divide line 1 by 1000
- 3) \_\_\_\_\_ Tax savings factor—use loan information from Section I or Section II & Table II
- 4) \_\_\_\_\_ Approximate monthly tax savings (Multiply line 2 by line 3)

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# Invest in a Manufactured Home

Includes a helpful worksheet for estimating your monthly home payment and tax savings

## Financing Basics

*If you are like most home buyers, you will require a loan or mortgage to finance your new home. Here are a few basics you need to know before applying for home financing.*

### Mortgage or consumer loan?

If land is part of your manufactured home purchase, or if you already own the land and can use it as security for the loan, then you will need a mortgage loan. A manufactured home mortgage works the same as a loan for a site-built home. However, if you are purchasing a home to place in a land-lease community, then the loan is for the home itself and is called a consumer installment loan.

A consumer loan usually takes less time to process and has fewer up-front costs than a traditional mortgage.

### Manufactured home retailer or an outside lender?

Your retailer can arrange financing. However, if you prefer, you may choose to finance your home through an outside lender such as a bank, credit union or mortgage company.

### Monthly payment?

Your retailer or lender will meet with you to “pre-qualify” you for your mortgage or consumer loan. They will work with you to determine your budget, give you an idea of your borrowing capacity and down payment requirements, and determine the monthly payment you

feel comfortable with. Then, that monthly cost will be translated to the price of a home. The worksheet on the following pages will help you to estimate your monthly costs. Section I estimates your monthly costs in a manufactured home community; Section II allows you to figure your approximate monthly costs if you choose to place your home on private property.

### Tax savings?

Manufactured homes are not only affordable, they also represent a good investment. Financing your manufactured home will allow you to take a tax deduction for your interest cost. The worksheet that follows will show you how to factor your approximate tax savings into your payment schedule.

## What A Lender Sees

*When you apply for your home loan, the lender will assess how likely you are to make your payments and repay your loan in full. To make this assessment, lenders will review your income and debt, credit history, job stability and down payment.*

### Income & Debt

Most lenders require that you pay out no more than 27 percent to 35 percent of your gross income on all shelter costs. This is known as the “Gross Debt Service Ratio.”

You may have other debt, of course, but in combination with shelter costs, the total of all regular payments should not exceed 37 percent to 42 percent of your income, as a rule. This is the “Total Debt Service Ratio.”

If your debt exceeds this limit, don’t panic ... it doesn’t necessarily mean you will not be approved, but it will probably reduce the amount of loan for which you will qualify.

### Credit History

This is your record of payment on previous and current obligations. Lenders will review your record at the appropriate credit bureau.

If you have previously had a mortgage, the lender will call the previous mortgagee (lender) directly to confirm your history. This is called a “mortgage rating.”

In the early stages of the home buying process, it is a good idea to check the condition and accuracy of your credit report to prevent any “unwelcome” surprises. For a small fee, you can request your credit report from an agency such as Equifax, TransUnion, or Experian.

The more you know about your own credit that you can share with your lender, the better.

### Job Stability

Lenders are interested in the stability of your flow of income. While exceptions are often made, lenders generally look for a history of several years in the same company, or progressive income increases in a succession of related jobs.

### Down Payment

Your housing affordability hinges on the amount of money you can come up with for the down payment and closing costs. The more you can come up with, the less you will have to borrow. At least 5 percent of the value of the home (or the home and property), should come from your own savings.

# Invest in a manufactured home worksheet

This worksheet illustrates how financing your manufactured home will allow you to take a tax deduction for your interest cost. Plus, it will show you how to factor your approximate tax savings into your payment

schedule. Once you have completed this worksheet, you will have an excellent picture of the role a manufactured home can play in the quality of your life.

## Section I Estimate Your Monthly Costs Your home in a manufactured home community

### Example

#### Loan Information

**Interest Rate:** 8%

**Loan Duration:** 25 years

- 1) \$51,300.00 Sample selling price (includes delivery, setup, hookups, steps, etc.) plus sales tax
- 2) \$5,130.00 10% down payment
- 3) \$46,170.00 Amount to be financed (Subtract line 2 from line 1) [51,300.00 - 5,130.00]
- 4) \$356.43 Monthly loan payment (Use line 3 above & Table I on back)
- 5) \$300.00 Sample monthly community site rental
- 6) \$656.43 Total monthly payment (Add line 4 to line 5) [356.43 + 300.00]
- 7) \$50.79 Monthly tax savings (Use line 3 above & Table II on back)
- 8) \$605.64 Monthly costs (Subtract line 7 from line 6) [656.43 - 50.79]

### Worksheet

#### Loan Information

**Interest Rate:** \_\_\_\_\_

**Loan Duration:** \_\_\_\_\_

- 1) \_\_\_\_\_ Selling price (includes delivery, setup, hookups, steps, etc.) plus sales tax
- 2) \_\_\_\_\_ Amount of your down payment
- 3) \_\_\_\_\_ Amount to be financed (Subtract line 2 from line 1)
- 4) \_\_\_\_\_ Monthly loan payment (Use line 3 above & Table I on back)
- 5) \_\_\_\_\_ Your monthly community site rental
- 6) \_\_\_\_\_ Total monthly payment (Add line 4 to line 5)
- 7) \_\_\_\_\_ Monthly tax savings (Use line 3 above & Table II on back)
- 8) \_\_\_\_\_ Monthly costs (Subtract line 7 from line 6)

## Section II

## Estimate Your Monthly Costs Your home on your own private property

### Example

#### Mortgage (Loan) Information

**Interest Rate:** 7%

**Loan Duration:** 30 years

- 1) \$51,300.00 Sample selling price plus sales tax
- 2) \$15,600.00 Sample land price
- 3) \$15,000.00 Sample foundation/basement
- 4) \$3,500.00 Sample water/well
- 5) \$5,000.00 Sample septic/sewer
- 6) \$1,000.00 Sample plumbing/heating/electrical (Rough and finish)
- 7) \$2,000.00 Sample site grading—drives & walks
- 8) \$1,500.00 Sample miscellaneous costs
- 9) \$94,900.00 Total of all costs (Add lines 1 through 8)
- 10) \$9,490.00 10% down payment
- 11) \$85,410.00 Amount to be financed (Subtract line 10 from line 9)
- 12) \$567.98 Monthly mortgage payment (Use line 11 above & Table I on back)
- 13) \$82.85 Monthly tax savings (Use line 11 above & Table II on back)
- 14) \$485.13 Monthly costs (Subtract line 13 from line 12)

### Worksheet

#### Mortgage (Loan) Information

**Interest Rate:** \_\_\_\_\_

**Loan Duration:** \_\_\_\_\_

- 1) \_\_\_\_\_ Selling price plus sales tax
- 2) \_\_\_\_\_ Land price
- 3) \_\_\_\_\_ Foundation/basement
- 4) \_\_\_\_\_ Water/well
- 5) \_\_\_\_\_ Septic/sewer
- 6) \_\_\_\_\_ Plumbing/heating/electrical (Rough and finish)
- 7) \_\_\_\_\_ Site grading—drives & walks
- 8) \_\_\_\_\_ Miscellaneous costs
- 9) \_\_\_\_\_ Total of all costs (Add lines 1 through 8)
- 10) \_\_\_\_\_ Down payment
- 11) \_\_\_\_\_ Amount to be financed (Subtract line 10 from line 9)
- 12) \_\_\_\_\_ Monthly mortgage payment (Use line 11 above & Table I on back)
- 13) \_\_\_\_\_ Monthly tax savings (Use line 11 above & Table II on back)
- 14) \_\_\_\_\_ Monthly costs (Subtract line 13 from line 12)

## Section III

## OTHER POSSIBLE COSTS . . .

Whether you are buying a manufactured home and placing it on your own land or in a manufactured home community, your loan and purchase may be subject to other variable costs. Included in these costs would be processing fees, appraisal fees, titling costs,

etc. Each lender will provide you with an itemized list of fees.

Also, lenders may offer optional bi-weekly payment schedules and adjustable-rate loans.

The information and computations provided in this booklet are for persons in the 25% tax bracket who itemize their deductions. Actual tax savings may vary for different individuals. For more comprehensive information, it is recommended that you consult a tax professional. Also note that actual tax savings could change or be eliminated if there is any change in the present Internal

Revenue code. Complete information can be found in IRS Publication 936 "Limits On Home Mortgage Interest Deduction." Use this worksheet only as a guide in estimating costs. Consult a professional lender or seller for actual costs for products, services and financing.

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