

BUYING A MOBILE HOME



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BUYING A MOBILE HOME

SHOP AROUND TO GET THE BEST PRICE:

Many mobile home owners run into trouble when the home they bought is worth less than the price they paid.

- Go to several dealers before you buy. Ask each dealer to give you references you can contact.
- Ask for a firm price of each mobile home you like. Do not simply let the seller just ask you how much you can afford. Use other dealers' prices to try to obtain a lower price.
- Know the prices of other kinds of homes in your area, such as conventional homes and condominiums.
- Compare the total cost of buying the mobile home with the cost of other housing.
- If you buy a used mobile home, look for the red label showing that the home has been built according to HUD standards. Have the home appraised to be sure the price is reasonable.
- Check the blue book value of each mobile home's year, make and model.
- Beware of package deals. You often can get a better deal if you buy the home directly from a manufacturer's retail outlet, obtain your financing directly from a lender and purchase your insurance directly from an insurance broker.

MAKE SURE YOUR HOME IS AFFORDABLE:

Many mobile home owners lose their homes because the home they bought is unaffordable.

- When you look at whether you can afford a home, do not just look at your monthly payment on the loan. You also need to add the following to your monthly costs: property tax, land payment and/or lot rent, utility bills, insurance, water/sewer charges, estimated maintenance costs and transportation/installation costs.
- Note that you can probably deduct the interest on your mobile home loan on your taxes.

AVOID ABUSIVE FINANCING ARRANGEMENTS:

Many mobile home buyers enter into unfair and sometimes illegal transactions.

- Avoid high pressure salespeople.
- Keep all letters and documents regarding your purchase of a mobile home and the envelopes in which they are delivered (sometimes the date upon which you receive a certain notice is important).
- Do not make a down payment until after you have been given the loan documents to sign.
- If you pay a deposit, obtain a receipt showing the amount of the deposit and the conditions upon which the deposit may be returned.

- Ask an attorney to review the loan forms or come with you to the closing.
- Read all documents carefully (front and back).
- Make sure that the price on the documents is the same as the original price you were quoted.
- Make sure you are receiving the correct make, model, year and size of home. Make sure all special options are written on the purchase agreement. Ask for a copy of the purchase order sent to the manufacturer.
- Make sure no terms or conditions are changed on paper from those agreed on verbally.
- Make sure there is no false information on the loan forms, such as a misstatement about the down payment.
- Do not sign anything that you do not understand which includes documents with false or incomplete information.
- Do not leave the closing without getting copies of all papers after they are signed by both parties.
- Be wary of any financing arrangement with: high points, origination fees, “buyer fees,” high interest rates, variable interest rates, add-on insurance, mandatory arbitration clause, security interest in the land, or co-signers.
- Do not tell the lender that you received the house if you have not received it.
- Contact an attorney immediately if you can no longer afford to make payments. If the loan terms violated federal law, you may be able to rescind the agreement.

CHECK THE CONDITION OF YOUR HOME:

Since 1976, all mobile homes must be built pursuant to federal Manufactured Home Construction and Safety Standards.

- Before you buy a home, compare warranties for each home you are considering buying. Check the length of the warranty, what is covered and what is excluded from coverage.
- Before you buy a home, read the homeowner’s manual.
- Most homes are covered by a one-year manufacturer warranty that usually covers all substantial defects in materials and workmanship not due to homeowner’s acts, or improper installation and transportation.
- Before you buy, make sure you know the kind of flooring, insulation, exterior siding, framework, plumbing, heating, air conditioning and roofing in the home and whether it is adequate for your needs.
- Check your home thoroughly at the lot before signing loan papers.
- Be present while your home is being installed and read the installation manual.
- Once your home is installed or placed upon your concrete slab, you need to go back through the home and ensure that nothing has settled or changed, or become damaged in the process. Doorways and thresholds should be examined to ensure that the home is both level and plumb.

WHAT TO WATCH FOR WHEN BUYING LAND:

- Check whether you will have to pay to connect the utilities, dig a well or install a septic system.
- Find out what the local zoning and other laws say about whether you can install a mobile home on the land and where.
- Check to see if there are other restrictive covenants on the land.
- Ask the retailer to come and check the land to make sure the mobile home can be installed there.

WHAT TO WATCH FOR WHEN RENTING A LOT:

Be aware that if you rent a lot and are evicted or the park closes, you will have to pay to move your home.

- Under New York State law, you must be given the opportunity to sign a one- year lease when renting a lot in a mobile home park.
- Check if you have to pay for utility connection, water, sewer, ground maintenance, trash and snow removal.
- Know what are the rules and regulations of the park, including those regarding pets.
- Know the requirements for installation of the home.
- Know what the policy is for rent increases.
- Make sure the property is not for sale or in foreclosure.
- Know what are the restrictions regarding any desired sale of the trailer.

ACT FAST WHEN THERE IS A PROBLEM:

In a nationwide survey of mobile home owners, 6 out of 10 reported a major problem.

- If you have a problem with the trailer, contact the retailer and manufacturer immediately. Send a certified letter describing all of the problems you are experiencing. Keep copies of all documents.
- If the problems with the trailer are not resolved, contact the State Administrative Agency, Administrator, Manufactured Housing Unit, New York State Department of State, Code Division, 41 State Street, 11th Floor, Albany, New York 12231 or call 1-518-474-1073 and give your name, address, telephone number, name of manufacturer, serial and model number, label number on the red tag on the back of the home and a description of the problem. You can also go to <https://www.dos.ny.gov/dcea/manuf.htm> to see the New York State Manufactured Housing Program.
- If the problem is not addressed by the state agency, contact the federal Department of Housing and Urban Development at 1-800-927-2891.

This is provided as general legal information, only. We advise you to consult with an attorney regarding how the law may apply in your particular situation.