



NEWS RELEASE

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Media Contact: Melinda Harris, Down Payment Resource, (770) 548-9603,
mharris@downpaymentresource.com

Manufactured Homes, Plus Down Payment Assistance, Could Be an Affordable Housing Solution

26% of all homeownership programs allow for manufactured housing

Atlanta, GA, March 2, 2021 – Atlanta-based Down Payment Resource, the nationwide database for homebuyer programs, today released its **Fourth Quarter 2020 Homeownership Program Index (HPI)**. The number of total programs is 2,305, and over 81 percent (81.4) of programs currently have funds available for eligible homebuyers.

Down Payment Resource (DPR) communicates with 1,129 program administrators to track and update the country's wide range of homeownership programs, including down payment and closing cost programs, Mortgage Credit Certificates (MCCs), affordable first mortgages and more.

One notable change in the Fourth Quarter 2020 HPI was a 3 percent increase in the number of programs that allow for manufactured housing. As low inventory and price increases hinder first-time homebuyers, manufactured homes may be an affordable option.

Millennial Homeownership Rate

Millennials might be the largest generation, but according to an [annual report from Apartment List](#), "Despite recent increases, the millennial homeownership rate continues to trail previous generations. At age 30, 42 percent of millennials own homes, compared to 48 percent of gen Xers and 51 percent of baby boomers."

Rob Warnock, a research associate at Apartment List, also noted that “Affordability remains the biggest roadblock for millennial renters, especially as home prices have risen throughout a pandemic that has been so damaging to low- and middle-class incomes.”

The Pandemic Effect

The COVID-19 recession will continue to take its toll on Millennial homebuyers, as well as future generations to come. We’ve seen rising home prices and decreasing inventory year-over-year for decades, but the pandemic made a dramatic impact. Realtor.com’s [January 2021 Monthly Housing Market Trends Report](#) found a 42.6 percent decline in national inventory over the past year, with a 15.4 percent increase in the national median listing price.

So, how do first-time buyers combat low inventory and rising home prices? Increasing the supply of affordable homes would be a start.

A Quick Look at Manufactured Housing

Manufactured homes have come a long way and can provide an affordable option for new homebuyers. These homes offer many, if not all, of the same features as site-built homes, including a variety of floor plan options, energy efficiency, smart home features and more.

The [Manufactured Housing Institute reports](#) that 22 million people are currently living in manufactured homes, and these homes were 10 percent of all new single-family home starts in 2020. And at \$55 per square foot versus \$114 per square foot for site-built homes, it’s easy to see why.

The [Urban Institute](#) also found in their 2018 research that according to the national index, manufactured homes appreciate at close to the same rate as site-built homes, with site-built increasing at 3.8 percent annually and manufactured homes at 3.4 percent.

Positive Initiatives

[Fannie Mae](#) and [Freddie Mac](#) are moving forward with their [Duty to Serve](#) plans, which provide better access to affordable housing options in underserved markets, such as manufactured housing. The development and expansion of loan products to better serve these markets, along with providing better access to research and education all play an important part in furthering this initiative.

Nonprofits like [Next Step](#) are also working to educate homebuyers on the benefits and sustainability of manufactured housing. Their [SmartMH program](#) is a first stop for future homebuyers that have questions regarding credit, financing, or even down payment.

Down Payment Help Is Available

With rising home prices, manufactured housing may be an affordable option for first-time buyers, but what about the down payment?

A recent study showed that [77% of first-time buyers say down payment is the primary obstacle](#), but down payment help is out there. And according to our latest Homeownership Program Index (HPI), nearly 26% of all homeownership programs in our database allow for manufactured housing, up 3% since last reported.

Perhaps it's time we erase the outdated stigmas surrounding manufactured housing, with the hope of providing more affordable alternatives for first-time buyers.

Other HPI Findings to Note

The HPI reports a decrease in programs that may have been temporarily suspended due to the pandemic. Currently, 1.6 percent of programs are temporarily suspended, a .4 percent decrease from the previous HPI.

Since last reported, there has been a 27 percent increase in the number of programs that include a veteran exemption. This usually means qualified veterans are exempt from a program's first-time homebuyer requirement when applicable.

Highlighted below is the current distribution of homeownership programs:

- 78 percent of programs in the database are down payment or closing cost assistance.
 - 67 percent of all DPAs include payment deferral for some period of time -- a 2 percent increase from the previous HPI.
 - 45 percent of all DPAs are partially or fully forgivable -- a 1 percent increase from the previous HPI.
 - 40 percent of all DPAs are both deferred and forgivable -- a 1 percent increase from the previous HPI.
- 6 percent of programs are first mortgages -- no change from the previous HPI.
- 5.5 percent of programs are Mortgage Credit Certificates (MCCs) -- no change from the previous HPI.

- 11 percent are additional programs, including matched savings programs and Housing Choice Vouchers (HCV).

About Down Payment Resource

Down Payment Resource (DPR) is a nationwide database of down payment assistance and affordable lending programs. The company tracks funding status, eligibility rules, benefits and more for approximately 2,300 programs in 11 categories. Its award winning technology helps the housing industry connect more homebuyers to the down payment help they need. DPR has been recognized by Inman News as “Most Innovative New Technology” and the HousingWire Tech100™. DPR is licensed to Multiple Listing Services, Realtor Associations, lenders and housing counselors across the country. DPR’s subscription based service, Down Payment Connect, helps agents and loan officers match buyers to available programs. For more information, please visit DownPaymentResource.com and on Twitter at [@DwnPmtResource](https://twitter.com/DwnPmtResource).

About Down Payment Resource’s Homeownership Program Index

The Homeownership Program Index (HPI) measures the availability and characteristics of down payment programs administered by state and local Housing Finance Agencies (HFAs), nonprofits and other program administrators. It analyzed state, local and national programs available in the DOWN PAYMENT RESOURCE® registry as of January 19, 2021.

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