

Modular or Mobile Home Mortgage Program

General Requirements

1. Mobile / Modular must be on land owned by the borrower. In other words both the land and the home must be in the same name(s). Kokanee mortgage does not fund mortgages of Mobile Homes on rented pads.
2. The Mobile / Modular home must be permanently affixed to the land. This means sitting on a concrete foundation, or other permanent method authorized by the National Building Code taking into account frost requirements and approved by the Lender. Homes sitting on wood blocking or otherwise affixed only by their own weight will not be accepted. Site preparation must be in accordance with the National Building Code. Home must be skirted and any required decks, stairs, railings or other improvements added at the site must have appropriate inspections and permits.
3. In British Columbia, the home must be 'de-registered' either at the time the loan is funded or by a date acceptable to the lender.

Existing Modular / Mobile Home Purchases and Refinances

In addition to the General Requirements above, the home must have:

1. CSA sticker must be affixed, legible and with no evidence of tampering.
2. If the Mobile Home is in British Columbia, it should be de-registered at the time of closing.
3. Mobile homes older than 15 years are considered on a case-by-case basis.

NEW Modular / Mobile Home Purchases

In addition to the General Requirements above, the home must have:

1. Any required municipal or regional permits must be in place including septic and well if applicable.
2. If the property is located in British Columbia, the Mobile Home must be de-registered within 12 months after installation. It makes refinancing later on, much easier. This is just an administrative application and it's usually done by the borrower's lawyer/notary. Kokanee will not renew the mortgage (if requested) when the term is up unless this has been completed.
3. The mortgage amount is a function of the as-complete value. To work out the amounts of the 2 draws, we rely on an appraisal. The appraiser should provide us with both the value of the vacant land "as-is" and the "as-complete" value of the property once the home is fully installed. Before the 2nd draw can be advanced, the appraiser will have to attend at the property again and confirm for us that all of our requirements for siting of the home and required permits and inspections have been completed. In order to provide their "as-complete" value, the appraiser will need a complete package of information about the mobile home. Typically Kokanee will fund up to 55% – 65% of the "as-complete" value, depending on the specifics of the transaction.
4. Kokanee will provide a 1st advance under the mortgage of up to 50% of the value of the land alone for the purpose of providing a deposit to the manufacturer and site preparation including the foundation.
5. The second advance is provided once the home is situated on the foundation, hooked up to services and all other requirements of the lender have been fulfilled. Not all modular home manufacturers will agree to this arrangement. It is important to ensure that your borrower is working with a manufacturer/dealer that understands and accepts this arrangement.

Flexible. Creative. Solutions.



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