Fidelity National Title

Understanding the Escrow Process for Mobile & Manufactured Homes

Manufactured homes built after 6/15/76 and mobile homes built before 6/15/76 that are NOT on a permanent foundation are a little different than the typical traditional home transaction. Below is information that may prove helpful for your smooth transaction.

TITLE STATUS: Once in contract and the "earnest money deposit" (EMD) in escrow, a title search is ordered from the Department of Housing (aka HCD). This is a one-page report of title (registered owners, legal owners, and any liens) and replaces what you are accustomed to as a standard preliminary title report. There is no title insurance on an MH transaction.

TAX TYPE (one of the below will apply - not both)

Annual Registration Title - Decals beginning with the letter A
The tax is ordered based on the unit year. If it is 1979 or older, it is most likely (unless a prior owner has had it voluntarily converted to annual tax roll) on annual registration renewal with the Department of Housing and Community Development (HCD). If this is the case, the SALES/USE tax is based on the NADA Guide Value and current sales tax for the city the unit is located. The current tax rate is subject to change several times annually and is verified for each transaction.

Local Tax Rolls – Decals beginning with the letter L
If the unit is 1980 or newer, we will request a conditional tax clearance from the County Tax Collector. These can take anywhere from 1 day to 10 days depending on the county and time of year. The seller will need to pay the balance on all past due AND current year taxes through June 30th of the current year. The current tax year will be prorated from close to and including June 30th, similar to traditional homes.

The BUYER may be required to pay the estimated fiscal taxes for the following year in advance if escrow is closing between January 1st and June 30th. These are not prorated as they are the buyers estimate for a tax cycle post close.



PARK RENTS/APPROVALS AND PRORATIONS: We contact the park with our demand letter to verify that the buyer is approved for residency in the park, as well as ask for any back or current rents and utilities due at the close of escrow. Some parks will request a hold back from the SELLER for final utility billing. Buyers should begin the park approval process as soon as they are in contract and make sure they return all documents to the park to begin the review. Some parks (but not all) may take up to 15 days for approval. Some parks will require the buyers/tenants to sign the lease BEFORE close and before the park will release approval to escrow. Other parks will sign the lease after close and will release approval to escrow upon park approval. Escrow will pay all back rents in escrow, making sure all rents are paid current to the end of the month that escrow is closing, and prorate between buyer and seller for pre-paid rents similar to HOA dues.

DISCLOSURES: There are no HOA Documents, CCR's, preliminary title reports, plat maps or FIRPTA to be provided by escrow for your files. Buyers will be tenants/leasees with the park, and those agreements between park and tenants are not shared with escrow (3rd party), and thus not provided to agents (3rd party).

FINANCING: Lenders for MH transaction do not table fund. They require original signed buyer and seller documents in their office to begin the funding review. Many lenders take 24-72 hours to review and or fund. This is typical and close of escrow may need to be adjusted based on lender timelines. Also note that most lenders in MH transactions WILL NOT accept a power of attorney for a buyer or seller. There are, however, rare exceptions.

CLOSING: Since there are no DEEDS that record in the clerk recorder's office, as soon as escrow has all ORIGINAL SIGNATURES FROM BUYER AND SELLER, and good funds (wire for same day or cashiers check for next day) we can call escrow CLOSED, provided the parties have agreed to the close date.

For more information, please feel free to **CONTACT US.** And be sure to open your MH escrow with the team at **Fidelity National Title.**

Trusted everywhere,
every day.