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# Unlocking Mortgage Access for Manufactured Homes in Maine

How modernizing titling laws could expand affordable homeownership

Manufactured homes provide one of the most affordable paths to homeownership in the United States, particularly for families with low and moderate incomes. A new manufactured home can save a buyer between 27% and 65%, compared with the cost of purchasing a similarly sized site-built single-family house. As of 2024, there were 61,563 manufactured homes in Maine, representing 8.3% of the state's housing stock. The quality of manufactured housing has improved greatly over the past few decades, but regulatory policies have not kept pace and are due for modernization.

Unlike traditional site-built homes, which are automatically classified as real property—owned as real estate, with all of the associated rights—manufactured homes in Maine are by default titled as personal property, much like an automobile. For the owner, this type of title has significant consequences: Homes classified as personal property are ineligible for mortgage financing, regardless of the home's quality or the borrower's credit profile. Without access to mortgage financing, buyers must work with a much smaller pool of lenders to finance their home. In addition, personal property loans generally have higher interest rates and shorter loan terms than mortgages, making them more expensive. Maine does have a legal process in place for an owner to convert the home to real property—if the homeowner also owns the land on which the house sits and if the manufactured home is affixed to a foundation.<sup>1</sup>

Researchers from The Pew Charitable Trusts analyzed Home Mortgage Disclosure Act data for Maine from 2018 to 2024 and found that during that period, 5,235 borrowers obtained either a mortgage or personal property loan to purchase a manufactured home as their primary residence. Of those borrowers, 73% (3,833) got a mortgage and 27% (1,402) used a home-only personal property loan. Among borrowers who owned their land directly, 98% obtained a mortgage. However, among borrowers who lived in a resident-owned community cooperative or on leased land (in a manufactured home community or “mobile home park,” or on private land owned by someone else), virtually none received a mortgage.<sup>2</sup>

Because mortgages typically have lower interest rates and longer repayment terms than personal property loans, real estate classification can save a borrower a significant amount of money, both on monthly payments and over the life of the loan. New Hampshire, for example, is the only state where manufactured homes are automatically owned as real estate once they are connected to utilities, allowing borrowers who don’t own their land to obtain a mortgage. Recent Pew research found that manufactured home buyers who don’t own their land in New Hampshire save 10% on their monthly payments and nearly \$50,000 over the life of a \$100,000 loan, compared with home-only borrowers who own their homes as personal property in the rest of the country.

In addition, personal property loan borrowers don’t have as many consumer protections as mortgage borrowers. Most significantly, in the event of a loan default, they are typically subject to swifter repossession, instead of going through legally mandated foreclosure requirements and proceedings.

States take a wide range of approaches to manufactured home titling policy. Modernized statutes should ensure that policies are clear and consistent, avoid undue burdens on the homeowner or buyer, and protect the rights of all interested parties—homeowner, landowner, and any person or entity that has a lien on the property (a lienholder has a legal right to the property if a debt is not repaid).

## **Summary of Maine’s law enabling conversion from personal to real property**

In Maine, manufactured homes are initially issued a certificate of title, much as the state issues a title when someone buys a car. The state provides a process for manufactured home buyers and owners to cancel the title and convert ownership to real property—but only if the home has been permanently attached to land owned by the owner of the manufactured home.

Converting ownership to real property requires multiple documents: the original title certificate; a legal description of the home; a statement by any creditor with a lien on the title stating that the lien has been or will be released upon cancellation of the certificate of title; a legal description of the land; and a sworn statement by the landowner attesting to ownership of both the land and the home, and stating that the home is permanently attached to a foundation. All of these documents must be recorded at the register of deeds.<sup>3</sup> A written request for cancellation of personal property title must then also be filed with the secretary of state.<sup>4</sup> Upon cancellation of the original title, the home may be used as security for financing only as real property through a mortgage.<sup>5</sup> The cancellation of title does not affect taxation of the home<sup>6</sup> and does not modify common law regarding the classification of manufactured homes. Manufactured homes are already taxed as real estate—even when titled as personal property—and conversion for the purpose of access to a mortgage does not change the tax status.<sup>7</sup>

# Evaluating the effectiveness of Maine's statutory process for conversion to real property

Effective titling statutes are clear and consistent, avoid undue burdens on the homeowner or buyer, and protect the rights of all interested parties.

In some respects, Maine's manufactured home titling laws work well. Existing laws provide a clear pathway for owners of manufactured homes who also own their land to convert personal property titling to ownership as real property. That, in turn, allows owners to access benefits, such as a mortgage and consumer/foreclosure protections. Positive aspects of Maine's current titling laws:

- Maine's conversion process results in a home becoming real property for all purposes, including seeking financing for the home or participating in foreclosure prevention programs. Conversion under Maine's statute does not affect taxation of the home.
- The conversion creates a clear chain of ownership to facilitate title searches.
- The statutory conversion process includes the cancellation of any existing certificate of title, which reduces the possibility of fraud.
- Maine's definition of manufactured homes includes older mobile homes made before federal building standards were adopted (pre-HUD Code homes), so these models may also be converted to real estate titling.<sup>8</sup>

## Parts of Maine's manufactured home titling statute could be improved

But Maine's manufactured home titling laws could be improved. The conversion process, for example, requires a homeowner to own the land beneath the home. This limitation excludes owners who don't own the land, or who own it with others—for example, homeowners who are part of a cooperative that owns the land, or who own the land along with people who don't also own the manufactured home. When a manufactured home is converted from personal property to real estate, it legally becomes part of the land, and together they are owned as one unit for financing, specifically when there is or will be a lien on the property.<sup>9</sup> This situation works well for a homeowner who also owns the land, but it could be problematic if ownership of the home does not mirror that of the land.

Maine's statute is not specific about which landownership scenarios are acceptable and eligible for conversion to real estate titling. When the exact same people or entity own both home and land, this lack of specificity does not pose a problem. But ownership is not always identical. For example, some homeowners have an ownership stake in the land as part of a cooperative. In other situations, the land might be owned by some but not all of the individuals who own the home.<sup>10</sup>

Under current law, a manufactured home must also be permanently affixed to a foundation to be eligible for conversion. This requirement does not appear to present an undue burden for landowners, as the majority are able to convert from a personal property title to a real estate title and obtain a mortgage. But if Maine were to amend its laws to extend real estate titling to more manufactured home owners, the requirement might present a hurdle for borrowers who don't own their land or for owners in resident-owned communities, as such homes are less likely to meet this condition (either because the landowner doesn't allow a permanent foundation or due to the additional cost of building the foundation).

## Key takeaways

For Maine residents who qualify under existing laws—landowners whose manufactured homes are affixed to a permanent foundation—the state’s titling policies are working relatively well. Home Mortgage Disclosure Act data from 2018 to 2024 shows that the vast majority of borrowers who bought a home and also bought or owned land in Maine were able to use a mortgage to finance their purchase.

But Maine’s titling laws could be updated to expand eligibility for homeowners and buyers who do not own their land, especially since manufactured homes are already taxed as real estate. Updates could be made in several areas:

- Expand laws to enable real estate property titling for manufactured home owners who own land in conjunction with others or who own it as part of a cooperative or land trust.
- As was done in New Hampshire, expand real estate titling to include owners with no ownership interest in the land.
- Amend foundation requirements to include any foundation allowed under HUD Code (the building code for manufactured homes) to prevent unnecessary burdens for homeowners who don’t own their land.

## Glossary of Terms

**Certificate of title:** A government-issued instrument providing evidence of ownership.

**HUD Code home:** A home built according to the Department of Housing and Urban Development Manufactured Home Construction and Safety Standards established in 1976.

**Joint tenancy:** More than one individual owns a property, with each having a right of survivorship—when an owner dies, that owner’s interest in the property automatically passes to the other owners.

**Leasehold:** A legal interest in property, secured by a lease between landowner and tenant, that gives a tenant the right to occupy a property.

**Lien:** A claim on property for payment of a debt or obligation.

**Lienholder:** A person or entity that has a claim on a property for a payment of debt or obligation.

**Life estate:** A home or property interest that extends only for the length of the individual’s life and terminates upon death.

**Mortgage:** A transfer of an interest in real property as security for a debt.

**Personal property:** Items that can be owned that are not real property.

**Real property:** Land, anything built on or affixed to the land, and rights related to the land.

**Security interest:** A mortgage or loan type that holds a property as collateral; if the loan isn’t repaid, the lender has the right to take and resell the property through the foreclosure or repossession process if the debtor defaults.

**Tenancy in common:** Two or more individuals hold ownership interest in a property but can own different percentages of the property, which can be sold or transferred without consent of the other owners.

**Tenancy by the entirety:** A type of shared interest in property, for married couples only; each spouse owns an undivided interest in a property, with full rights to occupy or use the property. Interest in the property cannot be transferred without the consent of the other spouse. If one spouse dies, the other retains full ownership.

## Endnotes

- 1 Fannie Mae, "Titling Requirements for Manufactured Homes," 2025, <https://singlefamily.fanniemae.com/media/18186/display>.
- 2 Home Mortgage Disclosure Act data shows that 1% of all borrowers who don't own their land in Maine (just 18 loans from 2018 to 2024) got a mortgage on their home and land. However, given that these homeowners don't own their land, it is likely that these are errors in the data.
- 3 Maine Legislature, Cancellation of Certificate of Title to Manufactured Housing and Tiny Homes: Cancellation, Title 29-A: §669(2) (2019), <https://www.mainelegislature.org/legis/statutes/29-a/title29-asec669.html>.
- 4 Maine Legislature, Cancellation of Certificate of Title to Manufactured Housing and Tiny Homes: Request for Cancellation, Title 29-A: §669(4) (2019), <https://www.mainelegislature.org/legis/statutes/29-a/title29-asec669.html>.
- 5 Maine Legislature, Cancellation of Certificate of Title to Manufactured Housing and Tiny Homes: Liens, Title 29-A: §669(5) (2019), <https://www.mainelegislature.org/legis/statutes/29-a/title29-asec669.html>.
- 6 Maine Legislature, Cancellation of Certificate of Title to Manufactured Housing and Tiny Homes: Taxation Not Affected, Title 29-A: §669(7) (2019), <https://www.mainelegislature.org/legis/statutes/29-a/title29-asec669.html>.
- 7 Maine Legislature, Cancellation of Certificate of Title to Manufactured Housing and Tiny Homes: No Change to Common Law, Title 29-A: §669(8) (2005), <https://www.mainelegislature.org/legis/statutes/29-a/title29-asec669.html>. Maine Legislature, Real Estate; Defined, Title 36: §551 (2007), <https://legislature.maine.gov/statutes/36/title36sec551.html>.
- 8 Maine Legislature, Definitions: Manufactured Housing, Title 29-A: §101(32-B) (2005), <https://legislature.maine.gov/statutes/29-A/title29-Asec101.html>.
- 9 Maine Legislature, Liens.
- 10 Maine Legislature, Cancellation. These issues could arise with tenancy in common, a life estate, joint tenancy, tenancy by the entirety, leasehold, resident-owned communities, or land owned as part of a cooperative. (See Glossary of Terms.)

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