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Financial expert Dick Ernst advice to retailers and community owners about appraisals

Manufactured housing financial expert Dick Ernst on Thursday urged retailers and community owners to contact home appraisal valuation agencies right away to make sure the sellers are knowledgeable about new valuation for homes that come into effect on Saturday.

Those agencies are NADA (www.nada.org) and DATAcomp (<http://www.datacompusa.com>).

The federal government as of Saturday is requiring appraisals or valuations on all high-interest manufactured home mortgage loans of more than \$25,000 that are not written to qualified mortgage standards. Ernst is president of Dallas-based Financial Marketing Associates, Inc., a longtime financial consulting agency to the industry and MHI in Arlington, Va.

Home sellers should contact their banks or lending institutions to determine whether those lenders will make qualified mortgage loans or nonqualified mortgage loans and which valuation agencies those lending institutions are going to deal with.

“Sellers should sign up with both companies and do valuations on inventory homes to see which company works best for them,” Ernst said in a telephone webinar for the Virginia and West Virginia associations.

The retailers or community owners then should determine which system best matches the valuations they have on the sales properties on their lots or within their communities and make sure their lenders are dealing with that agency.

The top five lenders within the manufactured housing world have been providing data to the two for 18 months now to get a nationwide database of comparable sales to make it easier for the valuations to be done starting Saturday. It will cost about \$39 for a valuation done by DATAcomp and \$10 to \$30 through NADA.

But the two agencies also need information on cash-only sales, self-financed sales and sales done by lenders who are not part of the big five lenders within the industry. Individual retailers should help provide that information by logging on to MHICAS.org and following the steps on the screen to provide that information.