

## Financing/ Loan Questions:

### What kind of loan do I need to finance a home at Harston Woods MHC?

*You must obtain what is called a Chattel Loan from a qualified lender.*

### I am pre-qualified for a FHA loan or I have a pre-approval for a conventional loan, can I use it to buy a home at Harston Woods?

*No, those loans and approvals will not work at Harston Woods since it is a land lease community it requires a chattel loan.*

### Why do I have to use a chattel loan?

*Conventional loans, FHA and VA loan are for real property, which cannot be moved.*

### What is a chattel loan?

*A chattel loan is a loan on an item of movable personal property such as a manufactured home. The lender holds an interest in the home until it is paid off.*

### Do you have to run a credit check to apply for a chattel loan?

*Yes, all the chattel lenders will need to run your credit to approve a chattel loan.*

### Will the lenders give a pre-approval for a chattel loan?

*Yes, most lenders will give a pre-approval to see how much they will lend on a manufactured home.*

### What does it cost to apply for chattel loan?

*Some lenders do not charge or have an upfront fee to apply for the pre-approval. The lender's pre-approval will detail the cost/ fees of the loan in the pre-approval letter.*

### Will I be charged a fee if I am not approved for a chattel loan?

*Not always, you will need to check with the lender you are using.*

### Where can I obtain a chattel loan?

*The following are the links to lenders who have made chattel loans on new manufactured homes in Harston Woods during 2020 and 2021:*

<i>In Park Lending</i>	<a href="http://www.InParkLending.com">www.InParkLending.com</a>
<i>Credit Human</i>	<a href="http://www.MHDirect.CreditHuman.com">www.MHDirect.CreditHuman.com</a>
<i>ACSI</i>	<a href="http://www.ACSImobilefinance.com">www.ACSImobilefinance.com</a>
<i>Priority Funding</i>	<a href="http://www.priloan.com">www.priloan.com</a>
<i>KC Lending</i>	<a href="http://www.harstonwoods.com">www.harstonwoods.com</a>

## HARSTON WOODS FREQUENTLY ASKED QUESTIONS

### **Do I have to use one of the lenders on your list?**

*No, you are free to use any lender you want who will make a chattel loan in the Harston Woods Community. Sometimes, the credit union you currently use may make a chattel loan.*

### **Do Lenders or others offer any down payment assistance programs for chattel loans in a land lease community?**

*Harston Woods does not know of or have any down payment assistance programs.*

### **If I am approved for a chattel loan, will I have to apply for residency to buy the home I selected in Harston Woods?**

*Yes, you will need to apply for residency.*

### **Can someone in Harston Woods's office help me determine the likelihood of approval for a chattel loan and residency?**

*Yes, Harston Woods has licensed MLOs on staff who can help run different financing scenarios to find the chattel loan to fit your situation. They can make suggestions to tell you some things to improve your DTI (Total Debt to Income) and PTI (Housing Payment to Income) ratios to fall within acceptable levels for the lender you choose. Many things go into approving a loan. The DTI and PTI within the proper ranges is just part of the process.*

### **What is the underwriting criteria used for applying for a chattel loan and residency at Harston Woods?**

*The lenders follow the "ability to Repay" rules set by the Consumer Finance Protection Bureau "CFPB" in their determination to make a loan to a buyer. They require verifiable proof of income and debt. They will run a credit check with your written approval. In addition to a credit check, Harston Woods will run a criminal background check as part of the approval process for residency at Harston Woods.*

### **What range do lenders like for the DTI (Total Debt to Income) and PTI (Housing Payment to Income) ratios?**

*A maximum of 42% for the DTI and a maximum of 28%. The exact range may vary a little, but not exceeding these limits is a good start towards a chattel loan approval.*

### **What will I need to qualify to live in Harston Woods?**

*We are thrilled to hear you want to move in. All potential residents must complete an application and pay a \$55.00 application fee. After you finished your application, you will receive a confirmation email with a preliminary approval. In order to make your approval final the office team will need photo identification, income verification in the form of pay stubs, W-2's or proof of other funds.*

## HARSTON WOODS FREQUENTLY ASKED QUESTIONS

### **What affects the interest rate and loan terms I can obtain when financing a home at Harston Woods MHC?**

*Your credit score, repayment history, down payment, delinquent payments, or any bankruptcy along with other factors will affect both the interest rate and the financing term of your loan.*

### **What documentation will I need when financing a home at Harston Woods MHC?**

*Lenders require verifiable proof of income and debt. They will run a credit check. They will need a Completed Application Form, Copy of Social Security Card for each applicant, Copy of Driver's License for each applicant (or picture ID), Copies of Paycheck stubs (last two current ones) Also proof of any additional income listed, W-2 for the current year and previous year and Copies of Last two recent bank.*

### **Where can I find out more about the ability to repay rule?**

More on the "ability to Repay" rules can be found on the "Consumer Finance Protection Bureau" CFPB website. [www.ConsumerFinance.gov](http://www.ConsumerFinance.gov) Type in Ability to Repay in the search box.

### **What can do if I don't meet the ratio requirements?**

*If your ratios exceed the maximum, there are still of couple of things you can do to have a lender approve your chattel loan. If you are applying by yourself, you can add your working spouse to the loan application. You can put down a larger down payment. You can check with your 401k provider to see what your options are to borrow from your 401k to buy a home. You can pay off some debt or car loan if possible. You can go through the worksheet with new numbers to see what changes you need to make to ratio fall within the suggested ratios. You can contact the other lender to see what loan terms they offer.*

## **Realtor Questions:**

### **Do I have to use a Realtor to buy a home in Harston Woods?**

*No, unless you want to use one. You do not have to go through a realtor since the sales of the manufactured homes is regulated by the TDHCA (Texas Department of Housing & Community Affairs).*

### **If a realtor brings a prospective new homebuyer to Harston Woods or if I want to use a Realtor, will they be compensated if I purchase a new home in Harston Woods?**

*Yes, if the seller's real estate agent has registered their buyer with the Sales Department at Harston Woods at first contact by filling out the referral information card. The buyer must*

## HARSTON WOODS FREQUENTLY ASKED QUESTIONS

*also close on the new home within 60 days of the registration date on the registration card. There may be other restrictions or changes to receive the referral fee. Please contact the Harston Woods Project Manager for the full details on the current program.*

### **Do I need a title company to close the new home at Harston Woods?**

*No, since the new home is treated as personal property it needs to be closed under the rules of the TDHCA (Texas Department of Housing & Community Affairs). The lender chosen by the buyer is responsible for closing the new home per the TDHCA rules. The closing usually takes place in the Harston Woods office with the help from the Harston Woods sales staff.*

### **Can I claim a homestead exemption on my home?**

*Yes, claiming a homestead exemption will lower the personal property taxes that are due on your home. Visit the Tarrant County Appraisal District website and click on the “How Do I (FAQ) “tab. Their website is [www.TAD.Org](http://www.TAD.Org) .*

### **Are there any other exemptions I can claim to lower the personal taxes due on the home?**

*Yes, age and other claims you make can even lower them more, sometimes all the way down to no taxes. Visit the Tarrant County Appraisal District website or ask the Harston Woods sales staff.*

## **Questions About The Community:**

### **What is a land lease lifestyle Community?**

*A land lease community is a lifestyle community where the home site is leased from the community owner. There are many amenities located in the community or near the community to make it an attractive place to live, raise a family or enjoy the retirement lifestyle.*

### **What are the advantages of a lifestyle land lease community?**

*A land lease community is usually highly amenitized and has community guidelines or covenants to keep up the appearance of the community. The use of all the amenities at Harston Woods is included in the monthly land lease site fee. Another of the advantages is the amount of taxes paid on the home. The homeowner does not pay real estate taxes on their home, but instead pay a personal property tax on their home directly to Tarrant County. Typically, the percentage of the assessed value on personal property is a much lower than it is for real*

## HARSTON WOODS FREQUENTLY ASKED QUESTIONS

property. For Harston Woods's recent new home sales, the assessed value has averaged approximately 31% of the new home sales price. Looking at homes in the Euless area using [www.redfin.com](http://www.redfin.com), and comparing the estimated tax payment assessed valuation to the sales price the percentage is approximately 81%. That means a new home in Harston Woods selling for \$160,000 would have an estimated assessed value of \$49,600 with annual taxes estimated at \$1,042. While a home in the area, selling for \$350,000 would have an estimated assessed value of \$283,500 with annual taxes estimated at \$5,964.

### **Do homes in land lease lifestyle community appreciate?**

*The value of a home depends on many factors. Having a home that is well maintained, located in a desirable neighborhood in a great location in the Metroplex enhances the home's value. The sales records we keep and track shows most the homes are appreciating.*

### **What sort of lease will I sign with Harston Woods after closing on a home?**

*Every new homebuyer is offered a 12-month lease at the current market rent, which will be signed at the closing of your new home. Each year when your lease comes up for renewal, you have the opportunity to re-sign a 12-month lease at the current market rent.*

### **What does Harston Woods bill for each month?**

*Excellent question! Monthly you will receive a bill from Harston Woods, which will include site lease fee, water, sewer, and trash. As a resident, you will be responsible to set up all other utilities.*

### **What happens if I need to break my Land Lease?**

*We understand that the unexpected can happen. In the event you must break your land lease, you need to contact the office immediately to give written notice and to discuss your termination requirements as well as the disposition of your home.*

### **What if I want to put my home up for sale?**

*We are sorry to hear you will be leaving us! There are several requirements before putting your home up for sale, so please reach out to the Harston Woods office to review these procedures.*

### **What are the rules for access card use?**

*Great question! Access cards give residents access to our pool, fitness center, and clubroom. Any guests under 18 years of age must be accompanied by an adult to access these areas.*

### **Is there a referral program if I have a friend that wants to live at Harston Woods?**

*Friends make the best neighbors! We are proud to offer a referral fee to our residents who refer their friends. Contact our office to learn more about Harston Woods' referral program.*

## **HOW DO I RESERVE THE CLUBROOM**

## HARSTON WOODS FREQUENTLY ASKED QUESTIONS

*We love sharing our clubroom with you, your friends and family. Once you know the date of your event, contact the office to reserve the clubroom in advance. We will require a \$500 deposit and \$50 cleaning deposit to hold your reservation, both deposits are eligible for refund when the clubroom is left in good condition.*

### **WHAT BREED DOGS ARE NOT ALLOWED ON HARSTON WOODS MHC PROPERTY?**

*While we welcome most breeds 75 lbs or under with open arms, we do not accept the following full- or mixed-breeds: Chow Chow, Doberman, German Shepherd, Pit Bull, American Bull, Terrier Bulldog, American Bulldog, American Staffordshire Terrier, Presa Canario, Husky and Rottweiler.*

*Service Animals are exempt from breed restrictions but must have proper certifications and training. Online certifications are not acceptable.*

### **WHAT SHOULD I DO IF I WITNESS UNUSUAL ACTIVITY AFTER HOURS?**

*If you feel unsafe, or witness suspicious activity happening presently, we request that you call 911 immediately.*

### **CAN A HOMEOWNER HAVE A FENCE AT THEIR HOMESITE?**

*We understand that you may want privacy. However, to keep a consistent look and feel to our community we do not allow any home site to have privacy fences.*

### **DOES HARSTON WOODS HAVE WI-FI?**

*We understand the importance of connecting. So much so, we offer free Wi-Fi at our pool area and clubroom.*