

Chapter S-L 23

MOBILE HOME FINANCING

S-L 23.01 Mobile home financing

S-L 23.01. Mobile home financing. (1) **AUTHORIZATION.** Any association, upon adoption of a mobile home financing plan by its board of directors, may under the permissive authority contained in section 215.205 (1), Wis. Stats., invest in loans on mobile homes, chattel paper or interests, therein, evidencing financing of mobile homes, subject to the following limitations:

(a) *Definitions.* 1. A mobile home is a movable dwelling constructed to be towed on its own chassis and undercarriage, and containing living facilities suitable for year-round occupancy by one family, including permanent provisions for eating, sleeping, cooking and sanitation.

2. Mobile home chattel paper is a writing or writings which evidence both a monetary obligation and a security interest of first priority in one or more mobile homes and attached optional equipment.

3. A servicing company is an organization engaged in originating and/or servicing mobile home financing on behalf of a participating association.

(b) *Loans to owner occupants of mobile home.* 1. The monetary obligation must be paid within 12 years of the date of sale in regular monthly installments.

2. The mobile home shall be occupied by the owner at a mobile home park or other semi-permanent site.

3. The maximum loan shall not exceed 90% of the sales price of the mobile home, furnishings, equipment and premiums for hazard, credit-life and guaranty insurance obtained for periods up to the full loan term.

(c) *Loans to dealers of mobile homes.* 1. The monetary obligation must be paid within 18 months.

2. The mobile home or mobile homes, held for sale by a mobile home dealer, and pledged as collateral for a loan, must be held within the association's lending area.

3. The maximum loan to a dealer of mobile homes shall not exceed 100% of the dealer's cost.

4. The aggregate of loans made to any one dealer of mobile homes shall not exceed 1% of the association's total assets.

5. Mobile homes pledged as collateral for loans to mobile home dealers shall be subject to regular inspections by a duly authorized representative of the association. A written report of such inspection shall be completed and signed by the representative, setting forth the location of the units, the type of unit, including manufacturer, model identification and serial number, and the wholesale value of such unit as determined by either invoice, catalog, blue book or comparable.

(2) INVESTMENTS IN CHATTEL PAPER SECURING LOANS TO OWNER OCCUPANTS. Investments in chattel paper or interests therein, securing loans to owner occupants on mobile homes shall be subject to the limitations of this chapter.

(3) INVESTMENTS IN CHATTEL PAPER SECURING LOANS TO DEALERS OF MOBILE HOMES. Investments in chattel paper or interests therein, securing loans to dealers of mobile homes shall be subject to the limitations of this chapter.

(4) PURCHASE OR SALE OF INVESTMENTS IN CHATTEL PAPER SECURED BY MOBILE HOMES. (a) An association may purchase mobile home chattel paper or interests in such chattel paper from other lenders, including servicing companies and such purchase or investment in such chattel paper may be made with or without recourse.

(b) Loans secured by chattels may be sold to other lenders or to servicing companies. Such sales shall be made without recourse.

(c) Chattels purchased by an association are subject to the limitations of this chapter.

(5) SERVICING AGREEMENTS. Associations may enter into agreements with other lenders and/or servicing companies to provide any services deemed necessary under this chapter.

(6) APPLICABILITY OF OTHER STATUTES. All other applicable provisions of state and federal law and regulation, including chapter 409, Wis. Stats., entitled, "Uniform Commercial Code—Secured Transactions," chapter 943, Wis. Stats., entitled, "Crimes—Property," and chapter 138, Wis. Stats., entitled "Money and Rates of Interest," chapter 218, Wis. Stats., entitled "Finance Companies, Auto Dealers, Adjustment Companies and Collection Agencies," and Federal Reserve System Regulation Z entitled "Truth in Lending" are applicable to transactions described in this chapter.

(7) GENERAL. Investments by an association in the financing of mobile homes shall be made in conformity with sound practices for such investments. Such loans, investments and chattel paper shall include provisions for the protection of the association and shall provide specifically for protection with respect to insurance, taxes, governmental levies, maintenance and repairs, and for such other protection as may be lawful or appropriate. The association may pay taxes or other governmental levies, insurance premiums or other similar charges for the protection of its security interest, and all such payments may, when lawful, be added to the monetary obligation of the obligor. The association shall in a timely manner take all steps necessary to protect its security interest under applicable law.

(8) DISCRETIONARY AUTHORITY OF COMMISSIONER. The commissioner may, for good and sufficient reasons, limit or prohibit an association from making loans on mobile homes, investment in chattel paper or interests therein evidencing financing of mobile homes.

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