

Manufactured Homes (Mobile Homes) –
The chameleons indigenous to Iowa’s plains?
(Are they real property, personal property or a little of Both?)

In a procedure utilized by tax assessors, Iowa Code provides for the “deeming” of manufactured homes sold originally as personal property be considered real property – when located outside a mobile home park and by being placed on a permanent foundation. Also by legal definition, if a manufactured home, mobile home, or modular home is placed outside a mobile home park, the home must be titled and is to be assessed and taxed as real estate. Before enabling cities and counties to tax manufactured homes as real property, the homes are first titled as a manufactured home (personal property), so that a use tax can be collected at the time of sale. If the consumer is going to get a traditional mortgage, then the manufactured home title must be surrendered.

Some neighboring county auditors/assessors/recorders vary their practices and may continue to treat mobile homes differently, but the statute is clear, they “... shall be...” converted to real estate.

The terminology used by the manufactured housing industry is important when there are zoning implications involved. For example, if a consumer approaches a city and asks for a building permit to place a “mobile home” on a private lot, the city could legally say no. This is true because there is no discrimination protection against “mobile homes”, defined as factory built homes constructed prior to June 15, 1976. A “manufactured home” however, does have Iowa Code protections to prevent discriminations against them.

When you received your real estate license you are given authority to sell real property of another for a fee. Because the statute automatically converts mobile or manufactured homes, under certain conditions, to be real estate you would therefore be licensed to sell the home.

Some difficulties may arise, such as, what exactly is a “permanent foundation”? Courts in Iowa may use many factors in their determination of permanency, such as placed on piers, place on cement blocks or foundations, water, electricity , sewer, additions such as a porch or deck, etc... but the overriding factor will be the INTENT of the persons . Does the owner and or purchaser intend for the manufactured home NOT be removed? Are they intending to live there? Iowa Code also states that the use of pier footings is a permanent foundation. Pier footings are also recognized as a permanent foundation in the Uniform Building Code. In that document piers are called columns.

A "mobile home park" means a site, lot, field, or tract of land upon which three or more mobile homes or manufactured homes, or a combination of any of these homes are placed on developed spaces and operated as a for-profit enterprise with water, sewer or septic, and electrical services available. A mobile home park must be classified as to whether it is a residential mobile home park or a recreational mobile home park or both. The Mobile

Home Park Residential Landlord Tenant Act only applies to residential mobile home parks.

A frequent concern is what happens when a manufactured home has been converted to real property and the prospective purchaser intends to move the manufactured home. If the purchaser moves it to another permanent location, the reconversion process to personal property is generally not required. You do not have to convert to personal property just for the moving process. However, if the manufactured home is not immediately used as real property, selling the home may require a used mobile home permit.

The Iowa Department of Transportation (DOT) is the agency to contact regarding mobile home sales when the manufactured home is considered personal property. DOT, Office of Vehicle Services, Park Fair Mall, 100 Euclid Ave. P.O. Box 9278, Des Moines, Iowa 50306. 515 - Iowa Department of Transportation – Special Projects Team 515-237-3156. You may also find the permit at www.dot.state.ia.us/mvd/ovs/index look for mobile home registration

An application for mobile home dealers license may be obtained from a local DOT office. A \$50,000 mobile home surety bond is required and must be included with an application (costs up to \$500). Surety bond information and policies may be obtained from your local insurance agent, and a separate mobile home dealers license must be obtained for each county in which you are doing business.

Mobile home dealer licenses may be obtained for two (2) years costing \$70.00 - mobile home plates \$40.00, 4 four years costing \$140.00 - plates \$80.00, or 6 year license costing \$210.00 – plate \$120.00. The Plate fee is required when you are moving the mobile home to a new location, if you will not be moving the mobile home, you may be an unregistered mobile home dealer and the plate fee would not be required. Also, when moving a mobile home it is likely an oversized vehicle permit would need to be obtained from the DOT, which the trucking/moving firm should be familiar.

The DOT does not license individual salespersons, therefore a brokerage firm may acquire a license for all associated within their brokerage.

In summary

- : Need to be a manufactured home dealer to sell new or used manufactured homes
- : If not in a “Mobile Home Park” – it’s real property and a REALTOR® may sell
- : A home can be considered real property and still carry a personal property title. Iowa law allows for this type of financing. Some lenders who specialize in loans for manufactured homes may not offer traditional home mortgages, therefore, they keep the title until the home is paid off in order to protect their security interest. If they have to foreclose, it’s much easier for the lenders if there is a title.

The easiest way to remember is if the home is located on a private lot and not in a manufacturing housing lease community, then the home is real property and

REALTORS® may sell it without a manufactured home retailer's license. Even if the local assessor is not taxing the property correctly, it would be considered real property because of state law.

If your curious – more information may be found in Iowa Code chapter and sections 322B, 322, 322C, 435.1 and 335.30 or contact the Iowa Manufactured Housing Association 515-265-1497