

Mobile Home Commission Act Update - Title & Escrow Processes

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Mobile Home Commission Act Update – Statute Changes

Problem: Owners of Mobile Homes either lost or never received the certificate of title to the mobile home. Department of State stopped allowing bonds to obtain replacement titles. In many cases, litigation was necessary to obtain a court order, and subsequently a replacement title.

Solution: Changes in the Michigan statutes allow for an affidavit of missing title to be affixed to the affidavit of affixture application in lieu of an original title. Effective as of June 13, 2022.

Mobile Home Commission Act Update – Statute Changes

MCL 125.2330k Ownership without certificate of title; affidavit of missing title; recording; fees; civil liability.

...if a mobile home is affixed to real property *and* the party claiming to own the mobile home also owns the real property, *and* the mobile home has been located on the real property for 15 years or more, *but* the owner of the mobile home either lost or never received the certificate of title to the mobile home when the owner of the mobile home acquired the real property with the mobile home already affixed to it, the mobile home will be **considered affixed to the real property free of any interests that previously attached to the mobile home.**

Mobile Home Commission Act Update – Statute Changes

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...The department must approve the affidavit of affixture as submitted if the owner of the mobile home submits to the department an affidavit of missing title that contains all of the following information and pays any fees required under section 30i to issue the affidavit of affixture:

- (a) The name and address of the owner of the real property.
- (b) The address at which the mobile home is physically affixed, if different from the address of the owner of the real property.

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...(c) A description of the mobile home that includes the name of the manufacturer, the year of manufacture, the model, and the mobile home's or manufacturer's serial number to the extent this information is known to the affiant. An affiant that does not know the manufacturer's serial number must comply with subsection (6) to obtain the serial number, or if applicable, subsection (7) to obtain a replacement serial number.

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...(d) A statement that the mobile home is affixed to the real property *and* either of the following pieces of information:

(i) Information as may be satisfactory to the department regarding the date that the mobile home was placed on the real property.

(ii) The date the property assessment or tax roll first reflected that the real property to which the mobile home is affixed was improved with the mobile home. If this subparagraph applies, the owner of the mobile home shall include documentation from the treasurer of the county in which the real property is located that shows proof of the date required under this subparagraph.

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...(e) A statement that the mobile home and the real property to which it is affixed are not located in a mobile home park.

(f) The legal description and tax parcel number of the real property to which the mobile home is affixed. For purposes of this subdivision, a copy of the vesting deed of the real property must be attached.

(g) A statement that to the best of the affiant's knowledge, no payments are currently being made to any secured party and no amount is currently owed under any debt obligation that may have previously been secured by the mobile home.

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... (h) A statement that the wheels, towing hitches, and running gear of the mobile home have been removed.

(i) A statement that the mobile home is attached to a foundation or other support system.

Notes:

- A lender can preserve a lien by recording a notice of the security interest with the ROD.
- 15 year period begins to run when the manufacturer sells the mobile home or the tax roll reflects the real property as improved, whichever is earlier.

Mobile Home Commission Act Update – Title

Title policies specifically exclude mobile homes from the definition of Land.

2021 Owners Policy, Conditions 1(j):

“Land”: The land described in Item 4 of Schedule A and improvements located on that land at the Date of Policy that by State law constitute real property. The term “Land” does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

Mobile Home Commission Act Update – Title

To include the mobile home within coverage, issue the ALTA 7 series endorsements.

ALTA 7.1 is issued for loan policies *(most often requested by lenders).*

ALTA 7.2 is issued for owners policies.

The term “Land” includes the manufactured housing unit located on the land described in Schedule A at the Date of Policy.

Coverages: The unit is located on the Land.

The unit on the Land is real property.

The insured is the owner.

Specific liens.

Additional coverage for the lender’s mortgage.

Mobile Home Commission Act Update – Escrow

BASIC PROCESS WHEN YOU HAVE A TITLE

- Collect the ORIGINAL Mobile Home Title.
 - **DO NOT HAVE THE SELLER SIGN IT.**
- Review for any liens on the title, and clear prior to affixture.
 - Payoff at closing, obtain termination, then proceed with filing.
- Affixture affidavit to be signed by owners on the Original.
- Collect funds for the fee to the State (Currently \$90).
- Send the **ORIGINAL Mobile Home Title** with Affidavit of Affixture of Mobile Home Application.
- It should take 7-10 days to have the process completed and to receive the affidavit back.
- Record the affidavit when returned.

Mobile Home Commission Act Update – Escrow

PROCESS WHEN THEY **DO NOT** HAVE THE TITLE

- Option 1 – Original process
- If the mobile home has not been on the property over 15 years, do a search to see if the affidavit was completed with the state, but never recorded. <https://mhaoa.apps.lara.state.mi.us/Search.asp>
 - If it does show affixed, use that print out as an attachment to file the affixture affidavit prior to closing. (You will have to pay the \$90 again)
 - If it does not show affixed, run a search with the Secretary of State to determine ownership of the mobile home and/or liens. https://dsvsesvc.sos.state.mi.us/TAP/_/#1
 - If it comes up in the name of your seller, have them apply for a replacement title.
 - If it does not come up in their name, additional work will be needed by the seller to track down the title to have signed off to them, or a court order to put the title in their name.

Mobile Home Commission Act Update – Escrow

PROCESS WHEN THEY **DO NOT** HAVE THE TITLE

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- Option 2 – New Option 2022
 - If the mobile home has been on the property over 15 years.
 - The owner of the real estate can fill out the Affidavit of Missing Mobile Home Title to attach to the affixture affidavit in replacement of the Original Title.
 - The seller must attempt to find the serial number of the mobile home, if it cannot be located put “UNKNOWN” in the box on the form.
 - Attach documentation to the Affidavit to show the mobile home is taxed as real property and what date that began, as well as the vesting deed.
 - Complete the remainder of the Basic Process to send in the Affidavit of Affixture of Mobile Home Application, which will be stamped and returned to you to record.

Mobile Home Commission Act Update – Escrow Handouts

- Outline of the Processes
 - The same process with the added option of Affidavit of Missing Mobile Home Title
- Flow chart provided by the State
- Copy of the current Affidavit of Missing Mobile Home Title
- Copy of the current Affidavit of Affixture of Mobile Home Application

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Thank you!