

DMHOA

Delaware Manufactured Home Owners Association

Presents

How to Become a “Land Owner”

DMHOA

Delaware Manufactured Home Owners Association

**Why Should I become a
“Land Owner**

DMHOA

Delaware Manufactured Home Owners Association

Becoming a *Land Owner* is a
way for all

**Homeowners to purchase and manage
their Development**

**instead of being part of a Land/Lease that
is under the control
and obligation of someone else**

DMHOA

Delaware Manufactured Home Owners Association

Land Ownership

Advantages

DMHOA

Delaware Manufactured Home Owners Association

Advantages

- 1. The ability to reduce your Homeowners cost of living with lower and fewer monthly fee increases as a result of Homeowner Management**
- 2. Land Ownership has shown that there is a bigger market for selling your home in a Community that is owned by the Homeowners**
- 3. Most banks will provide a regular Home Mortgage on homes in a Land Ownership Community and at a lower interest rate vs. a Personal Loan in a Land/Lease Community**

DMHOA

Delaware Manufactured Home Owners Association

Advantages

4. You will now have a long term security because your Development cannot be sold or closed without the vote from your Homeowners

5. Land Ownership provides a much stronger sense of “Community Living “ for all of your Homeowners

DMHOA

Delaware Manufactured Home Owners Association

How Do We Start ?

STEP ONE

Form a Homeowners Association

DMHOA

Delaware Manufactured Home Owners Association

- 1. Invite all Homeowners to a special meeting (Invitation Only) and explain the reasons why they should consider the benefits of Land Ownership**
- 2. Ask the Homeowners for a vote of confidence to investigate all options**
- 3. Form a Committee to establish a Homeowners Association for your Development as soon as possible**
- 4. Have a second meeting with the Homeowners to review the Committee findings and select your officers (President, Vice President, Treasurer, Secretary, and a Board of Directors)**

DMHOA

Delaware Manufactured Home Owners Association

- 5. Choose a name for your Homeowners Association and have your officers establish a annual membership Fee, a set of Rules, Regulations, and Bylaws. A model set of Bylaws are available in the Delaware “Right of First Offer” law that could be used for your Development**
- 6. Have the Homeowners vote on the Membership Fees, Rules, Regulations, and Bylaws so you can take your next step.**

DMHOA

Delaware Manufactured Home Owners Association

STEP TWO

Land Purchase Investigation

Ask for volunteers to serve on a Land Purchase Investigation Committee (LPIC)

Have your LPIC begin the following:

- 1. Become a non-profit Corporation. All negotiations with your Land Owner will need to be done between your Corporation and your Land Owner**

DMHOA

Delaware Manufactured Home Owners Association

2. Gather as much information as you can about your development such as:

- **Size of the Development**
- **Ownership of the Land**
- **Date of Purchase**
- **Purchase Price**
- **Latest tax assessment**
- **Annual tax of Land**
- **Type of Sewage**
- **Water Company**
- **Utility Companies**
- **Number of Homes**
- **Total length of streets/roads**
- **Needed Maintenance**

3. Create a Estimated Annual Budget for your Development that includes

the following important information:

- **Legal Fees**
- **Banking Charges**
- **Auditing Fees**
- **Liability Insurance**

DMHOA

Delaware Manufactured Home Owners Association

- **Snow Removal**
 - **Lawn/Landscape Care**
 - **Land Taxes**
 - **Cost/Maintenance**
 - **Petty Cash Fund**
 - **Actual)**
 - **Utilities**
 - **Reserve Fund (5% of your est. Purchase Price)**
 - **Community Center Manager**
 - **General Maintenance (Streets, Lights, Etc.)**
 - **Community Center**
 - **Monthly Statements (Budget vs. Actual)**
 - **Management Company Fees**
- 4. Estimate the minimum selling price for the land by using the tax assessment plus 5-10%. Then find the cost of three Mortgages that total 105% of the purchase price as follows:**

DMHOA

Delaware Manufactured Home Owners Association

- **First Mortgage = 80% for 30 years at 7 & 8%**
 - **Second Mortgage = 20% for 30 years at 7 & 8%**
 - **Third Mortgage = 5% at 30 years at 7 & 8%**
- 5. Total your annual budget and divide by 12 to get the monthly cost of your budget and add the monthly payment for all three mortgages**
- 6. Divide this total by the number of homes in your Development this is the monthly fee that would be paid by each Homeowner**

Review this information with your Home Owners and explain the total cost to each Home Owner to purchase your Community

DMHQA

Delaware Manufactured Home Owners Association

Step Three Additional Investigations

- **Apply for a Non-Profit status and a Federal ID number for your Corporation**
- **Search for a Real Estate Lawyer who can be on call when needed**
- **Write a Mission Statement that identifies who you are and your commitment to your Homeowners and others who may need your help**
- **Create a list of items that promises the Monetary and Legal Protection that the Corporation will provide to all of your Homeowners**
- **Prepare a Membership Agreement, Sales Contract, and Land/Lease Agreement. Consider converting your existing contracts to your needs**

DMHOA

Delaware Manufactured Home Owners Association

Step Four

The Final Step

**By now you can see that this is a lot of
work for you**

But Believe Me

DMHOA

Delaware Manufactured Home Owners Association

It's Worth It



**You are now ready to ask for HELP
and the best place to find it is from**

ROC USA

DMHOA

Delaware Manufactured Home Owners Association

ROC USA

ROC USA is a national organization dedicated to help Manufactured Home Developments, all over the USA, purchase their Development

They have converted more than 85 Developments in New Hampshire and none of them have defaulted

ROC USA is now registered in Delaware and has a Technical Advisor (TA) assigned to help you. They can provide you all the technical assistance and financing needed to help you own your Community

DMHOA

Delaware Manufactured Home Owners Association

Good

Luck