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**MANUFACTURED HOMES
TITLE SURRENDER CONVERSION TO REAL ESTATE**

As of July 2002 with the passage of Senate Bill 983, manufactured home owners and finance companies are now able to surrender the titles on manufactured homes if the home is permanently attached to the real property.

Only the Tax Commission may purge the title not the finance company. If a lender believes they had surrendered title prior to July 2002, they have not. What they may have done is: 1) Given the owner a title without a lien entered, or 2) Kept the title at the finance company also known as “holding the title” which is prohibited in Oklahoma.

There are several forms available from the Tax Commission, Motor Vehicle Division pertaining to surrender of title.

- Application for Title Cancellation of a Manufactured Home Permanently Affixed to Real Estate
- Notice to County Assessor of Cancellation of Oklahoma Certificate of Title
- Notice to Lien Holder of Application to Cancel Oklahoma Certificate of Title
- Notice to Owner of the Existence of an Active Lien Upon Receipt of Application to Cancel Oklahoma Certificate of Title

Lenders that are holding titles may now apply to surrender those titles and have them purged. If the land/home was transferred by warranty deed or deed of trust the lender will need to call the Motor Vehicle Division at 1-800-522-8165, ext. 13221 for instructions.

Since 1985, Oklahoma law has allowed a manufactured home to be classified as real or personal property. If the home is situated on land owned by the owner of the manufactured home, it should be classified as real property. If it is located on land owned by someone else, it is classified as personal property. In either case, the manufactured home is still subject to title and registration and should be designated as MH on the assessment roll and valued as a separate line item.

Until July 2002, the law did not allow a homeowner or lender to surrender the title and have the home classified as real property. Under Oklahoma law, if the title has been properly surrendered the manufactured home is no longer subject to title and registration under the Motor Vehicle Code.

When a manufactured home is listed with the county assessor as real property, the county assessor is required to separate the account into three (3) line items: 1) Land 2) Mfg. Home and 3) Other Improvements. The owner will be assessed on the total assets listed.

When the home is listed as “personal property”, the owner of the home is assessed only on the home and any other improvements they may have on the site. The person that owns the land is responsible for payment of the tax on the land only.

When an owner or finance company properly surrenders the title to the manufactured home, the Motor Vehicle Division will notify the county assessor that the home is now permanently affixed to the real estate and the title has been surrendered. At this point, the home will be assessed as any other real property being land and any and all improvements, and no longer be classified as a manufactured home.