

**FULL AND PROPER IMPLEMENTATION OF THE MANUFACTURED HOUSING  
IMPROVEMENT ACT OF 2000 -- FACT SHEET # 6**

**HUD’S REGULATORY EXPANSION VIOLATES SECTIONS OF THE LAW**

While the original 1974 federal manufactured housing law included specific procedural and substantive requirements for the development and adoption of federal manufactured housing construction and safety standards, it contained no parallel requirements for the development of enforcement-related regulations. Congress changed this in the 2000 law, establishing specific procedural and substantive requirements not only for regulations (*i.e.*, mandatory review and comment by the Manufactured Housing Consensus Committee (MHCC) together with notice and comment rulemaking, among other things), but also for regulatory practices, policies and interpretations of the regulations (*i.e.*, mandatory MHCC review, comment, response by the Secretary and rulemaking). These requirements are set forth in section 604(b) of the 2000 law, and particularly section 604(b)(6), which states that any changes adopted in violation of those requirements are “void.”

Contrary to the language of the law, HUD has consistently refused to trigger section 604(b) by bringing regulatory proposals to the MHCC. HUD claims that “the 2000 Act does not require HUD to consult the MHCC before it interprets and enforces its own regulations.” While this assertion is half-true -- HUD is not required to consult with the MHCC before it enforces its existing regulations -- the 2000 law clearly requires HUD to come to the MHCC with proposed regulations, revisions, or interpretations of the standards that would change their meaning or effect. Section 604(b)(3) of the law requires the Secretary to submit proposed interpretive bulletins to the MHCC for review and comment “before” they are “issued.” As noted above, section 604(b)(6) provides that any change in policies, practices or procedures relating to enforcement activities is subject to the same MHCC procedures and that “any change” adopted in violation of those policies is “void.” HUD has attempted to read catchall section 604(b)(6) out of the law through an “interpretive rule,” which limits its scope to formal “rules” only. This interpretive rule was issued in February 2010 without opportunity for public comment.

For example, over the past three years, HUD has attempted to impose a costly expansion of in-plant regulation on manufacturers without complying with the procedural or substantive requirements of the 2000 law. This expansion, which began as a request for “voluntary cooperation” and has now been transformed into a mandatory program with mandatory enforcement, has never been evaluated for its cost impact on homebuyers or its necessity or justification by anyone, contrary to the 2000 law. Nor has HUD complied with the procedural safeguards of the 2000 law for regulated parties. Instead, HUD is bypassing the MHCC and rulemaking.