



## Highlights of the 2014 MHI Summer Meeting

The MHI 2014 Summer Meeting was held in downtown Indianapolis, Indiana June 8<sup>th</sup> -10<sup>th</sup> at The Alexander Hotel where 97 attendees participated in two and one half days of meetings and networking events.

MHI thanks the sponsors below for their generous support of this meeting.

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A highlight of the meeting was the attendance of Pamela Beck Danner, Administrator for the Office of Manufactured Housing Programs at the U.S. Department of Housing and Urban Development (HUD). Danner attended the entire meeting and spoke to the MHI membership on Tuesday morning during breakfast. Two of the most significant items addressed were Danner's commitment to having manufactured housing be a part of HUD's mission and included in the department's housing programs and, the announcement of the selection of the Administering Organization (AO) for the Manufactured Housing Consensus Committee (MHCC). She is working with NFPA and the new AO to ensure a seamless transfer of information related to the activities of the MHCC. Danner provided an overview of activities since re-joining the department to include addressing the immediate issues brought forth by MHI related to the HUD-Code updates that were effective June 10th.

On Monday afternoon, a general session was dedicated to a review of CFPB rules and how they specifically impact home sales and land-lease community operations. The panel, moderated by Dick Ernst, Financial Marketing Associates, Inc., included Marc Lifset and Jeff Barringer of McGlinchey Stafford, and Matt Webb of 21<sup>st</sup> Mortgage Corporation.

The MHI Board of Directors met at the end of the Summer Meeting. During the meeting, the vacancy of the MHI Vice Chairman position was filled by the election of Tim Williams, President and CEO of 21<sup>st</sup> Mortgage Corporation. Williams is a long-time member of MHI and a current member of the MHI Board of Directors representing MHI's Financial Services Division. Issues discussed during the Board of Directors meeting were the onsite construction of non-load bearing garages and the proposal to amend the definition of "manufactured home" in the statute to further clarify that park model RVs are not manufactured homes. Terry Decio, who serves on both the RVIA and MHI boards of directors, said that he would work with the RVIA task force and MHI on the issue. Charley Lott and Howard Walker were appointed to work with Mr. Decio. Under old business, Tim Williams reported on how credit bureaus are viewing multiple inquiries from lenders and the impact multiple inquiries have on a consumer's credit score. He reported that multiple inquiries from the same type of lender within 30 days are counted as one inquiry, and within 90 days are counted as two inquiries. This question was posed at the previous board meeting after lenders reported significant increases in credit applications with the implementation of the CFPB regulations implementing the Dodd-Frank Act.

All MHI divisions and several committees met during the 2014 Summer Meeting. Brief summaries of those meetings are below.

#### Suppliers Division

Lois Starkey, MHI's Vice President, Regulatory Affairs briefed the Division on a meeting held with HUD on May 8<sup>th</sup> with ground anchor manufacturers to discuss HUD's proposed rule on ground anchors that would set new test methodology. Starkey also mentioned that DOE's Standards Advisory Committee met and established a formal working group in which consumers, manufacturers, utilities, environmental advocates and other stakeholders will work together on updating energy-saving standards for manufactured housing.

The division received an update on the Suppliers Division Membership Recruitment Initiative. The members were provided with a current list of MHI members in the meeting packet and are encouraged to ask anyone they are doing business with that is not on that list to join MHI. Ideas to promote the industry and bring in new members were discussed. Lois Starkey and L.A. Tony Kovach updated the division on the status of the image/video project where MHI would enlist the help from state associations to identify colleges or a school of performing arts to identify students that might be interested in acting, filming and editing videos promoting manufactured housing.

Knute Chauncey briefed the division on an opportunity for MHEI and suppliers to work on joint education efforts. Suppliers generally have "how to" videos on installation of windows, heating and air conditioning, carpet, vinyl siding, ground anchors, etc. that could be utilized by MHEI to create training programs for installers. Supplier members are encouraged to let Cheryl Berard ([cheryl@mfghome.org](mailto:cheryl@mfghome.org)) at MHI know if they have any training videos they can offer so this can be discussed again at MHI's Annual Meeting.

### National Retailers Council

Discussion was held on the recent examination of homes that have had site built garages added at the home site. Attendees were informed of HUD's request for manufacturers to submit AC letters for the construction of future homes where a garage will be attached and of the requirement to work with their third party in making a Subpart I determination for homes already constructed. Discussion was also held on the RVIA initiative to change the definition of a "manufactured home" in statute. Vice Chairman Karl Radde reported on the meetings and progress of the HPML Appraisal Task Force that was formed to help facilitate the development of valuation systems that will allow the industry to comply with the HPML Appraisal requirements—particularly for personal property transactions—that will go into effect July 2015.

### Manufactured Housing Division

The Manufactured Housing Division took action on the RVIA proposal, and agreed to support it. Division members also directed staff to develop materials that could be used to inform manufacturer sales personnel and retailers of the HUD regulations and expectations regarding on site completion of add-ons. Lastly, members discussed a strategy to participate in DOE's negotiated rulemaking process.

### National Communities Council

The National Communities Council division received a brief update by MHI's Rick Robinson on the new advocacy system as well as the state and local legislative tracking project. There was significant dialogue regarding the impact of some community operators' decision to include "right of first refusal" (ROFR) in either resident leases or community rules. In this circumstance, if the resident is selling his home, the resident is required to allow the community operator the "first right" to purchase the home. There have been reports of some community operators allegedly forcing the ROFR upon residents after a lease has been signed or including it within the rules without communicating to residents. As a result, at least one pro-consumer group has been soliciting resident stories of alleged abuses of the ROFR and some NCC members expressed concern regarding the image of the industry. Discussion during the NCC meeting centered on balancing the legitimate rights of a community operator and appropriate communication with residents. One NCC member expressed the sentiment that "if a bad apple is operating unfairly, let the market solve the problem."

Another topic of discussion was the proposed language and definition of "park model" from the Recreational Vehicle Industry Association (RVIA). Since many older communities have smaller lots and some community operators have blended communities with both HUD code homes as well as recreational vehicles, there was significant interest in this topic. Many community operators expressed concern regarding the proposed language, the motivation for the change, and the impact it would have. While the discussion centered on informing the members of the proposal, it was not before the NCC for specific action as the MHI Board of Directors would also be discussing this issue.

Finally, it was noted that the afternoon CFPB compliance seminar "Community Compliance," was an outcome of the NCC's request and approval by the MHI Board for a legal review of the implications of Dodd-Frank from the community operator's perspective. Jenny Hodge, NCC staff liaison, is continuing work with a small advisory group to create a shortened, practical, and helpful compliance document to

synthesize the legal interpretations with actual operational impact. The current estimate of completion for this project is within the next 60 days.

### Financial Services Division

During the meeting of MHI's Financial Services Division members, attendees received a briefing on the association's legislative and regulatory activities related to Dodd-Frank and CFPB rulemakings impacting the manufactured housing industry. Participants were then provided an update on activities, spearheaded by MHI, to allow the industry to comply with appraisal and valuation rules that will become effective for the industry in July 2015.

### Federated States Division

The members of the Federated States Division spent the majority of the meeting discussing the RVIA initiative to amend the definition of a "manufactured home" in statute, ultimately approving a motion to support the position that had been taken earlier in the day by the MHI Manufactured Housing Division. Also discussed were ideas related to holding a "national strategy" meeting to focus on how the industry could move beyond 50,000 to 60,000 shipments/production annually and, plans for the construction of the manufactured housing hall at the RV/MH Hall of Fame.

### Government Relations Committee

MHI's newly reconstituted government relations committee met for the second time during the association's Summer Meeting. Members of the committee include representatives from each of MHI's divisions. Committee members include:

- **Nathan Smith, SSK Communities (Chair)**
- **Michael Bowen, American Modern Insurance Group (Vice Chair)**
- Leigh Abrams, Drew Industries
- Steven Adler, Murex Properties
- Kevin Clayton, Clayton Homes
- Jayar Daily, American Homestar Corp.
- Dick Ernst, FINMARK
- Mary Gaiski, Pennsylvania Manufactured Housing Assoc. (as non-voting member/MHEC Chair)\*
- Jennifer Hall, Mississippi Manufactured Housing Association
- Ross Kinzler, Wisconsin Housing Alliance
- Rick Martin, Heartland Homes
- Leo Poggione, Craftsman Homes
- Brad Shechtman, AMHC Management
- Tim Williams, 21<sup>st</sup> Mortgage

During the meeting, committee members received updates on MHI's government relations activities.

MHI has instituted a new tool to assist industry advocates in contacting their Members of Congress. The MHI Engage page – accessible via the Action Alerts tab on the web site and Facebook page – has helped the industry generate increased contacts to U.S. Senators and Representatives. Staff reported that since being activated in April, over 2500 advocates have sent 5639 emails to their federal elected officials.

MHI members were encouraged to send future action alerts to all their employees and community residents in order to further increase these numbers.

MHI staff announced the test of a new program designed to track legislative proposals pending before state legislatures, as well as city councils and county commissions. MHI has hired Multi-State Associates to track legislation impacting the manufactured housing industry. As a one year test, MHI will be tracking activity in 15 states (CA, FL, NC, TX OH, PA, KY, OR, MI, IN, NY, AZ, SC, IL, AL) and 1829 local jurisdictions within those states. For those MHI members that sign-up for the service, state alerts will be distributed twice a week and local alerts will be distributed following notification of state organizations.

MHI Senior Vice President of Government Affairs Jason Boehlert provided participants an update on MHI key legislative and regulatory priorities, including: Dodd-Frank and GSE reform, extension of the New Energy Efficient Home Credit (I.R.C. 45L); energy efficiency requirements for manufactured housing; and efforts to strengthen the HUD Code.

#### Technical Activities Committee

The MHI Technical Activities Committee (TAC) committee reviewed the new revisions to the MHCSS and discussed clarifications and changes made by HUD's Office of Manufactured Housing. Pamela Danner, the new Administrator, joined the meeting and received recommendations regarding the new revisions to Subpart I and problems with monthly reporting by IPIA's of manufacturer's service records. TAC agreed to take another look at HUD's proposed rule to establish new procedures for On Site Completion of Construction of Manufactured Homes. TAC also decided to submit another letter to HUD requesting that it reverse its position requiring AC letters for certain types of roof assemblies. There was significant discussion and questions regarding HUD's recent letter regarding add-ons, and a consensus that the HUD-Code egress requirements should be updated. TAC recommended that the Manufactured Housing Division support RVIA's proposal to amend the definition of "manufactured home," to clarify that RV's and Park Models are not manufactured homes, and should not be regulated as such.

#### MHI-PAC Board of Trustees

The MHI-PAC Board reviewed current financial data and discussed fundraising initiatives and metrics for 2014. MHI-PAC had \$119,463.53 cash on hand as of June 6th, including nearly \$30,000 in individual PAC contributions from MHI members since January. The PAC Administrative Fund had \$53,952.51 cash on hand, including \$13,050 in corporate donations from members in 2014, as well as receipts from the Oliver Technologies Golf Open held during Congress & Expo. In the 2013-2014 election cycle, MHI-PAC had received \$89,342 in individual contributions as of June 6th and had disbursed \$79,090 to federal candidates for U.S. Congress who support the policy goals of the manufactured and modular housing industry.

The PAC Board discussed upcoming activities, including an industry fundraiser for U.S. Senator Joe Donnelly in June, as well as the Annual Meeting Golf Tournament on September 14th, and Raffle and Silent Auction on September 15th. The Board also viewed results from a study of more than 2,000 business PACs which noted that the average contribution from donors to an association PAC was \$633.42, and the average rate of participation among members and employees who contribute to an association PAC is 14.8 percent. For more information, please contact Gay Westbrook, MHI Vice President of Political and Public Affairs, at [gwestbrook@mfghome.org](mailto:gwestbrook@mfghome.org) or (703) 229-6212.