



MHI Regulatory Update

Updated HUD-Code Revisions Effective June 9, 2014

New updated revisions to the Manufactured Housing Construction and Safety Standards became effective on June 9, 2014. The final regulations contained a handful of problems and incorrect reference standards identified by MHI and corrected by HUD. One requirement, regarding furnace air supply ducts, has been delayed until a more workable solution can be developed.

MHCC Slated to Convene – New AO Selected

On June 26th the Manufactured Housing Consensus Committee (MHCC) is scheduled to convene for the first time in a year and a half. It will hold a teleconference to discuss pending recommendations, and lay out an agenda for action in 2014-2015. A new Administrative Officer (AO) has been selected to administer the MHCC, Home Innovations Research Lab, formerly the NAHB Research Foundation, an affiliate of the National Association of Homebuilders (NAHB). MHI supported the appointment of the International Code Council (ICC), but the application was rejected by HUD's contracting office because it was not submitted by the deadline.

DOE to Launch Negotiated Rulemaking for HUD-Code Energy Efficiency Standards

On June 13th, the Department of Energy issued a notice that it will establish a working group to undertake a Negotiated Rulemaking for energy efficiency standards for manufactured housing. A draft proposed rule, pending at the OMB since 2011, has been withdrawn. At the urging of MHI and 12 other organizations, DOE was asked to authorize its Appliance Standards Rulemaking Advisory Committee (ASRAC) to develop consensus recommendations. This effort allows industry and others to participate in the process before a rule is proposed and finalized. In the next several weeks, DOE will appoint up to 25 individuals representing manufacturers, component and other supplier members, as well as representatives from various energy conservation and consumer groups. DOE has chartered the working group to develop recommendations by September 30, 2014. In accordance with MHI supported congressional directives, and support from HUD, the working group will consult with the

MHCC as it attempts to develop a consensus recommendation for new energy efficiency standards for manufactured housing. Thanks to the MHI TAC members who have volunteered to submit their names to DOE for consideration. Anyone else interested in participating may contact Lois Starkey at lstarkey@mfghome.org for more information. Interested participants must apply by June 27, 2014.

[Click here](#) to view the DOE notice.

MHI Expresses Caution on Label Fee Increase

On June 2nd, MHI submitted comments to HUD's proposed rule calling for a label fee increase of \$95-\$105 per floor label fee increase. HUD's proposal reflects a budget of \$10 million it estimates it needs to administer the mandates imposed by the Manufactured Housing Improvement Act of 2000. Highlights of MHI's comments follow:

- The proposed fee increase is a significant increase over the current fee, and does not take into consideration the overall cost of regulation under the HUD Program.
- There may be more cost effective ways for HUD to carry out the multiple federally mandated and pre-emptive oversight and enforcement aspects of the program.
- Fees paid to SAAs are not reflective of current production and shipment levels. A flaw in the federal law mandates that fees be based on shipment and production levels in effect in the year 2000.
- The proposed fee increase does not address the very likely possibility that production of manufactured homes will increase. With the fee fixed at \$95 to \$105, a strong recovery by the industry could result in a windfall that HUD does not need in order to accomplish its mission.
- HUD should consider withdrawing the proposed rule and develop a formula for establishing fees based on production.
- MHI supports changes to the Manufactured Housing Improvements Act (MHIA) that eliminate the requirement to fund SAA's at 2000 production levels. This would allow HUD to consider a fee increase based on more realistic payments to SAAs.
- HUD should seriously consider alternatives to label fees for activities related to administering installation programs in the 15 default states.
- Any fee increase that is as substantial as the HUD proposal should be phased in over several years.

HUD expects to issue a final rule by the end of the year. [Click here](#) to view MHI's comments.

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