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MHARR FORMALLY CALLS FOR CONGRESSIONAL REVIEW AND REJECTION OF DOE MANUFACTURED HOUSING "ENERGY" RULE

Washington, D.C., January 9, 2017 – The Manufactured Housing Association for Regulatory Reform (MHARR), following its November 18, 2016 call for a moratorium on new regulations affecting federally-regulated manufactured housing – including a proposed rule by the U.S. Department of Energy (DOE) that would needlessly exclude millions of lower and moderate-income Americans from the American Dream of home ownership – has now formally called on Congress to review and reject any such final regulation adopted by DOE under the Congressional Review Act (CRA) (5 U.S.C. 801, et seq.).

In a January 6, 2017 communication to the Chairmen of the Senate Energy and Natural Resources Committee and the House Energy and Commerce Committee (see copy attached), MHARR – citing extensive independent evidence showing that the DOE-proposed rule would result in crippling purchase price increases for manufactured housing consumers with virtually no offsetting life-cycle cost savings (or, in many areas, actual increases in overall life-cycle costs) – urges Congress to exercise its authority under CRA to prevent any final DOE manufactured housing energy rule from taking effect. Such a vote by Congress, in addition to prohibiting the implementation of any specific rule so rejected, would also, under the express terms of CRA, bar DOE from: (1) reissuing the rule "in substantially the same form," or (2) issuing a new rule "that is substantially the same" as the rejected rule, "unless the reissued or new rule is specifically authorized by a law enacted after the date of the joint congressional resolution disapproving the original rule." This prohibition, in light of changes in the composition of Congress and the election of a new president in November 2016, could well end the threat of destructive and debilitating DOE manufactured housing energy regulation for an indefinite period.

Congressional rejection of a final DOE manufactured housing "energy" rule – rooted in "climate-change" extremism and targeted solely at manufactured homes and manufactured homeowners as a regressive and destructive de facto tax on America's most affordable source of non-subsidized homeownership – would not only fulfill President-Elect Trump's pledge to "eliminate" wasteful and unnecessary federal regulations "which kil[1] jobs and ... d[o] not improve public safety," but would also put teeth behind Congress November 15, 2016 warning to all federal agencies to refrain from "finalizing pending rules or regulations in the [Obama] Administration's last days." In that warning memorandum, the congressional leadership promised to "scrutinize" any such "midnight rules" and "if appropriate, overturn them, pursuant to the Congressional Review Act."

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Given the unparalleled destructive impact that any final DOE rule would have on both the affordability and availability of HUD Code manufactured housing for moderate and lower-income American families, as well as the fundamentally and irreparably-tainted procedure by which the DOE proposed rule was developed, and in light of the fact that the DOE manufactured housing rulemaking has already been flagged, not only by MHARR, but also the American Action Forum (AAF) -- an independent Washington, D.C. "watchdog" organization -- as one of 40 Obama Administration "midnight rules" with an aggregate cost impact in excess of \$44 billion, congressional rejection of the final DOE manufactured housing "energy" rule would be fully warranted and appropriate.

MHARR, having cast the <u>sole</u> vote in opposition to the proposed DOE "energy" rule as a member of the agency's negotiated rulemaking "Manufactured Housing Working Group," and having opposed the DOE proposed rule in comprehensive comments filed on August 8, 2016, has pledged to oppose any DOE manufactured housing rule based on that discredited process in all available forums. The Association's formal request to Congress for review and rejection of any such rule pursuant to the Congressional Review Act carries forward this commitment and MHARR's consistent and <u>unwavering</u> opposition to both the substance of the DOE proposed rule and the illegitimate process by which it was developed.

With this MHARR action having now been initiated in Congress, the Association will simultaneously continue its focus on possible legal action to challenge and enjoin any final DOE rule, as a safeguard in the event that energy special interests or other DOE rule proponents seek to interfere with CRA review and rejection. MHARR is also moving forward on two other pending regulatory matters – the Federal Housing Finance Agency's "Duty to Serve" final rule which fails to create an affirmative duty for the securitization of manufactured home chattel loans by the Government Sponsored Enterprises (GSEs), and HUD's impending "Interpretive Bulletin" on frost-free and frost-protected shallow foundations that would substantively and improperly alter existing standards and is insistently being pursued by the current career manufactured housing program administrator and contractors as a device to assert total HUD control over installation standards and programs in all 50 states.

The Manufactured Housing Association for Regulatory Reform is a Washington, D.C.-based national trade association representing the views and interests of independent producers of federally-regulated manufactured housing.