



Preserving the American Dream of Home
Ownership Through Regulatory Reform

MHARR

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PRESIDENT TRUMP'S ACTIONS OFFER MAJOR OPPORTUNITY FOR MH INDUSTRY AND CONSUMERS

Washington, D.C., February 28, 2017 – The Manufactured Housing Association for Regulatory Reform (MHARR) reports that Executive Orders issued by President Donald J. Trump within the past thirty days provide an unprecedented opportunity for the federally-regulated manufactured housing industry and American consumers who rely upon manufactured homes for inherently affordable housing and home-ownership to seek essential regulatory change. Those orders, fulfilling campaign promises by the President to significantly curtail the “regulatory state,” provide a solid basis for the industry and consumers to seek the elimination or modification of needless, job-killing federal regulations that unnecessarily increase the cost of the nation’s most affordable homes. They also provide a foundation for fundamental reforms to the manufactured housing program at the U.S. Department of Housing and Urban Development (HUD), to bring the program into full compliance with the landmark Manufactured Housing Improvement Act of 2000. While MHARR and others have sought to advance such elemental reforms in the past, the program status quo has persistently been shielded by go-along-to-get-along proponents within the industry.

Now, though, the Trump Administration Executive Orders -- issued on January 30, 2017 (“Reducing Regulation and Controlling Regulatory Costs”) and February 24, 2017 (“Enforcing the Regulatory Reform Agenda”) -- will respectively require virtually all federal agencies, including HUD: (1) to “identify at least two existing regulations to be repealed” for each new regulation the agency “publicly proposes for notice and comment or otherwise promulgates” during Fiscal Year 2017, so as to ensure a “total cost of all new regulations ... to be finalized this year” that is “no greater than zero;” and (2) to designate a “Regulatory Reform Officer” and appoint a “Regulatory Reform Task Force” to identify – and make recommendations to the agency head – “identifying regulations that eliminate jobs or inhibit job creation; are outdated, unnecessary or ineffective; impose costs that exceed benefits; interfere with regulatory reform initiatives and policies;” or “rely in whole or in part on data, information, or methods that are insufficiently transparent,” among other things.

In combination with the government-wide regulatory “freeze” order implemented by the President on January 20, 2017 and the impending confirmation of President Trump’s designee, Dr. Ben Carson, as HUD Secretary, these mandates offer, potentially, a once-in-a-lifetime opportunity for the industry and consumers to put a severely out-of-touch and out-of-control federal manufactured housing program back on-track. Again, while MHARR and others have previously attempted bring program abuses to the attention of appropriate authorities for proper resolution, those efforts -- with no objective “referee” at the Department to take stock of the ways in which

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entrenched program contractors and equally entrenched program personnel have harmed the industry and consumers – have been undercut by go-along-to-get-along proponents.

This is especially the case with the HUD program's entrenched, revenue-driven "monitoring" contractor. The only contractor to ever hold this key program contract since the inception of federal manufactured housing regulation more than forty years ago, the incumbent contractor has been the beneficiary of contract award criteria – drawn by HUD personnel – that match its unique experience as (so far) the only monitoring contractor in the history of the program. Using its entrenched power and a contract that authorizes it to perform functions that arguably involve inherently governmental discretionary power, the monitoring contractor – with its status protected by HUD program officials and part of the industry based on a bankrupt and discredited "devil you know versus devil you do not know" philosophy -- has used its position to advance more intensive and costly federal regulation despite unequivocal evidence showing minimal levels of consumer complaints.

Those abuses, moreover, have been enabled and facilitated – since 2014 – by the program's career administrator. Instead of streamlining regulation, as legislated by Congress in the 2000 reform law, the HUD program, under its current career administrator, in violation of the 2000 law, has consistently expanded and intensified the scope, intrusiveness and cost of unnecessary federal regulation, increasing regulatory compliance costs that are ultimately paid by consumers. Fueled, in-part by a 156% increase in the certification label fee paid by manufacturers, advanced by the Administrator, this has the effect of needlessly excluding lower-income Americans from the American Dream of homeownership in general and the manufactured housing market in particular, while disproportionately harming the industry's smaller businesses and undermining the industry's inherent competitive advantage against other, more costly types of housing.

If recent years have shown anything, it is that the federal manufactured housing program needs new blood and fresh ideas to advance the availability, utilization and affordability of what is already the nation's most affordable non-subsidized housing. This includes both a new, appointed, non-career program Administrator and new personnel within the program to break the rigid, regulation-intensive approach of the past forty years – an approach that is rooted in outdated bias and prejudice against manufactured housing and manufactured housing consumers. In short, the time has arrived -- and circumstances will never be better for -- a complete shake-up of the federal manufactured housing program, to put it into full compliance with the 2000 reform law, and turn it into an engine to facilitate the availability and affordability of manufactured housing as directed by Congress.

In Washington, D.C., MHARR President and CEO, Mark Weiss, stated: "The stance of the Trump Administration on the needless regulatory burdens confronting America's small businesses is a godsend for the manufactured housing industry and the mostly lower and moderate-income Americans who rely on its homes for affordable, non-subsidized housing. With these new policies, the industry and consumers have an unprecedented opportunity to achieve and cement in place the major program reforms mandated by Congress in the 2000 reform law. While MHARR intends to aggressively pursue this opportunity, it cannot be the only industry organization seeking fundamental change to put the federal program back on track. The go-along-to-get-along segment

of the industry, accordingly, has a crucial decision to make – to either embrace fundamental change, or continue protecting an unacceptable and indefensible status quo.”

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.