

PRESIDENT TRUMP'S REGULATORY ORDERS TO DIRECTLY IMPACT MANUFACTURED HOUSING

Washington, D.C., January 31, 2017 – Regulatory orders issued by the new Administration of President Donald J. Trump should have a direct impact on manufactured homes regulated by the U.S. Department of Housing and Urban Development (HUD) and manufactured housing consumers according to the Manufactured Housing Association for Regulatory Reform (MHARR), but face blatant defiance – particularly at HUD – from entrenched regulators and revenue-driven contractors.

Soon after the November 8, 2016 national election, MHARR became the first and only national manufactured housing industry organization to publicly call for the deferral of any action on three pending regulations affecting manufactured housing based on a November 15, 2016 memorandum sent by the leadership of the U.S. House of Representatives to all Executive Branch federal agencies, warning any agency against “finalizing pending rules or regulations in the [Obama] Administration’s last days.”

In separate November 18, 2016 communications sent to HUD, the U.S. Department of Energy (DOE) and the Federal Housing Finance Agency (FHFA), MHARR called on those agencies to defer action on: (1) a HUD “Interpretive Bulletin” (IB) regarding manufactured home foundations that would needlessly increase home costs and simultaneously result in a federal takeover of installation regulation in all 50 states in violation of the Manufactured Housing Improvement Act of 2000; (2) DOE manufactured housing “energy” standards that would needlessly and discriminatorily exclude millions from the manufactured housing market and the American Dream of home ownership with cost increases of \$6,000.00 per home, or more, even though manufactured home energy costs are already lower-than or comparable to those for site-constructed homes; (3) and any final FHFA “Duty to Serve Underserved Markets” (DTS) implementation rule that did not include the full securitization and secondary market support of manufactured housing personal property (chattel) loans by Fannie Mae and Freddie Mac.

While DOE has taken no further action on its manufactured housing energy rule, both FHFA and HUD have taken – and continue to take – defiant positions against a regulatory moratorium on these manufactured housing issues, with no discernible public pushback from manufactured housing industry representatives other than MHARR, even though the Trump Administration, immediately upon taking office, reinforced and expanded the congressional warning letter with a mandatory January 20, 2017 regulatory freeze on all federal regulations.

The HUD manufactured housing program, with a career administrator who has allowed the program’s 40-year de facto sole-source contractor to become the program’s de facto regulator – needlessly expanding and intensifying regulation in order to maintain and increase its revenues despite major production declines – has offered the absurd excuse that the foundation IB has not yet been “finalized,” even though the

Administration's mandatory freeze order specifically states that it applies to "any guidance document" or "interpretation of a statutory or regulatory issue."

As a result, any further action to implement any such IB – at this time – is clearly barred by the presidential order. Yet much of the industry – again with the exception of MHARR -- has failed to take any action to demand that HUD refrain from further activity on this matter until HUD Secretary-Designate Dr. Ben Carson has arrived at HUD and has had an opportunity to review the operation of the manufactured housing program, the urgent need for an appointed non-career program administrator in full accordance with the 2000 reform law, and the specific negative effects of this alleged "interpretation."

Similarly, any action to implement the December 29, 2016 FHFA final DTS rule – that includes only the most marginal, non-mandatory, potential participation for manufactured home chattel loans (with manufactured home chattel lending having been consistently opposed by both Fannie Mae and Freddie Mac), is also clearly subject to the January 20, 2017 regulatory freeze order, which mandates a 60-day moratorium on "regulations that have been published in the [Federal Register] but have not taken effect." (Emphasis added). Insofar as the final DTS rule, on its face, states that "the final rule is effective January 30, 2017," the rule, per se, had not yet "taken effect" as of the date of the regulatory freeze memorandum and is, therefore, subject to at least a 60-day postponement. While FHFA stated at its January 25, 2017 DTS "listening session" that it is "studying" this issue, there is, quite simply, nothing to "study."

Thus, while the new Administration has provided the industry and consumers significant new tools to demand an end to baseless, discriminatory and extremely damaging regulation and restrictions on its consumer financing, the broader industry has thus far failed to demand accountability for these regulators and contractors, and an end to the long-standing discrimination and outdated, indefensible bias that underlies virtually all actions of each such agency with respect to manufactured housing and its consumers, mostly lower and moderate-income Americans.

In Washington, D.C., MHARR President and CEO Mark Weiss stated: "The Trump Administration has made it absolutely clear that one of its key priorities will be to reduce baseless regulatory burdens on American businesses that needlessly increase the cost of American products and undermine job creation. This new perspective offers the industry and consumers the long-overdue opportunity that they have needed to demand new leadership at HUD – in full compliance with the 2000 reform law – and complete consumer financing parity at Fannie Mae and Freddie Mac. Hopefully all segments of the industry will recognize this and join forces to pursue this sorely-needed relief."

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.

