HOUSING ALERT

June 5, 2017

Send Comments to HUD About Regulatory Overreach by the Department

HUD Seeking Public Comment About Regulatory Burdens

In compliance with President Trump's two Executive Orders about regulatory reforms, HUD is <u>soliciting public comment</u> to help them identify existing regulations that may be "outdated, ineffective, or excessively burdensome, and, therefore, warranting repeal, replacement, or modification."

HUD wants to identify regulations that:

- Result in the elimination of jobs.
- Inhibit job creation.
- Are outdated, unnecessary, or ineffective.
- Impose costs that exceed benefits.
- Create a serious inconsistency or otherwise interfere with regulatory reform initiatives and policies.
- Rely in whole or in part on data, information, or methods that are not publicly available or that are insufficiently transparent to meet the standard for reproducibility.
- Derive from or implement Executive Orders or other Presidential directives that have been subsequently rescinded or substantially modified.
- Duplicate or conflict with requirements of another Federal agency.
- Pose significant compliance costs, including with respect to information collections, record keeping, and other requirements.

There are clearly a number of regulations that have been imposed by HUD that fit this criteria. MHI will be submitting a comment letter to HUD articulating the Department's overregulation of manufactured housing.

MHI has been aggressively advocating to the new Administration about the significant challenges that HUD's actions are having on the manufactured housing industry. In fact, we recently met with Secretary Carson's Chief of Staff and HUD's liaison to the White House to discuss several areas where HUD has either overstepped its statutory authority or failed to ensure regulatory clarity.

Join MHI in Calling for Regulatory Reform at HUD

During this comment period, you can join MHI's effort and help increase the outcry against HUD's negative regulatory actions.

MHI has made it easy for its members to tell HUD about those rules and regulations that are posing significant challenges to the production of affordable manufactured housing that meets the needs of consumers across the country.

With MHI's advocacy page, submitting your comments to HUD is easy. <u>Click</u> <u>here</u> and follow the simple steps on MHI's website. The letter to HUD has already been composed - all you have do is insert your home address, personalize the letter as you deem necessary, and click submit!

The letter MHI has prepared for you makes the following points:

- HUD has overstepped its regulatory authority when it comes to the current federal regulations at HUD that govern the design, construction and installation of manufactured homes.
- HUD has expanded regulatory programs to intrude into state functions, reinterpreted regulations to the detriment of long standing and accepted building practices, and implemented rules that unnecessarily limit consumer choice.
- HUD's current regulations and expanded compliance programs are having a stifling effect on the industry.
- Key examples of overreach and excessive burden:
 - <u>The On-Site Completion of Construction Rule</u>: This rule has increased inspection requirements, delayed home completions, and prompted some manufacturers to stop offering consumerpreferred amenities.
 - <u>Installation Programs</u>: HUD is encroaching into regulatory activities managed by state administrative agencies, such as limiting flexibility of states to set installation standards in frost susceptible climates.

- <u>Alternative Construction (AC) Requirements</u>: The Department recently expanded its interpretation of a June 12, 2014 guidance memo which describes what constitutes an "add-on" structure. With this new interpretation, HUD has begun issuing violation notices to manufacturers who produce carport-ready homes. This restriction creates an unnecessary and time-consuming hurdle to the production of manufactured homes and negatively impacts the availability of this feature that is extremely popular and sought after by consumers.
- <u>Subpart I</u>: Under the implementation of Subpart I, a one-year warranty for all defects in a manufactured home is required. It would make more sense for the regulations to require an extended warranty for major structural, plumbing, electrical and mechanical systems in the home. It goes beyond the statute to resolve complaints concerning defects and workmanship. It is not practical nor cost effective to divert the attention of the code enforcement system to workmanship issues. These regulations should be modernized to recognize the current state of the manufactured home market and the quality of homes being built today.

Thank you for your assistance in ensuring HUD receives numerous comments from the manufactured housing industry during this public comment period.

If you have any questions, please contact MHI's Government Affairs Department at 703-229-6208 or <u>MHIgov@mfghome.org</u>.

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