



7.14.2017 A.D.

Secretary Rick Perry  
U.S. Department of Energy  
c/o Office of General Counsel  
Room 6A245  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

Re: Reducing Regulation and Controlling Regulatory Costs Under  
**Executive Orders 13771 and 13777 – Request for Information**

The executive summary could be that it is now public policy under President Trump's administration not to impose undue burdens on an industry or society, which the proposed standards do. The following is to explain *the why, what and wherefores* behind that summary.

**Dear Secretary Rick Perry,**

Before diving into my comments, it would be useful for you to understand ***"where this writer is coming from."***

Our operation has the two largest trade media sites in manufactured housing. We also offer (think two hats) professional services, because we have decades of front-line experiences working with manufactured housing retailers, land-lease communities, builders of HUD Code manufactured homes, lenders, and others in our industry.





**Allen Cole**

Senior VP at oxford Bank and Trust

September 6, 2010, Allen worked with L. A. 'Tony' but at different companies

Tony "gets it " when it comes to manufactured housing.He has worked or been involved in almost all phases of the business. Best of luck to Tony in creating more awarness and understanding in this often misunderstood industry.

*Al Cole's Oxford Bank is an MHI member. Cole's comment came via LinkedIn, one of over a thousand endorsements and recommendations, the vast majority made without request. [click here](#) or above for more.*

Besides personal experiences, it is unlikely that anyone else in the Manufactured Home Industry today has interviewed more home owners and professional people than we have. Having sold, trained others, and lived in manufactured homes for about half of my adult life, this writer has the full-scope understanding of the macro issues that our industry faces.

As another tee up point, you are a **Drudge Report** reader, this writer is too. You know from



your experiences in Texas, and now in D.C. that our nation faces an affordable housing crisis greater than at any time in decades. I cheered when in 2012 you called for the abolition of three federal agencies, and when you took a lead in defending the border with Mexico. My wife came legally to the U.S., I'm the firstborn in the U.S. in my parents family of 7. Love of faith, flag and family are all second nature. Faith alone tells me one does not discriminate, that equality of opportunity is just, and

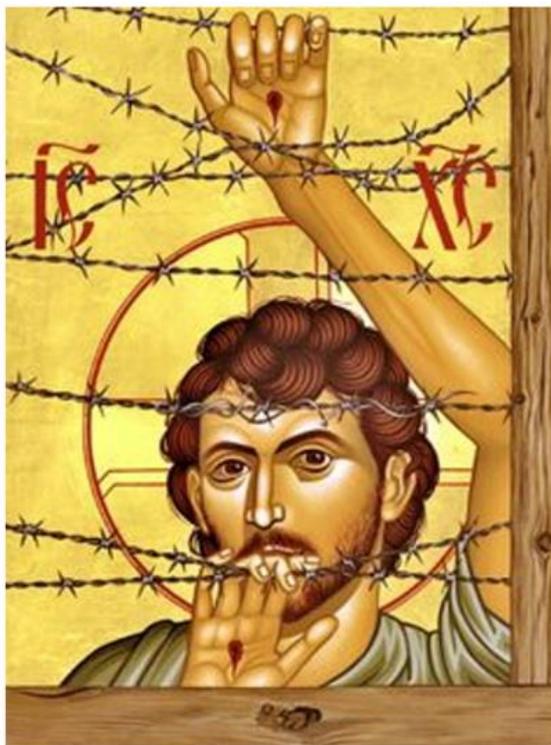
has intrinsic value.

At the same time, one's family and one's country must come before others. As you well know, there is zero contradiction in saying America First. American Business, American Workers, First.

My wife, who loves her native land, was honored in having a then candidate Donald J. Trump post her article on his then presidential campaign site. I was interested in all that our now president had to say, as compared to other candidates. But my wife the university educated immigrant was pro-Trump, period. My point among others is that, one can, should and must love one's heritage, while still putting America enthusiastically first.

Final point prior to sharing my comments, and trusting that all of this will make complete sense to you and others who embrace the Drain the Swamp, American Business, American Workers, America First mantra.

Jesus Christ was welcoming, compassionate, and fraternal. Yet He was no milquetoast. He is



*One of my favorite, most thought provoking icons - by artist Robert Lentz – "Christ in the Margins" – Is that Jesus behind the barbed wire, - or is it we who are trapped behind razor sharp lines - and is that Christ who is looking, and reaching in?*

and was a Man's Man. He was a **tekton**, in Greek, a worker in wood and stone. He understood building first hand. He overturned the tables of the money changers. Those moneychangers where not so subtly taking advantage of all, but most notably, the poor and worker. Jesus called them out to their faces, in that place of spiritual and political power -- naming them as being part of a "den of thieves." Jesus knew when to speak up, when to speak softly, and when to be silent.

A word used in Scripture to describe Jesus was "**meek**," which in the Greek has the sense of *power with restraint*. This wasn't meek

weakness, it was manly strength, True Power. Restrained. Wow!

Now about you, sir.

You are a man of reason and of law. You understand business as well as politics. You understand that faith and morals must play a role in society, as did America's founding fathers.

Texas was and is business friendly, and thus it outperformed the nation in job creation. President Obama had you - along with other mostly GOP governors to thank - when it came to claims of job creation. Because the POTUS Obama policies, such as anti-coal, anti-oil and others, were job killers.



**"Most men appear never to have considered what a house is, and are actually though needlessly poor all their lives because they think that they must have such a one as their neighbors have."  
- Henry David Thoreau**



**Against that backdrop, two simple points.**

I.

**The logic is to take all of the DOE regulations and send them back to HUD.** It was foolish as public policy to create HUD as the original and still primary regulator for manufactured housing, and then later split some duties off to DOE.



**State and Metro Area House Prices: the "Priced Out" Effect**  
**Special Studies, August 1, 2014**  
**by Natalia S. Siniavskaia, Ph.D.**

*NAHB "Priced Out" report, study credit, NAHB. For every \$1,000 in price hikes, about 200,000 households are priced out of home buying as a result. [Download the full report at this link here.](#)*

The fact that energy rules for manufactured homes are still pending years after they began to be formulated shows a massive and undeniable wasted effort. Furthermore, the energy component of a home can't be considered outside of the other construction and safety features that are engineered into homes, from the lowest cost ones to the most expensive and customized manufactured home.

You should advocate for the return to a single regulator for the construction and safety - including then energy standards for manufactured homes - and that should be done at HUD by your good friend and America First colleague, HUD Secretary Dr. Ben Carson. Everything else is wasted tax dollars, time, and duplicated efforts. Who or which parties does that benefit?

II.

**Free markets work when they are allowed to do so.** This regulation ought to be killed, for a variety of reasons your experiences and my own will illustrate.

A) You know from the comparisons between resource rich Texas - perhaps the most business friendly state in the nation, to mega-regulated, but also resource rich California, which is one of the heaviest taxed and regulated states in the U.S. the following. The free market works, when allowed to do so. California is a beautiful state, millions of fine people, but their over-regulations are throttling their potential. Texas regulations are more reason-based and business friendly, which created far more good jobs as a result. So Texas works better in practice - per *Chief Executive* magazine and a host of third party researchers - than its Golden State counterpart.

B) There can be wisdom in having *some* regulatory market safeguards, just as there is wisdom in having a Nation of Laws. But within the confines of truly limited regulations that level a playing field, the free market should be allowed to work. Justice Marshall observed that "**the power to tax is the power to destroy**," the corollary is also true. *The power to regulate is likewise the power to destroy.*

C) My industry colleague, Mark Weiss, JD, at the Washington, DC based Manufactured Housing Association for Regulatory Reform trade group has opposed these DOE standards based upon good, sound reason from the start. Even while I was an elected board member of the rival Arlington, VA based Manufactured Housing Institute (MHI), I supported MHARR's position publicly, not MHI's. Why? The reasons are many, but could be boiled down to these.

C1) Energy Star and other standards already exist and are offered by manufactured home producers. Some producers or brands do so as a standard. Others as options. Let the consumer decide. For consumers who may only want a manufactured home as a 5 to 10 year stepping stone, there is no logic in paying more for their home than is needed. Those who will buy that home from them will often feel similarly.

C2) The studies I've seen tell me that the payback period is far too long for the proposed return on investment. Further, they were created during a time when an "all of the above" domestic energy production was in practice being opposed by the Obama Administration. The fact that gas prices at the pump are hovering around a 12-year low - only 6.5 months into a Trump Administration - tells me that the estimated payback period is also unrealistic. This proposed DOE standard is bureaucratic over-reach and over-regulation at its finest.



**Dr. Harold Hunt,  
Ph.D., Real  
Estate Center,  
Texas A&M  
University.**



*Dr. Hunt's energy study was favorable for modern MH.*

C3) The Trump Administration executive order freezing standards ought to be applied. Objectively speaking, there is no good reason to put the new DOE proposals into place.

C4) As the National Association of Manufacturers, not directly connected to the manufactured housing industry - has shown, the larger the company, the easier it can withstand regulatory burdens. There may be some operations who support the proposal - or a modified version of the DOE proposals. Please, *Follow the Money, see who butters their bread. Odds are, it is larger producers* trying to harm smaller, independent ones. They do so using the heavy hand of government. Please, drain that swamp.



C5) George Washington University and the Small Business Administration have taken positions on this proposal that de facto dovetails with MHARR's views, not MHI's.

**OUR INDUSTRY CAN PROVIDE AN OPTION  
OF GREEN, GREAT-LOOKING, COST-EFFECTIVE  
HOMES THAT CAN BE DELIVERED IN WEEKS  
= NOT MONTHS.**

**JOHN BOSTICK  
PRESIDENT, CEO  
SUNSHINE HOMES, INC.**







*All of the media and organizations shown have made recent, pro-manufactured housing statements and reports. While media often gets the terminology wrong, their reports are still of interest. Logo credits belong to their respective organization. Collage: MHLivingNews.*



*The home on above on the left is an 'entry level' manufactured home, which may be purchased in many markets for about \$50,000 installed for roughly 1200 sq. ft. for a 3 bedroom, 2 bath home that meets all federal standards. On the right is a "cape cod" style manufactured home, that had a finished upper level. At the time, it was priced at \$179,900 in a Chicago suburb, less than ½ mile away from site built, conventional houses in an HOA with prices starting at double that per sq. ft.*

*Photo credits, MHLivingNews, MHProNews.*

C6) The Industry politics of MHI's position reflect this. As our trade media - **MHProNews.com** - and MHARR published the facts over and over, more in the industry realized that MHI's position was fundamentally flawed.

MHI began to shift their stated policy, publicly at least.

About MHI - let's understand that two of the four executive committee board positions at MHI are held by Berkshire Hathaway

company members.

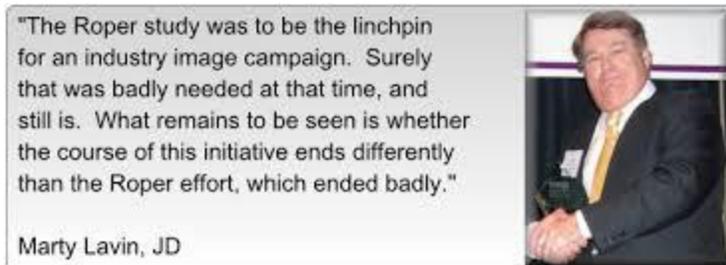
Berkshire, as you know, boasts of Warren Buffett as its Chairman. Buffett gladly supported President Obama, and candidate Secretary Hillary Clinton.

While officially neutral, MHI - the week before the November 8, 2016 general election balloting, held a meeting in Chicago where they featured not one, but two different guest speakers, who plugged Clinton. I was there, as a division board member. In privately polling attendees, 'whom do you favor?' Some 90% told me they were pro-Trump - including business women I asked. My points are many, but that example illustrates that MHI does what allegedly the big players want, not what the majority of its own members may want, nor what is necessarily good for them.

C7) While MHI member George Allen and I are well known for taking differing public and private positions, Allen in his blog has called MHI and oligopoly.

C8) While 'consumer group' CFED (recently rebranded as *Prosperity Now*) is progressive by tilt, their point person for affordable housing - Doug Ryan - is pro-manufactured housing. While Ryan and I disagree on many things, it's worth noting that he has accused in writing MHI and their Berkshire Hathaway companies of being monopolistic in their lending stances. Ryan's same logic applies to the DOE energy standards, though Ryan's left-wing politics will likely not allow him to say so.

C8) I could go through several such examples as C6, C7 and C8. But the point is, what the big boys want at MHI, they reportedly get. As MHI Award winner, and a colleague of mine, Marty Lavin, JD, says, "**follow the money,**" and "**pay more attention to what people do than what they say.**"



C9) This could be summed up as follows. Manufactured housing is terribly misunderstood. The so-called umbrella organization - MHI - fails to represent the true interests of most in the industry. They posture that they do so, but *follow the money* and *what they do rather than what they say*, and you would see is what many alleged; MHI's view is routinely that of the crony capitalist organization, attempting to use the levers of power (I.e. Big Government) to the benefit of their big friends who dominate their board. Even Joe Stegmayer of Cavco Industries, is a former Clayton Homes man. Am I painting a picture for you, sir?

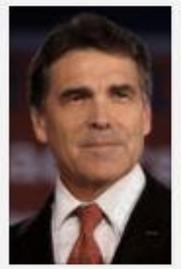
C10) I speak and communicate with state association executive directors. A careful review would reflect that most are dominated by the same forces that dominate MHI. They may privately disagree with MHI policies. But they have to tote the MHI party line if they want to keep their paycheck, don't they?

C11) A long-time MHI board member told me privately that he opposes much of what they do, he's a high-ranking official in his company. He can't go against what the "powers that be" at MHI want. We know several examples like that one, too.

C12) God only knows what MHI will submit, but what many including myself humbly believe is that what they want is to dominate, and they directly or indirectly use regulations as a tool to get them there. Their own literature and website unsubtly suggests as much, when they say they represent 85 percent of the MH Industry's production. But what they don't say is this. At their D.C. fly-in last month, perhaps 40 people - counting staff, per our sources - came to their national lobbying event. Imagine! 40 in an industry with some 150,000 (+/-) FTEs, and only some 40 came?! Do you see the point?

C13) Listen closely to what MHARR says, because their position is well reasoned, and always detailed with facts. I say the above and this, with thousands of our readers knowing that editorially, there have been times yours truly has butted heads with MHARR. But that was because you could reason with them, privately or publicly. MHI? With them, it is self-evident to any in thinker and objective observer ***'that it is there way, or the highway.'***

I've said more than I originally set out to do, sir, but the Spirit has moved me. I'm not paid, nor asked to submit these comments by anyone. I'm speaking for myself, our business and family's LLC - but mostly as a long time lover and true believer in manufactured homes. This is a greatly needed, but politically complex industry.



## Summary

I hope you will keep it simple.

Help consumers and the much-needed manufactured home industry out. Say "no" to these proposed regs, please let the free market work. Please do what is necessary to send the DOE regulatory authority back to HUD. Please don't let the swamp and crony capitalism win on this one.

*Godspeed!*

L. A. "Tony" Kovach  
[MHLivingNews.com](http://MHLivingNews.com) | [MHProNews.com](http://MHProNews.com) | Office **863-213-4090** |

Connect on **LinkedIn**:  
<http://www.linkedin.com/in/latonykovach>

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***Whether you think you can or whether you think you can't, you're right.*** - Henry Ford



*[Mainstream media article](#) featuring the work of the Kovach family to promote a better understanding of manufactured homes and the MHLifeStyle.*

Manufactured Homes and the Manufactured Housing Industry are misunderstood. We believe that fact-based information is one of the ways to clear up those misunderstandings.

We also believe that government must not harm this industry in its much-needed efforts to provide safe, quality, appealing and affordable homes. From first time-millennials buyers, who may not be able to afford anything else, to the middle class and frugal millionaires, manufactured homes simply make good sense.

**“You are entitled to your opinion. But you are not entitled to your own facts.”**

– Daniel Patrick Monaghan

**“How many legs does a dog have if you call his tail a leg? Four. Saying that a tail is a leg doesn’t make it a leg.”**

– Abraham Lincoln



*Kovach is a popular presenter in the MH Industry.*

**“Factory built cars.  
Factory crafted clothing.  
Factory made appliances and electronics.  
Factory made cells, smart phones, tablets, and computers.  
Factory crafted homes...it just follows, doesn't it?”** - L. A. 'Tony' Kovach

**Resources** – In no particular order of importance. We'd encourage those studying this response to view several of the video interview with consumers, along with more professional interviews, than those samples shown below.

<https://www.manufacturedhomelivingnews.com/triad-financial-services-introduces-superior-choice-creditunion-to-manufactured-homes-loans-video/>

<http://www.MHProNews.com/blogs/daily-business-news/an-elephant-ass-understanding-gses-duty-to-serve-manufactured-home-lending/>

<http://www.MHProNews.com/blogs/daily-business-news/meet-donald-tye-the-flashback-fast-forwardface-of-factory-built-homes/>

<http://www.MHProNews.com/blogs/daily-business-news/frank-rolfe-blasts-mhi-for-poor-mediaengagement-industry-reactions/>



**Ron D'Ambra**

National Program Manager  
at 2-10 Home Buyers  
Warranty

December 27, 2014, Ron worked  
with L. A. 'Tony' but at different  
companies

Tony is the "Voice" of the manufactured housing industry, his knowledge and skills has propelled him as a leader and innovator for contributing to positive growth and the "go to" source for what is going on in our industry. Tony is always thorough with his skills to investigate and gather all the facts when addressing new idea's and confirming the news and current topics that are related to the manufactured housing industry. His forums are consistent with current events, informative and accurate while maintaining positive recognition of the industries perception by the both the public and private affiliates representing the manufactured housing industry. Tony has achieved both domestically and foreign recognition for his contributions and dedication to be the best of the best when reporting the industries current news and events, I call him my friend, and I refer to him as "Voice"!

<https://www.manufacturedhomelivingnews.com/multi-billion-dollar-bombshell-hud-affordable-housingsolution-ignored/>



## Energy Star Homes at Half the Price



One of thousands of articles published by [MHLivingNews.com](http://MHLivingNews.com) and [MHPProNews.com](http://MHPProNews.com). See this story and video, linked among the resources, below.

<http://www.MHPProNews.com/blogs/daily-business-news/marty-lavin-lashes-the-manufactured-housinginstitutes-mhi-latest-initiative/>



## DONALD TYE, JR. - MEET THE NEW FACE OF FACTORY BUILT HOUSING ADVOCACY

Inside MH Video Still, [MHPProNews.com](http://MHPProNews.com), [MHLivingNews.com](http://MHLivingNews.com)

<https://www.manufacturedhomelivingnews.com/rapid-acceptance-of-energy-star-rated-residential-stylemanufactured-homes-proves-need-value-as-affordable-housing-solution/>  
<http://www.MHProNews.com/blogs/daily-business-news/els-sam-zell-compliance-costs-destroys-smallerbusinesses-consolidation/>



*In a discussion with dozens of residents at this PA manufactured home community, Kovach asked if they wanted a more level playing field on manufactured home lending. Every hand in the room shot up.*

<http://www.MHProNews.com/blogs/daily-business-news/jenny-hodge-national-community-council-publictime-bomb-deployed-on-manufactured-housing-institute-prominent-mhi-lender/>  
<http://www.MHProNews.com/blogs/daily-business-news/existing-manufactured-homes-rising-in-value/>  
<http://www.theledger.com/opinion/20170629/letter-solving-home-affordability-problem>

"PUBLISHING HAND-PICKED INFORMATION CAN BE WORSE FOR THE IMPRESSION IT MAKES ON MANUFACTURED HOMES AND OUR INDUSTRY THAN STATING ENTIRELY FALSE INFORMATION."



- BRAD LOVIN,  
NORTH CAROLINA MANUFACTURED HOUSING ASSOCIATION



<http://www.MHProNews.com/industry-news/industry-in-focus/climate-change-tornadoes-and-mobilehomes-dangerous-oversights-mark-skidmore-admits-michigan-state-univ-study-s-omissions-revealinganalysis-report>

<http://www.MHProNews.com/industry-news/industry-in-focus/a-executive-summary-400-wordsmanufactured-housing-industry-obstacles-and-billions-in-opportunities>

**At that time... "Nathan Smith is the Chairman of the Board of Directors of MHI. His company is being sued in a huge class action lawsuit on several counts...SSK's lawsuit puts all park owners in jeopardy.**

**Now what was that about me being bad for the industry and MHI? Hypocrisy anyone?"**

**- Frank Rolfe**



**"We have created a great industry that is in decay and under attack. In order to change the perception of our industry, MH pros and leaders need to focus on the facts and true benefits regarding our products and communities to ensure our customers make educated decisions that fit their needs."**

**Tom Fath | Operations Manager  
New Durham Estates**



**Mary McBrady**  
Executive Director Mass.  
Manufactured Housing Assn  
May 17, 2016, Mary worked with  
L.A. 'Tony' but at different  
companies

L.A. Tony is tireless in his quest to promote the HUD code factory built home industry and manufactured housing in general. Thanks for all of your outreach and on-going enthusiasm.



**Doug Gorman**  
Owner, Home-Mart, Inc.  
August 29, 2010, Doug worked  
with L.A. 'Tony' but at different  
companies

Tony is one of the best go-to guys in our industry that I have had the pleasure of working with. He is consistently upbeat and appears to have an endless source of energy. His efforts have helped to improve our industry.

***"I know the benefits of purchasing a manufactured home because, as a millennial myself, I live in a residential style manufactured home that I purchased last year."***

***-Lindsey Bostick  
Sunshine Homes***





**Steve Reyenga**

Director Of Business  
Development at American  
Homestar Corporation

August 31, 2010, Steve worked  
with L. A. 'Tony' but at different  
companies

Follow and Read Tony's insights. His research will keep you  
informed and you will keep CURRENT with this ever changing  
industry. :)



**Bob Thieman, CAE**

Executive Director at

January 18, 2012, Bob worked  
with L. A. 'Tony' but at different  
companies

Tony and his company are leading the way for manufactured  
housing to enter the 21st century. He and his staff have put  
together remarkable educational programs and marketing that are  
ahead of the time and benefit the industry greatly

**"The more a government regulates  
and the more it taxes - the more  
it distorts and destroys the free  
market - it's killing inspiration,  
jobs and innovation in its wake."**

**- - L. A. 'Tony' Kovach**



# The Cost of Regulations:

If the cost of regulatory accumulation (\$4 trillion) were a country, it would have the 4th largest GDP in the world.



REGULATIONS COST U.S. \$12,000 PER PERSON. FAMILY OF FOUR COST IS ABOUT \$48,000.

TEXT, CAPTION, COLLAGE BY MHPRONEWS.COM.

GRAPHIC BY GEORGE MASON UNIVERSITY.

GDP, in nominal 2012 dollars  
(billion USD)

MERCATUS CENTER  
George Mason University

Figures represent data from 2012

Sources:

Bentley Coffey, Patrick A. McLaughlin, and Pietro Peretto, "The Cumulative Cost of Regulations," April 2016

IMF World Economic Outlook (WEO), October 2015

*That reads \$4 Trillion dollars cost to our economy, and frankly it isn't just a Democratic caused problem, because the Bush Administration also created plenty of costly regulations too. Dramatically reducing bad regulations doesn't 'cost,' it saves and pays. Credit: George Mason University.*

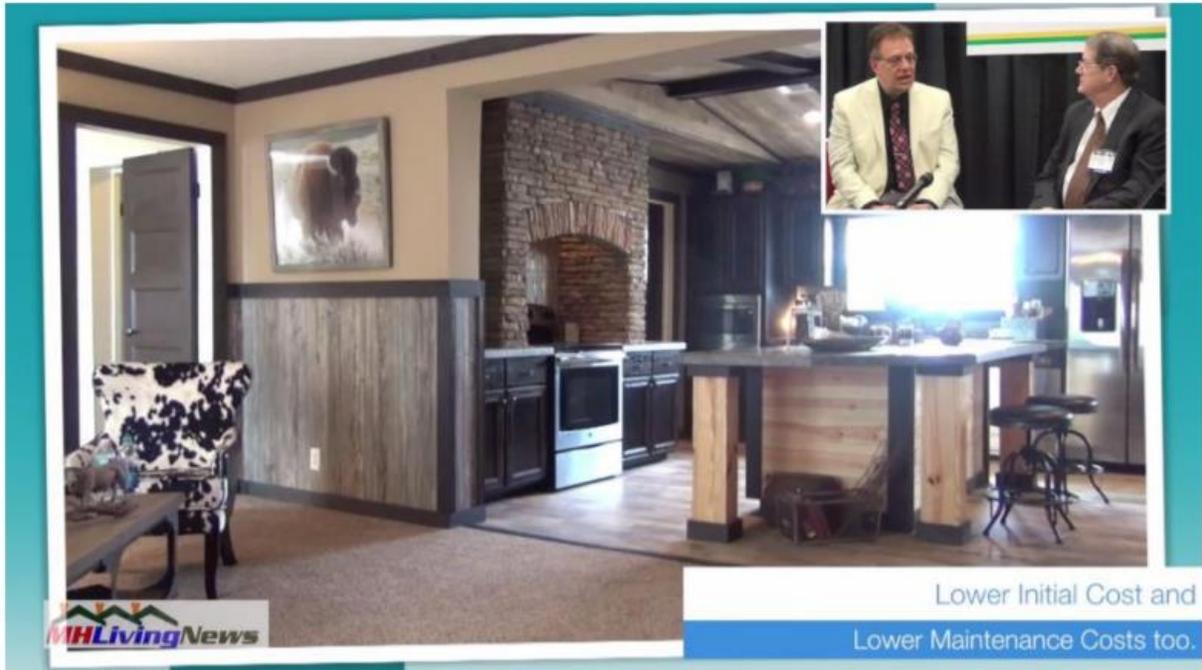
## Letter: Solving the home affordability problem



- AP Photo Posted Jun 29, 2017 at 12:01 AM

Posted on MHLivingNews under fair use guidelines.





Lower Initial Cost and  
Lower Maintenance Costs too.

*Kovach with former HUD Code Manufactured Home Program Director, Bill Matchneer. Still from a video posted in an article linked below.*