



INVESTIGATION: Clayton Homes, Vanderbilt Mortgage, 21st Mortgage

December 19, 2016 by [Brian Mahany](#)

Clayton Homes... by far the biggest player in the mobile home industry. Along with Vanderbilt Mortgage and 21st Mortgage and 25+ other companies, the Clayton Home empire is huge. And it just may be the most predatory mobile home seller and lender in the nation.

Clayton Homes was purchased by billionaire Warren Buffett's Berkshire Hathaway in 2003. Berkshire Hathaway spent billions building up the company. Today almost one out of every two mobile homes is connected in some way to Clayton. They make the homes, finance them and even insure them.

Mobile home buyers often think they are shopping around but so many manufactured home sellers today are owned by Berkshire Hathaway that the competition is just an illusion. Luv Homes, Oakwood Homes, TruValue Homes... all are owned by the same company. (A complete list, courtesy of the Better Business Bureau and our research, appears at the end of this post.)

Vanderbilt Mortgage and 21st Mortgage – Clayton Home's Financing Arm

Not only does Clayton Homes "own" the mobile home market, they own the financing too. Clayton finances their home sales through affiliates 21st Mortgage Corporation and Vanderbilt Mortgage.

Controlling a large percentage of the marketplace doesn't make Clayton Homes a bad company. Warren Buffett would probably say that its proof of the company's success. How they achieved that "success", however, is what concerns us.

We have interviewed several purchasers of Clayton Homes, all of whom financed through Vanderbilt. One says the salesman on the mobile home lot told her she had to finance through Vanderbilt. Others tell of predatory lending practices and bait and switch tactics. And all were put in loans they clearly couldn't afford.

The [Better Business Bureau](#) gives Clayton Homes an "A+" rating. Read a bit more on the BBB website, however, and you will see that 0% of customers gave the company a positive review. In fact, 82% gave them a *negative* review.

CFPB Complaints Against 21st Mortgage and Vanderbilt Mortgage

Looking at the government's Consumer Financial Protection Board (CFPB) website offers even more evidence of the company's poor tactics.

Oklahoma: "I have a predatory loan with Vanderbilt Mortgage. I purchased a manufactured home through XXXX who pushed me to use their 'preferred lender' Vanderbilt Mortgage because they would give me the best deal. When it was all said and done... I had an interest rate of over 10% and I found out that XXXX was part of Vanderbilt. this was not disclosed to me."

New Mexico: "I have a mobile home with Vanderbilt Mortgage. In 2014 about \$5000 was added to my billing statement as 'service fees.'" The customer goes on to say that the customer can't get an explanation and made all monthly payments.

Colorado: "I purchased a manufactured home which is on a rented lot. The loan that was available at the time, I was told, was 9%. I was assured that I could refinance later at a lower rate. I have since tried to refinance several times... I have been told that, despite an excellent credit rating, I do not qualify for a new loan because I don't own the land. This is unfair to seniors on a fixed income and hard working, low income families."

North Carolina: "I live with my wife and [X] children in NC. We have lived here for 9 years. We are terrified that we may lose our home to foreclosure. Our mortgage servicer is Vanderbilt Mortgage and they have been a complete nightmare to deal with. We have done everything we know how to do and everything they have asked from us but the continuous request for documentation over and over again has been costly and exhausting... We spoke to XXXX at Vanderbilt one particular time and he told us that our house payment was more important than our daughter attending school.

Clayton's Problems Involve More than the CFPB

It's not just the CFPB. The Center for Public Integrity did an in-depth [examination](#) of Clayton's predatory practices last year as did the Seattle Times. The Center found one couple who were told to forego the husband's medical payments after he was diagnosed with cancer and instead give the money to Clayton Homes.

Beginning to see a pattern? The stories of the people who have approached us are both depressing and horrifying.

In 2011, a federal jury in Texas [awarded](#) 2 homeowners \$432,000. The verdict was made in a racketeering case claiming that Vanderbilt tried to collect payments for 4 years after it had released its lien! The companies found liable were CMH Homes, Clayton Homes and Vanderbilt Mortgage and Finance.

Did the company learn its lesson? No. They appealed and we continue to hear more horror stories.

Call for Whistleblowers

We wrote a [post](#) in January 2016 after 4 Congress members asked the CFPB and the Justice Department to investigate Clayton Homes. That post seeks insiders within the company to become whistleblowers. (Because many of the loans issued by Vanderbilt and 21st Mortgage are backed by the government, company insiders are eligible for whistleblower awards under the False Claim Act.)

Class Action Investigation

Today we are expanding our investigation to include possible class action claims against the company. These claims would be brought on behalf of borrowers who financed through Clayton Homes / Vanderbilt Mortgage / 21st Mortgage.

As leading lender liability lawyers, we sometimes take class action cases when we find a particularly bad lender. Presently we are investigating potential class cases against Vanderbilt Mortgage and 21st Mortgage. If they have other lending affiliates, we are interested in those companies as well.

Class action cases are typically brought on behalf of a group or "class" of people who share a similar problem. They are most common when the allegations involve a large number of people who have been injured by the same wrongdoers and in the same way. Unfortunately, we are not equipped to take individual cases.

Big lenders know that the average home owner can't take on a financial giant. This is especially true of mobile home buyers who usually have lower or fixed incomes. In the

case of Berkshire Hathaway, the “giant” is reportedly worth over \$500 *billion* dollars. They are the 4th largest public company in the world.

For more information, contact Attorney Anthony Dietz at adietz@mahanylaw.com or by telephone at (248) 789-5551 (direct). **For fastest response, please email us. We receive 20 inquiries per day and need to schedule calls.**

MahanyLaw – America’s Financial Fraud and Whistleblower Lawyers

More Companies in the Vanderbilt * Clayton 21st Constellation

Other mobile home sellers linked to Clayton Homes:

- Luv Homes
- Country Squire Homes
- Norris Homes
- Freedom Homes
- CMH Services, Inc.
- Crest Homes
- Golden West Homes
- Marlette Homes
- Shult Homes
- Karsten Homes
- Southern Energy
- Giles Homes
- Giles Industries of Tazewell, Inc.
- Oakwood Mobile Homes
- CMH Homes
- Luxury Homes
- Heritage Homes (Manufactured)
- Buccaneer Homes
- Hart Housing
- Crossland Homes
- International Homes
- TruValue Homes
- TruMH
- Goodall Homes
- River Birch Homes ##



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