

from: L. A. Tony K

to: "Pardo,
Sheryl"
@urban.org>

date: Fri, Feb 9, 2018 at 10:41 AM

Sheryl,

Let me start by quoting you:

"Trust me – we take any concerns about accuracy very, very seriously here!

Here's what I can tell you – the researchers spoke with industry, trade association and federal and local authorities about this data. It was thoroughly vetted but they promised anonymity to the experts they spoke with."

Then, let me ask some very direct questions, predicated on the following. It seems that this kind of research would normally come with a series of sources and disclosures. Why are they lacking?

We have multiple sources that tell *MHProNews* that Edward Goulding was a supervisor for Pam Danner at HUD. That's nowhere that I see. After almost a day for a 5-minute question, we have no answer from you on that, why?

Warren Buffett is apparently a lifetime trustee for the Urban Institute, per *Who's Who*. Shouldn't that be disclosed or linked from that report?

[Warren Edward BUFFETT | Who's Who](#)

www.whoswho.com/us/warren-buffett

The **Urban Institute** Washington, District of Columbia USA Life **Trustee**; 2002–present:

Mr. Buffett provided billions of dollars to the Bill and Melinda Gates Foundation, which in turn has given millions of dollars in funding to the Urban Institute.

Kevin Clayton in a video interview at Nebraska University explains not only how they follow the Buffett dictum of 'deepening and widening the moat,' but also and being active against 'competitors.' In that same video, Clayton explains their plan to use foundations and non-profits to further their work. Couldn't that be construed to point to the Gates Foundation, the Manufactured Housing Institute, and the Urban Institute?

Was that Kevin Clayton video considered as part of your research? It is posted on our home page, top row on the left side. You can expand it. But it's been up on *YouTube* for years.

Editorially, we'd totally agree that your question is a valid one. "**Manufactured homes could ease the affordable housing crisis. So why are so few being made?**"

But among your researchers - Mr. Golding had a front row seat to how HUD failed to enforce enhanced federal preemption. How can UI can't take a serious look at the zoning issue, without looking at how HUD's failure to enforce enhanced pre-emption could fix that issue largely overnight?

Financing is cited as an issue, but no mention is made that 21st Mortgage and VMF, MH specialized lenders under the Berkshire Hathaway umbrella, failed to provide the GSEs the requested data that others in the industry freely gave to help them enter the chattel market. Why not?

There are sources in the industry that tell us - some from within Buffett's MH Brands, and from within those Clayton/21st dominated MHI - that DTS was slow-walked by those and other steps. MHARR has published that every day DTS isn't implemented is a "gift" to Berkshire Hathaway. Why was none of that cited?

All of that those points are very much in keeping with what Kevin Clayton and Mr. Buffett himself have said about "**the moat.**"

We've researched the question about what has hampered the industry for years. That's what first drew my attention to your study - "**Manufactured homes could ease the affordable housing crisis. So why are so few being made?**" While there are some valid points, there are also mistakes, such as the date the code went into effect was June 15, 1976, not 1977. Or the savings level, MHI's own website features statistics on the savings vs. conventional housing differ from yours, yet we've been told that MHI was involved at some level in the project? Why was there presence kept anonymous?

Nor is there any mention of how media - or overzealous federal regulations - have harmed the industry, why not? It is implied in the HUD top-down review, but not stated.

Which brings us to the point that HUD has funded UI generously too. Why isn't that disclosed or linked from the report, instead of elsewhere, where only a few would bother to look and find it?

Again, we do not see any mention of the media's roll in harming MH acceptance. Yet Kevin addresses that issue in the video interview cited above. By the way, that video notes several reports we've done on the topic you've raised, and media coverage is widely seen in our industry as a cause for depressed sales. How could that have been missed those in your report?

Democrats have accused Clayton Homes, and Buffett's Berkshire Brands of a "**near monopoly,**" yet that too is not addressed. CFED turned *Prosperity Now* has raised that same issue, as have MHI members such as George Allen. We all know that anti-trust laws exist because monopolies depress competition and thus business. How was that missed?

All of that - and more - begs the question, how could so many items be missed in a report with four co-authors with clear pedigrees that the page you referenced indicates is designed in part to influence policy makers, media and others?

The above just scratches the surface of what we would alleged is errant, problematic and missing in your report. It could be construed as a distraction to aid Berkshire Hathaway/MHI from the problems with the HUD Code program that have gone ignored for so many years, couldn't it?

You asked for the following. We have several articles on this topic now. You can access most via these two links.

<http://www.MHProNews.com/blogs/daily-business-news/follow-the-money-controversial-urban-institute-report-on-manufactured-housing/>

<http://MHProNews.com/blogs/tonykovach/dark-money-conflicts-warren-buffett-kevin-clayton-urban-institute-manufactured-housing-institute-affordable-housing-report-revelations/>

We'd invite your formal, written replies for publication to these issues, once your researchers have digested the various linked items, examined the documents and industry voices cited on this vexing issue.

Please do explain ASAP about the Golding oversight, and why no disclosures were made within the report itself?

Thank you,

Tony

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Etc...

