



GAO Issues Report on Manufactured Housing

The Government Accountability Office (GAO) issued a long-awaited report on the Department of Housing and Urban Development's (HUD) Manufactured Housing Program. The report—*Manufactured Housing: Efforts Needed to Enhance Program Effectiveness and Ensure Funding Stability*—makes a number of recommendations that have been previously proposed by MHI.

The report, which was compiled at the request of the House Financial Services Committee, addresses the extent to which HUD has met the “key purposes” of the Manufactured Housing Improvement Act of 2000 (Improvement Act) and to assess whether user fees adequately cover program costs.

The GAO found that HUD has not fully achieved the key purposes of the Improvement Act, which include: establishing a consensus-based process to update and interpret the manufactured housing construction and safety standards; facilitating the availability of affordable manufactured housing; and ensuring uniform and effective enforcement of the standards.

The report makes a number of recommendations that have been previously proposed by MHI that HUD:

- Develop and implement a plan for updating construction and safety standards on a timely and recurring basis to include:
 - addressing unresolved issues related to defining and developing sufficient economic analyses tied to proposed changes to the construction and safety standards
 - ensuring sufficient resources and capacity within HUD and the Manufactured Housing Consensus Committee (MHCC) and its administering organization
- Develop a plan to assess how Federal Housing Administration (FHA) financing might further promote the affordability of manufactured homes and identify the potential for better securitization of manufactured housing financing
- Complete the necessary rulemaking changes to allow HUD to adjust its label fees from the current \$39 per label “towards levels up to the congressionally authorized level that better reflect current levels of manufactured home production”
- Assess the need for other user fees under the installation and dispute resolution programs
- Strengthen the oversight of inspections and enforcement-related activities

The report indicates that while HUD has established a process for updating the HUD-Code, it has not resolved and remedied the long delays that have been persistent in updating the standards, primarily because it has been unable to develop the appropriate economic analysis required by the Improvement Act.

In addition, HUD has done little to assess how federal loan program could improve the affordability of manufactured homes—this includes exerting little effort to encourage Ginnie Mae to help securitize additional manufactured home loans.

Finally, the GAO found that HUD “cannot consistently demonstrate” that issues from the inspection and monitoring activities and complaints are being resolved, and that label fees collected are insufficient to fund the Manufactured Housing Program.

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To view the report, [click here](#).