

1/27/2020

To:

President Donald J. Trump

Vice President Mike Pence

HUD Secretary Carson

Congress

Other Public Officials, Policy Advocates and Parties Concerned with Affordable Housing in the U.S.

RE: [White House Council on Eliminating Regulatory Barriers to Affordable Housing; Request for Information](#) - FR-6187-N-02; Document Number: 2020-00441.

### **"...Purpose of This Request for Information**

The purpose of this Request for Information (RFI) is to solicit feedback that will assist the Council in identifying Federal, State, local, and Tribal laws, regulations, and administrative practices that artificially raise the costs of affordable-housing development and contribute to shortages in the housing supply. It also seeks data, other information, analyses, and recommendations on methods for reducing these regulatory barriers.

### **Specific Information Requested**

While HUD welcomes comments on all aspects of developing a plan for reducing barriers to affordable housing development, HUD is particularly interested in receiving information, data, analyses, and recommendations on the following..."

Pursuant to the federal request for information, please consider the following.

**"If you are going to be thinking anyway,  
you might as well think big."**

- Donald J. Trump

**"The future belongs to those who believe in the  
beauty of their dreams."**

- Eleanor Roosevelt.

**"A man's home is his castle."**

- Maxim with various English attributions, including King Henry VIII and Sir Edward Coke.

**"I write to express my concern about troubling practices...In my congressional district, the most troubling are stories...where hundreds of residents of Table Mound Mobile Home Parks have seen their rents nearly double...Impact Communities...Havenpark Capital, another notorious corporation...their business model is no secret...(Mobile Home U)...founded by Franke Rolfe and Dave Reynolds charges would-be investors \$2000 for lessons on how to maximize returns as owner-operators of these parks. Both...have been subject to numerous consumer complaints...J. Anthony Antonelli, a managing partner at Havenpark...was a top executive at Nu Skin Enterprises...company came under investigation by the Federal Trade Commission for deceptive business practices...this is a national issue and undoubtedly merits and investigation. Mobile and manufactured homes have been a longstanding option for affordable housing and our hardworking families deserve basic protections no matter where they live. I stand ready to work with you and will continue to pursue every opportunity available to stop these companies that are taking advantage of Iowans."**

- Congresswoman Abby Finkenauer (IA-1-D),  
pull quotes from letter to

Federal Trade Commission (FTC) Commissioner Joseph Simons, dated 1.7.2020.

Note: The companies named above are Manufactured Housing Institute (MHI) members.

**"...we urge you to propose regulations to ensure predatory practices from past years are not repeated. <sup>[1]</sup>**

<sup>[1]</sup> Baker, Mike, and Daniel Wager, "The Mobile Home Trap," The Seattle Times and Center for Public Integrity, accessed February 6, 2019.

[See: <https://www.seattletimes.com/category/mobile-homes/>, which reports focuses on sales and lending practices by Warren Buffett-led, Berkshire Hathaway-owned Clayton Homes, Vanderbilt Mortgage and Finance (VMF), and 21<sup>st</sup> Mortgage Corporation. These firms are prominent MHI members, including past and current MHI Executive Committee board seats.]

**...We appreciate your attention to ensuring buyers of manufactured homes receive fair and appropriate financing and look forward to working with you on implementing this regulation within the year."**

- Pull quotes from Senators: Catherine Cortez Masto, Richard Blumenthal, Kamala Harris, Jeffrey A. Merkely, Patty Murray, Tina Smith, Chris Van Hollen, Elizabeth Warren, and Ron Wyden from a letter to Consumer Financial Protection Bureau (CFPB) Director Kathy Kraninger dated 5.9.2019.



In pondering which firms, nonprofits, and 'industry leaders' are routinely involved in the bad news and problematic consumer practices of manufactured housing over the course of several years, these lines and references above and below seem appropriate.

**"You made a first-class fool out of me  
But I'm as blind as a fool can be... I wished I'd never seen your face  
I'll get on back home one of these days..."**

- Rod Stewart,  
lyrics from the song, "Maggie"  
per LyricFind  
Songwriters: Martin Quittenton / Roderick Stewart  
Maggie May lyrics © Sony/ATV Music Publishing LLC,  
Warner Chappell Music, Inc

**"...Under President Trump's leadership, our nation is witnessing historic highs in employment, job creation, and economic growth. The financial optimism of everyday Americans has surged to an 18-year high, and is nearing an all-time record. For those families who have access to affordable housing, they are facing their bright futures with confidence.**

**And yet a serious challenge still persists: millions of hardworking Americans who seek affordable rents or sustainable homeownership simply cannot get their foot in the door. We have reached the point where many of our nation's teachers, nurses, police officers, and firefighters struggle to live in or around the communities they serve.**

**What they face is a critical shortage in our country's supply of affordable homes.**

**This is not just a housing crisis – it has a [human face](#).\* Homes are at the heart of building strong families, strong communities, and ultimately, a strong country...**

**...one year ago, I announced that HUD was in position to usher in a "[new era of cooperation and collaboration between our Department and the manufactured housing industry](#)."\***

**...Today, I'd like to share HUD's current vision for how we are diagnosing affordable housing challenges, and how manufactured housing is an active ingredient in the medication we are prescribing for a stronger America.**

**...With millions of people in need, high demand is already guaranteed. That's why HUD has focused our strategy on increasing supply – namely, by promoting initiatives, programs, techniques, and technologies that produce more affordable homes.**

**Since the key constraint on supply is the cost of new construction and development, the solution to the problem is to change the cost side of the equation.**

**Manufactured housing has emerged out of the limestone and stepped into the limelight, to address precisely this need.**

**...a manufactured home is nearly half that of a site-built home – \$49 [dollars] per square foot, as opposed to \$107 [dollars]. These dramatic cost savings in construction enable responsible citizens to secure housing that may be [considerably less expensive than renting or purchasing a site-built home](#).\***

**And yet, even at this lower price, manufactured homes appreciate in value at a rate similar to site-built homes, according to the [Federal Housing Finance Agency Housing Price Index](#).\* Sustainable homeownership is the number one builder of financial capital for most American families. For example, the average net worth of a renter is \$5,000 [dollars], while the average net worth of a homeowner is \$200,000 [dollars]. That's an extraordinary 40-fold difference. But with comparable home appreciation rates to site-built homes, manufactured homes exhibit their own extraordinary potential to be a wealth creation tool for ordinary, everyday American families..."**

- Dr. Ben Carson  
Secretary of Housing and Urban Development (HUD)  
Manufactured Housing Conference Remarks  
New Orleans, Louisiana, Hyatt Regency Hotel, May 7, 2019 from [report linked here](#) and found on the [HUD website at this link here](#). Note: the \* and links above were added to exemplify the points made by Secretary Carson.



**"...I have said before that home ownership is the quickest way to build wealth..."**

**"Manufactured housing could cure most of the ills we have in this country as it pertains to the housing shortage.**

**Why then is it not being utilized as it could be?"**

– Rev. Donald Tye, Jr.



These quotes from Rev. Donald J. Tye, Jr. are from a combination of a video interview posted on *MHLivingNews* and emailed comments, many of which are [found at this link here](#). An important theme of Rev. Tye's in his video interview was his urging that HUD Secretary Carson enforce the law on enhanced preemption of manufactured housing.

"SEVERAL OF REV. DONALD TYE, JR.'S COMMENTS WHICH YOU PUBLISHED BROUGHT BACK MEMORIES (OF A SPEAKER) ... A MIDDLE-AGED BLACK GENTLEMAN ... A MEMBER OF THE ILLINOIS GENERAL ASSEMBLY. HE COINED A TERM FOR THE DISCRIMINATION BY LOCAL GOVERNMENTS AGAINST MANY FORMS OF AFFORDABLE HOUSING, PARTICULARLY MANUFACTURED HOME PLACEMENTS.

THAT SPEAKER CALLED IT "ECONOMIC RACISM."

- J.D. HARPER  
AMHA



**"It's Just as wrong to Use the N-Word to describe a black as it is to use the T-Word to describe a manufactured home."**

– Rev. Donald J. Tye, Jr.

actively retired businessman and minister explaining that a manufactured home should never be referred to as a 'trailer house.'



Rev. Donald Tye, Jr. is an actively retired businessman whose family benefited from living in factory built homes that benefited dozens of other families too. Today, Tye advocates for acceptance of modern manufactured homes as path to ownership.



**"As we think about housing in today's world, the most important aspect should start with affordability. When home ownership is affordable, it has ancillary benefits,"** said Donald Tye, Jr.

**"Ownership builds character, competence and integrity,"** Tye said.

**"One thing that is completely missed by politicians and prejudice towards manufactured housing is the tax benefit."**

Tye also points to problems - such as addiction – that are found in subsidized housing, notably in what he calls high rise tenements. **"Affordable home ownership is Human Capital Investing as opposed to warehousing humans like cattle in a corral."**

Tye describes himself as a political independent and is pragmatic. He's often frustrated with both progressive and GOP proposals.

**"Properly understood and approached, affordable home ownership unlocks personal wealth creation for millions while it could simultaneously establish thousands of new enterprises that would create more good jobs. Doing so would lower tax burdens while raising tax revenues. When the federal laws needed to address these issues already exist, one must ask: how is it possible that they've been neglected, misused or diverted for so long?"**

- L. A. "Tony" Kovach, leading trade publisher and manufactured home industry expert.





**"The only way to lessen home price growth is to bring in more supply. It cannot be a simple case of existing homeowners listing their home..."**

**"But as evidenced by fast-rising rents and fast-rising home prices, we cannot expect a further fall in vacancy rates to handle the ongoing and growing housing shortage gaps."**

**"...the country is short by 8.3 million housing units."**



**"The only way to bring additional supply, therefore, is for homebuilders to get really busy."**

- Lawrence Yun  
Chief Economist, National Association of Realtors™ (NAR)

Scholastica "Gay" Cororaton, Certified Business Economist (CBE), authored an article entitled **["Making the Case for Manufactured Homes"](#)** published on **June 25, 2018** on the National Association of Realtors (NAR) Realtor University website based upon the underlying research named **["The Market for Manufactured Homes"](#)** published in the Journal of the Center of Real Estate Studies at this **[link here](#)**. In footnote 1 on page 49, Cororaton said: **"The author thanks Dr. Lawrence Yun, Chief Economist and Senior Vice-President, Research, NAR, for initiating this study..."**

Rephrased, Dr. Yun encouraged and authorized her to look into manufactured housing as a possible solution to the affordable housing crisis. From that third-party commissioned research paper is the following pull-quote.



**"Compared with the unregulated mobile/trailer homes of the past, the manufactured homes built after 1976 have a higher level of safety, durability, and quality, and the small fraction of homes damaged during hurricanes attests to their safety and durability."**

- Scholastica "Gay" D. Cororaton,  
Certified Business Economist (CBE),  
National Association of Realtors® (NAR).



For some, the above and what follows will be a stunning array of insights about manufactured housing's potential role in the affordable housing crisis. But there's much more.

While the manufactured home industry's products, accomplishments, and potential are often lauded, the business practices of certain players in the industry are often the subject of vexing and treacherous allegations. That's already been noted in 3 of the quotes above.

From a press release under the heading - **"Waters and Senior House Democrats Call for Federal Investigation of Warren Buffett's Manufactured Housing Conglomerate"** - is the following pull quote.

**"I was appalled by some of the findings in the recent [Seattle Times/BuzzFeed] articles,"** said Congresswoman Waters (CA-D). **"There is no place for these kinds of sleazy and deceptive practices. I was further taken aback by Mr. Buffett's defense of Clayton's lending practices given the concerns that were raised by the articles earlier last year."**

From the media release of Representative Maxine Waters and Congressional colleagues in a letter to federal officials, [found at this link here](#). Taken from an in-depth [expose found in the report at this link here](#).

That letter includes this phrase - **"near monopolistic"** – which makes the point that antitrust should be part of the issues begging to be addressed in dealing with the affordable housing crisis and its underlying causes. Again, from the letter of the then Ranking Member of the House Financial Services Committee:

**"As the investigation [Seattle Times, et al] makes clear, Clayton is the nation's largest manufactured housing company and has a "near monopolistic" grip on lending to minority borrowers seeking financing for manufactured housing reaching nearly 72% of African-American borrowers, 56% of Latino borrowers, and 53% of Native American borrowers.[5] Given Clayton's uniquely broad control of the manufacture, sale, and financing of manufactured homes, it is imperative that their business practices comply with federal law in order to ensure affordable housing for low-and-moderate income buyers. Surely, if news outlets can launch an investigation into potential violations of federal fair lending and consumer protection laws, agencies charged with protecting the nation's consumers should be able to investigate these allegations, and, to pursue appropriate enforcement actions."**

On a similar theme are the findings from the research of Donna Feir, Ph.D., research economist to the Minneapolis Federal Reserve. Consider this pull quote.



minneapolisfed.org

**"We believe further investigation around the manufactured home financing market structure might be necessary if home loans are going to be made equally affordable for AIAN borrowers."**

- Donna Feir, Ph.D.,  
Research Economist





The above from Dr. Feir is quoted in a report with additional insights found at this [link here](#).

In considering the array of information and the solution to the affordable housing crisis by removing regulatory barriers, the following is apt quote from the legendary 'positive thinker,' - Zig Ziglar.



**"The first step in solving a problem is to recognize that it does exist.**

**Next, we determine whether the problem is our responsibility. If the answer is yes, we must determine how serious and/or urgent it is.**

**When that last determination is made, we either:**

- **take immediate action if the problem is simple and quickly solvable,**
- **or develop a plan of action and prioritize it if the solution is more difficult and time-consuming.**

**Problem-solving becomes a very important part of our makeup as we grow into maturity or move up the corporate ladder..."**



Few, if any, have done more front-line work on transforming the mobile homes of yesteryear into the modern manufactured housing code and related laws that we have today than the [Manufactured Housing Association for Regulatory Reform](#) (MHARR). Thus, the quotes and links that follow are to be considered as part of this comments letter. Indeed, let me stress that all links, downloads, videos, and related images that are linked or provided are to be construed as part of this comments letter.

MHARR comments letter

<https://manufacturedhousingassociationregulatoryreform.org/white-house-council-on-eliminating-regulatory-barriers-to-affordable-housing-request-for-information/>

MHARR's letter to HUD Secretary Carson

<https://manufacturedhousingassociationregulatoryreform.org/exclusive-insights-on-controversies-interview-with-25-year-industry-leader-mark-weiss-president-ceo-of-the-manufactured-housing-association-for-regulatory-reform-mharr/>

MHARR's Zoning Barriers Project Follow-Up

<https://manufacturedhousingassociationregulatoryreform.org/exclusive-insights-on-controversies-interview-with-25-year-industry-leader-mark-weiss-president-ceo-of-the-manufactured-housing-association-for-regulatory-reform-mharr/>

Mark Weiss', J.D., in depth interview.

<https://manufacturedhousingassociationregulatoryreform.org/exclusive-insights-on-controversies-interview-with-25-year-industry-leader-mark-weiss-president-ceo-of-the-manufactured-housing-association-for-regulatory-reform-mharr/>

The Manufactured Housing Improvement Act (MHIA) of 2000 specifically said the following.

Per Congress, **"manufactured housing plays a vital role in meeting the housing needs of the nation"** and that **"manufactured homes provide a significant resource for affordable home ownership."** The MHIA includes protecting the **"affordability of manufactured homes,"** and **"facilitating the availability of affordable manufactured homes and to increase homeownership for all Americans."**

Returning to comments from Rep. Maxine Waters and her House colleagues and the law that they helped enact, the following are pull quotes from their letter dated November 13, 2003 to then HUD Secretary Mel Martinez.

**"...Unfortunately, discrimination in the siting of manufactured homes continues to undermine its full potential to meet the needs of low-income homebuyers. A September 2002 Ford Foundation study on manufactured housing noted that "zoning and code rules continue to be a major barrier," and that "the vast majority of local governments continue to discriminate against manufactured housing, thereby limiting its potential to meet the needs for affordable housing."**

**"...The 2000 [MHIA] Act broadened this provision to add that: "*Federal Preemption* under this subsection *shall be broadly and liberally construed* to ensure that disparate State or local *requirements* or standards do not affect the uniformity and comprehensiveness of the standards promulgated under this section nor the *Federal superintendence* of the manufactured housing industry established by this title."** [italics added].

**"... the 2000 [MHIA] Act expressly provides, for the first time, for "Federal preemption," and states that this should be "broadly and liberally construed" to ensure that local "requirements" do not affect "Federal superintendence of the manufactured housing industry." Combined with the expansion of the findings and purposes of the Act to include for the first time the "availability of affordable manufactured homes," the 2000 [MHIA] Act changes have transformed the Act from solely being a consumer protection law to also being an affordable housing law."**

The first administrator of the Office of Manufactured Housing Programs told *MHProNews* the following.



**"The term "enhancement" is consistent with my view that Congress probably considered the lack of a serious enforcement history of the preemption provision and therefore added language to the [MHIA of] 2000 Act directing HUD to take enforcement of [enhanced] preemption more seriously. This has always been my legal opinion."**



William "Bill" Matchneer, J.D.,  
Former administrator HUD Office of Manufactured Housing Programs (OMHP)

Matchneer's voice – as the former administrator for the OMHP - is an important one on this issue, but he is far from alone.




**“...federal regulation preempts cities from out-and-out discrimination against units built in compliance with the Federal Manufactured Home Construction and Safety Standards...”  
[but HUD] ...has been hesitant to enforce the ‘enhanced preemption’ granted in the MHIA of 2000 - - or even the Department’s own ‘preemption policy’ or statement of ‘internal guidance’ on local zoning matters.”**

- J.D. Harper,  
Arkansas Manufactured Housing Association  
(AMHA)



**Note:** MHIA 2000 - is the Manufactured Housing Improvement Act of 2000.



Mark Weiss, J.D., currently the president and CEO of MHARR, made this formal statement to *MHPProNews*.



**“Federal preemption as amended by the Manufactured Housing improvement Act of 2000 is designed to allow HUD Code manufactured homes, constructed in accordance with the federal standards, to be shipped and sited anywhere in the United States, regardless of where the home is constructed. This is essential to maintaining the uniformity of manufactured housing construction and safety regulation and maintaining the fundamental affordability of HUD Code homes. As a corollary, it is designed to prevent local jurisdictions from imposing their own costly standards on HUD Code homes, or using standards or other devices, such as discriminatory zoning measures, to exclude HUD Code homes. This benefits homebuyers by ensuring a uniform, cost-effective set of standards for construction and safety, while it benefits independent businesses by reducing the type of regulatory compliance burdens that would ensue if thousands of jurisdictions around the country were free to impose their own unique or differing standards or requirements. Ultimately, this helps expand homeownership opportunities for millions of lower and moderate-income Americans, while it helps industry businesses to grow and provide employment opportunities in the nation’s heartland.”**



**“Do what you can, with what you have, where you are.”**

— Theodore Roosevelt

As the bipartisan lawmakers themselves noted in setting the table for their findings, in a highly publicized partisan divide, a committee of elected officials' statement of their findings included the following.

**“To construct a new single-family manufactured home development including all neighborhood infrastructure costs, the typical price per unit is \$150,000. In comparison, a high-density apartment complex usually costs \$250,000 per unit to construct.**

**In terms of preservation costs, manufactured housing developments cost about \$8,000 to 9,000 per unit to preserve the basic infrastructure, while apartment complexes cost \$50,000 to \$70,000 per unit to maintain."**

- From a bipartisan panel of lawmakers in a letter to the Star Tribune on Jan 25, 2019 entitled ["Manufactured homes can play a vital role in easing the shortage..."](#) of affordable housing, found as part of a report on [MHLivingNews linked here.](#)

Note that their research was in an area of relatively higher land cost, so some areas could experience potentially lower costs to develop and site a new manufactured home.

**"Years of third-party research on manufactured homes reveals it to be the most proven form of affordable housing. Ironically, the laws and legal authority needed to solve the affordable housing crisis already exist. What is already known and enacted should logically be put to work. But in fully implementing the laws that Congress passed under Democratic and Republican administrations and by widely bipartisan margins, it would be prudent to also investigate why those solutions have been thwarted for so long. Millions have suffered while implementation of existing laws has been delayed. Wherever public are identified as having failed in their duties and when officials or corrupt special interests appear to be guilty of diverting or ignoring the legislative intent of Congress, the full weight of the law should be brought against any and all alleged wrongdoers. The numbers of citizens and smaller businesses that have been harmed by arguably corrupt and potentially illegal practices is staggering. It thus begs for robust state and federal investigations, as multiple lawmakers, consumers, industry professionals and advocates have themselves suggested."**

– L. A. "Tony" Kovach

**"No one in America is supposed to be above the law."**

– American maxim.

On January 29, 2018 the Urban Institute asked this pertinent question:

**["Manufactured homes could ease the affordable housing crisis. So why are so few being made?"](#)**

The research opens with this statement.

**"Manufactured housing is the least expensive type of housing. So, considering the severe shortage of affordable housing in the US, why is the annual production of new manufactured housing so low?"**

The RFI, as was previously cited above, said in part that federal officials **"...also seeks data, other information, analyses, and recommendations on methods for reducing these regulatory barriers."**

The snapshot begins to paint a picture that answers the question that the Urban Institute asked in 2018, shed some light on, but ultimately failed to fully address. Edward Golding, one of the co-authors of the research who previously worked for HUD arguably knew the more complete answer but failed to



specifically state key elements like the need to promote enhanced preemption. [See the report linked here.](#)

The manufactured home industry's mantra, and that of all sincere advocates of affordable housing policy, should be fairly simple.

- Years of nonprofit, university-level, state, and federal research has demonstrated that the reality of manufactured homes confounds the claims that have for too long stigmatized the industry. For example, on fears concerning crime, [research by Professor William P. McCarty has proven that to be unfounded](#). Obama Administration era [HUD PD&R commissioned research proved that manufactured homes appreciated side-by-side with conventional housing in municipal areas](#). That supports statements made by HUD Secretary Carson, or research by the National Association of Realtors by Scholastica Cororaton, CBE.
- There are good laws that are already part of the federal statutes that after careful research by Congress, were passed into law.
- Those laws – the Manufactured Housing Improvement Act of 2000 (MHIA) and the Duty to Serve underserved markets, including manufactured housing by Fannie Mae and Freddie Mac under the Housing and Economic Recovery Act (HERA) of 2008 - were passed by widely bi-partisan margins. One law was signed by Democratic President William "Bill" Clinton, while the other was finalized by Republican President George W. Bush.
- These good laws established increased consumer protections, and the MHIA was specifically described by several lawmakers as an '**affordable housing law**' that included consumer protections.
- There are more consumer protections found in the MHIA – sometimes referred to by various officials and industry professionals as the 2000 Act - than are offered by most conventional housing builders. Yet, as the Urban Institute, Secretary Carson and the bipartisan committee of lawmakers cited above have each noted.
- So, given decades of research and the impressive array of facts from across the left-right political spectrum, why aren't these laws being fully and properly enforced?
- If public officials are failing to enforce good laws, why aren't those public officials being held accountable?
- Are public officials working at some level working in tandem with special interests to benefit a few at high cost to the many?
- The law should be fully enforced. Those who have arguably thwarted the law should be investigated and when appropriate, charged with whatever crimes they have committed. Because homelessness and rising un-affordability in housing are harming the nation and its most vulnerable citizens.
- Where so-called 'black hat' behavior exists on the part of certain individuals, companies, or organizations, they should be investigated and charged with whatever violations are appropriate.
- To protect the citizenry, those investigations should be announced, much like the probes into big tech have been announced at the state and federal levels.

My name is L. A. "Tony" Kovach. Our firm is the publisher of *MHProNews*, which is the documented [largest and most read professional trade media](#) in [manufactured housing focused publishing](#). We've published over 20,000 articles on *MHProNews* in ten-plus years. In some form or fashion, my wife Soheyly or myself have touched literally every one of those articles; some of them multiple times. While this RFI comments letter is all mine, at times I may use the phrase 'we' as a verbal acknowledgment that others like my wife or other writers we have published have been part of this journey in publishing and understanding of the issues that have been outlined and linked from herein.



Unlike some others, we know manufactured housing from several angles beyond publishing that bear mention.

For instance, I've worked in the manufactured home industry in sales, management, marketing and as a business owner for over the course of some 25+ years. In my college days, I had a perfect 4.0 in business classes, was repeatedly on the Dean's list and was told that I was the first freshman at the University of Oklahoma (OU) to earn the coveted Lottinville Award in History. I've earned several awards in history, various aspects of business and in manufactured housing. My time as the rotating editor at a private high school associated with O.U. as a 'lab school' no doubt helped me earn a partial scholarship in journalism.

While the manufactured housing industry is relatively small today, for vexing and arguably avoidable reasons that are outlined and linked from herein, few have as many [LinkedIn professional followers and so many largely unsolicited words of praise](https://latonykovach.com/) as this writer does. Further biographical and professional insights are found at this link below.

<https://latonykovach.com/>

That's not to brag, but to make it clear that we bring not only the thoughts and research of others into focus, but our publications are imbued with our own professional insights and applicable experiences too.

“ Tony “gets it” when it comes to manufactured housing. He has worked or been involved in almost all phases of the business.” - Al Cole, Senior VP, Oxford Bank and Trust.

My experiences in housing are personal as well as professional.

- I've lived in several apartments, including in a studio which might be akin in size to some larger tiny houses.
- I've owned conventional 'site built' housing in nice neighborhoods.
- I've also owned several manufactured homes over the years located in manufactured home land-lease communities as well as on private property.
- I've worked in and with manufactured home 'street' retail, manufactured home land-lease communities, financial services and with the producers of manufactured homes.
- In doing so, it was routinely with the view that customers deserved to be treated with respect before, during and after the sale.
- I've set numerous sales records in manufactured housing which resulted in happy homeowners that often sent their family, co-workers, those who shared their faiths and their friends.

It is therefore safe to say that my story, experience and comments are relevant to this discussion. While I've certainly made mistakes, I'm also proud of the numerous accomplishments which should reflect these points. With over a quarter of a century of experience in this industry, I believe in manufactured housing. That is said while recognizing that there are problematic players in the industry, as is true of any other profession. We are pro-free enterprise, pro-consumer, while also being opposed to corruption and crony or vulture capitalism.



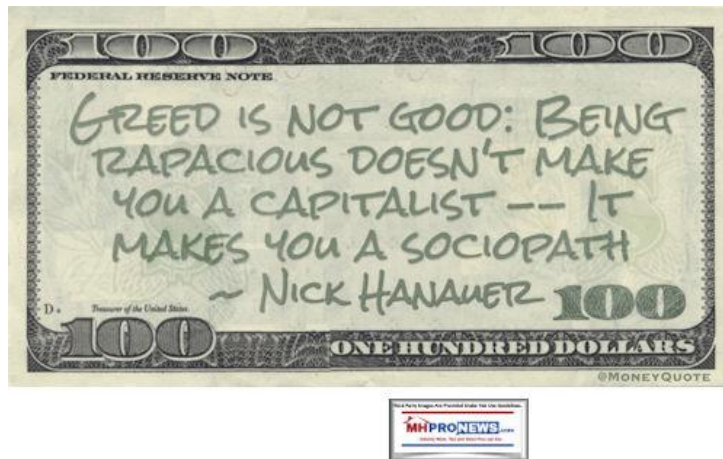
**"I enjoy receiving *MHProNews* and as I have told you before – everyone I know in MH reads your pub. Continue on forever with this great news worthy service."**

- [Barry Cole](#)

past Chairman of the RV/MH Hall of Fame  
RV MH Hall of Fame inductee

When bad things occur in manufactured housing – and they do – care should be taken that it is the *wrongdoers that are punished*, and that the industry's 'white hat' professionals in companies and organizations of all types are not unjustly lumped in with the problematic black hat behavior.

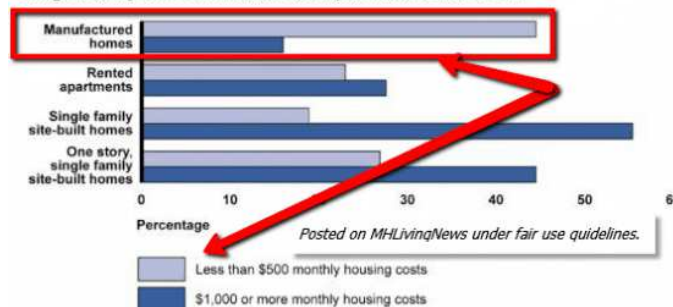
The quote below is useful and arguably applies to some black hats in our industry.



For the source of the quote and video,  
see the [report linked here](#).

Manufactured housing is the most proven form of affordable housing in modern American history. That's a statistical reality, the Cororaton's research for NAR, HUD Secretary Carson, the Urban Institute, and the Government Accountability Office (GAO) among others have noted in various ways.

Figure 10: Monthly Housing Costs for Owners of Occupied Manufactured Homes, Single Family Site-Built Homes and Apartment Renters 2011



Median Household Income in 2016, By Type of Household Unit and Tenure, in Thousand Dollars



Source: Author's tabulation of ACS, 2016, PUMS



NAR data reveals that apartment dwellers often earn more than the owner of manufactured homes, which suggests millions could make the switch and begin building equity.

## MANUFACTURED HOUSING VS. OTHER RENTAL OPTIONS

- Sun's manufactured homes provide nearly **25%** more space at **~48%** less cost per square foot

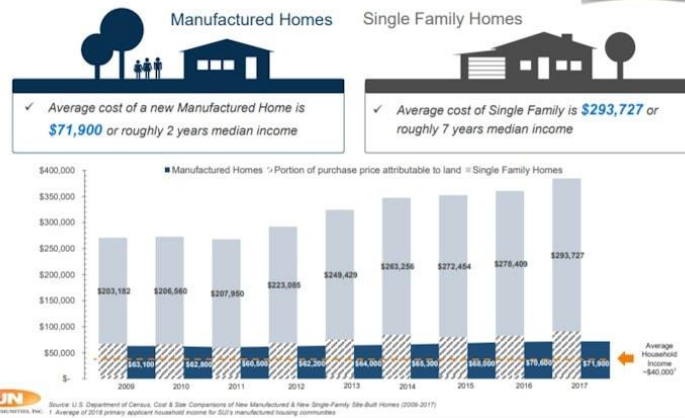


<sup>1</sup> Source: Company information.

SUN COMMUNITIES, INC. <sup>2</sup> Source: Zillow - U.S. Median Monthly Rent (Zillow rent index, December 2016). Includes multifamily, single family and duplex 2-bedroom rentals.

## MANUFACTURED HOUSING VS. SINGLE FAMILY

- Sun's communities offer affordable options in attractive locations



E



E



The E represents 'entry level' manufactured homes, others are residential style manufactured homes. Photo collage credit MHLivingNews.com

We've summed up some of these insights on the infographic shown below. Note that sources are cited, but since time has passed since that infographic was created, specific pricing information would merit updating. That said, the general fact-pattern remains the same.



**Manufactured Homes by the numbers**

**Manufactured Homes = \$50 PSF\***  
**Conventional SF House = \$121\*\***

**22 Million Americans**  
**8.8 Million MH Homes**

**\* Sizes from 320 sq. ft. to 3,495 sq. ft. Avg. Size in 2016 - 1,446 square feet. Single section, or 2, 3 or more sections. 2 levels, basement sets available.**

**Kid Rock, Po-Dunk Official Music Video. One of #s of millionaires - plus some billionaires - who own a manufactured home.**

**Elvis & Priscilla Presley Honeymooned Here**

**Sen. Thom Tillis grew up in a true mobile home. HUD Secretary Ben Carson called modern manufactured homes "Amazing."**

**Trailer Houses Aren't Mobile Homes**

**Manufactured homes can appreciate like conventional housing (CFED). FAU researcher says it can be a superior investment choice.**

**Mobile Homes Aren't Manufactured Homes**

There are some 44,000 manufactured home land-lease communities, per an actual 'hand verified count' performed by MHU.

About 80% of manufactured homes (MH) are not moved once installed.

Manufactured homes are greener, with some 30-45% less waste in building materials than conventional housing, which also saves money.

Time, labor, material savings is how money is saved. HUD is the primary regulator, and is required to perform like conventional housing.



Rev. Donald Tye, Jr.

There have been no mobile homes built in the U.S. since June 15, 1976.

**"It's as wrong to use the N-Word to describe a black as it is to use the T-Word to describe a manufactured home,"** said factory-built home owner, Rev. Donald Tye, Jr.

Data sources: U.S. Census Bureau, NAHB, MHARR, HUD, CFPB, CFED. FAU, UI. Research by [MHLivingNews.com](http://MHLivingNews.com) and [MHProNews.com](http://MHProNews.com). © 2018. All Rights Reserved.



**"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  
 Publisher of [MHLivingNews.com](http://MHLivingNews.com) and [MHProNews.com](http://MHProNews.com),  
 Award-winning Industry Consultant, Professional Services Provider



For weather and safety related reports, go to [MHLivingNews.com](http://MHLivingNews.com). **Summary:** properly installed manufactured homes are as durable and safe as conventional housing, and are safer than the mobile homes built over 40 years ago. HUD regulated Federal standards include consumer protections not found in site-built housing.

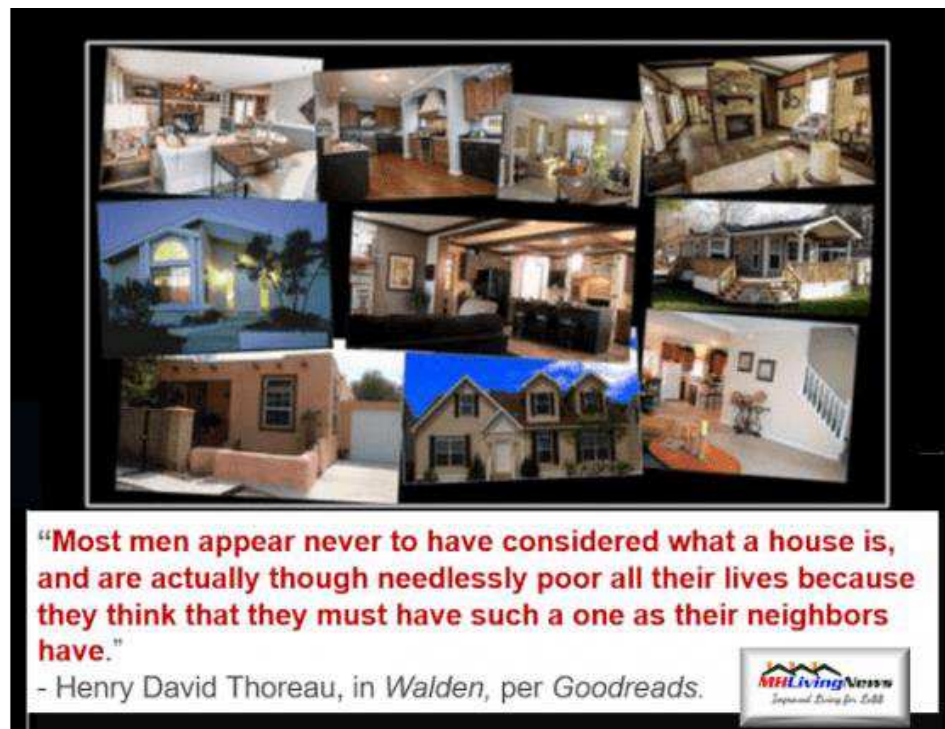




To help with the definition and terminology issues, we've created images and resources like the following.



Each home in the image collage below is of a HUD Code manufactured home. They often defy the common stereotypes, don't you agree?



There are also third-party definitions, which we may have in one instance elaborated upon, that are useful for those trying to understand the terminology.



**Manufactured Home:** Factory built to meet the performance standards of federal HUD Code. Given a red HUD label upon final inspection, affixed to each section at the rear. Built on frame/chassis, but rarely moved once installed. \*

**Mobile Home:** Typically refers to units built before 1976 and most similar to a trailer; occasionally used to refer to units built after 1976, despite the fact these units are technically (and legislatively) defined as manufactured homes.

**Modular Home:** Factory-built with some on-site assembly and some on-site construction, built to meet prescriptive standards of state and local codes. Chassis is optional.

**Panelized Home:** Factory-built panels are assembled on site and supplemented with on-site construction to meet prescriptive standards of state and local codes.

**Trailer Home:** Can be hitched to an automobile and moved, NOT built to a federal code. Also referred to as campers.

**Source:** Bradley, Donald S. 1997.  
"Will Manufactured Housing Become Home of First Choice?," *Freddie Mac 1997 Mortgage Market Trends*, pp. 29-33.

Third Party Images Are Provided Under Fair Use Guidelines.

**NeighborWorks PROGRAM**

**MHPRONews.com**  
Industry News, Tips and Views From the Inside

\* Definition per L A. 'Tony' Kovach.

Yet manufactured homes are somehow also the most misunderstood and often maligned form of affordable housing.



Still from MHLivingNews "Inside MH" video.

**"I'M TIRED OF**  
 [MANUFACTURED HOUSING] BEING  
**THE BEST KEPT**  
**SECRET.**  
**I'M READY**  
**TO HELP**  
**HOUSE AMERICA."**  
**– TERRY DECIO,**  
**SENIOR EXECUTIVE**  
**WITH WHAT AS**  
**THEN**  
**SKYLINE HOMES,**  
**NOW SKYLINE-CHAMPION (SKY).**

Ponder that statement from Terry Decio for a few moments.

Decio made that statement years prior to the merger of Skyline (SKY) with Champion Homes. Skyline is an MHI member. So, as an MHI member, a senior executive from one of the industry's larger producers of manufactured housing is complaining about the facts and understanding of manufactured homes is almost like **"the best kept secret."** Given that MHI is the umbrella organization that represents post-production advocacy and promotion, it begs the question: why hasn't MHI organized this same type of array of documentation that [MHLivingNews](#) and [MHProNews](#) have that makes the case for manufactured housing?

In fairness, it isn't that MHI has done anything. They have. But what they've done – for whatever reasons – have demonstrably not worked. Is that accidental or by design? Decio provided this cover of *Time Magazine*, which featured his father Art Decio on its cover back during the mobile home era. How has the industry tumbled so low when the quality, evidence and overall praise of the industry and its products are so high? Should the misbehavior of the black hats in the industry overshadow the good that's occurred?



Years ago, as an MHI member and a board member elected by my peers of the Suppliers Division of MHI, I witnessed numerous things from an insider's perspective. There is an ongoing array of activities. There are 'educational' and other information sessions, some of which I personally led.



Ann Parman oversaw the staff side of MHI's educational sessions.





MHI has produced or backed videos that include their brand. The Arlington, VA-based trade group has had graphics and handouts created that illustrate some point, albeit sometimes after we had produced similar materials. Oddly, in some sense, MHI was de facto competing with our operations – even while we were dues-paying members, in as much as they did things that we were doing too.

- One might ask, why didn't MHI actively promote our pro-industry work, which routinely referenced third-party sources? Especially when their work-product often cited themselves or only an industry source? Which is more compelling to the general public? To quote yourself, or to quote some outsider that is experienced in a matter and cite that source? Surely, MHI's paid professionals in communications grasp the nature of endorsements and testimonials?
- Why did MHI produce something similar that referenced a weaker argument? For example, some research that they commissioned, paid for and did not fully reveal the methodology or the final results? Such is the case with the [Ducker research they have touted](#).

But the point at this moment isn't competition. Rather, it is to illustrate how (in)effective MHI has been at what they have produced. Is it likely that professionals keep repeating the same mistakes, time and again, especially after the mistake has been pointed out?

As has been noted, several examples of prominent MHI members have already been cited that reflect problematic ethical, questionably legal or other misbehaviors. When you know these individuals face to face on a first name basis, they candidly may seem like terrific people.

So the problem isn't mere appearances. Every con artist tries to be persuasive. The issue for MHI, certain key members, or anyone else one is scrutinizing for accountability ought to be the underlying reality.

This comment below exemplifies the matter being described.



At the time of this comment...

**"Nathan Smith is Chairman of the Board of Directors of MHI. His company** (of SSK Communities, 'F' rated by the Better Business Bureau. SSK has since rebranded as Flagship Communities) **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, *partner in RV Horizons, since rebranded as Impact Communities and in Mobile Home U, each of which have had their own controversial allegations made against them.*





The report linked below provides several examples of conventional housing data juxtaposed with manufactured housing performance.

<https://www.manufacturedhomepronews.com/manufactured-housing-comparisons-data-sets-vs-existing-and-new-single-family-housing-sales-rvs-auto-facts-potent-insights-for-mh-professionals-investors/>

The facts, when carefully considered, reveal that the manufactured home industry, despite posturing by MHI doing promotional work, is underperforming. The following graphic is just one of several visual data-points that use third-party provided facts found in the report linked above.

Why is manufactured housing underperforming during an affordable housing crisis?

First, let's document the predicate that the industry is underperforming.



- 1) Skyline Champion (SKY) data in the original graphic above reflects that in the early 1970s, mobile homes were some 30 percent of all single family housing starts. That peak was paralleled by a similar peak in conventional housing starts.
- 2) In the mid-1990s, manufactured homes were nearly 1 in 4 single family housing starts.
- 3) Numerous 3rd-party research studies in the past 2 decades indicate that manufactured homes are high in quality, safety, and value. Nevertheless the market share of manufactured homes plummeted in the 2000s to around 10 percent of all single family housing starts.
- 4) The initial drop in manufactured home sales can be attributed in part due to improper manufactured home lending practices that occurred in the 1990s, a precursor to what occurred with convention housing prior to 2008. But Eric Belsky of Harvard JCHS expected that to be corrected. Instead, following Berkshire's acquisition of Clayton, the industry has stayed depressed. See Clayton Homes report on MHLivingNews and the 21st Mortgage letter.

Skyline Champion is correct, the manufactured home industry does have real upside potential. However, if market manipulation, failure to enforce good existing laws, and failure perform persists, the industry will continue to struggle at historically low levels.



Figure 1: Mobile/Manufactured Home Shipments and Home Sales (in Thousands)<sup>6</sup>

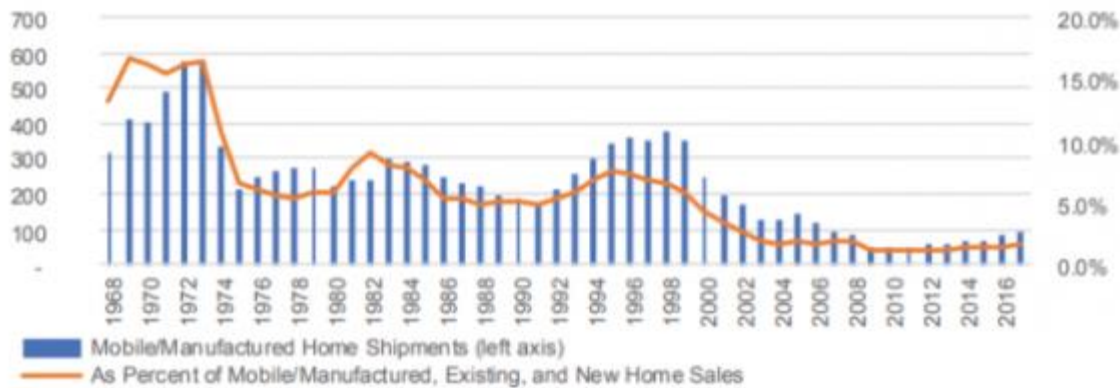


Figure 2: Mobile/Manufactured Home Shipments and Private Housing Starts (in Thousands)<sup>7</sup>



Objectivity is lacking among many, so let's unpack this in brief. In the early 1970s, the then 'mobile home' (MH) industry hit over 30 percent of all single-family housing starts. During that same timeframe, mobile homes were over 15 percent of all U.S. housing sales: conventional existing housing, new single-family housing and MH. The next big peaks were during parts of the 1980s and then again in the mid-1990s. Given Berkshire Hathaway's (BRK) resources, how does one explain the low sales levels in the past 15 years following Warren Buffett's deal to buy Clayton Homes and their associated lending? Much of the mystery of MHville is arguably connected to MH professional leadership since then.

When compared to other aspects of the housing industry, or other big ticket sales items, additional statistical support for the premise that manufactured housing is underperforming is found.

<https://www.manufacturedhomepronews.com/manufactured-housing-comparisons-data-sets-vs-existing-and-new-single-family-housing-sales-rvs-auto-facts-potent-insights-for-mh-professionals-investors/>

The report linked below uses an array of third-party experts and often university level researchers talking about manufactured housing in largely positive ways.

<https://www.manufacturedhomepronews.com/affordable-manufactured-housings-puzzling-contemporary-condition-revealed-by-quotable-quotes-from-residents-professionals-expert-researchers-advocates-public-officials-graphics-and-repo/>

That is just a modest sampling of a broad collection of such research that documents decades of evidence about manufactured housing that persuasively debunks the various common concerns.

<https://www.manufacturedhomelivingnews.com/ultimate-reporters-researchers-affordable-housing-advocates-or-shoppers-3rd-party-research-reports-on-mobile-homes-manufactured-homes-and-modular-housing/>

Which begs the question. Why isn't a similar array of useful sources cited above found on MHI's website? In years gone by, MHI used to reference such materials. Why did they stop? When? How has that worked out for the industry? Was that by MHI change accidental or intentional?

MHI answers aspects of such questions in an ironic and self-contradictory fashion.



**“...While total shipments are down 3.6 percent overall compared to last year, the significant increase in shipments of factory-built homes provides an excellent example of our industry’s ability to provide relief from the shortage of affordable housing across the country.”**

Look carefully at that statement. The first part of that sentence is contradicted by the second part of that same sentence. Yes, the industry's potential is strong. That said, then why is the industry down – per MHI – 3.6 percent year-over-year?



A [MHI sycophant blogger, who per reports has been rewarded and/or compensated](#) for being their cat's paw, has said that *MHPProNews* is 'gaslighting' manufactured housing. If so, how so? There is no substantive reply to that query. But it is worth noting that gaslighting is one way to look at what's occurred.

In Hungarian there are various expressions, one version of which goes like this: **“Az a, aki a vádat elmondta, az az, aki bűnös.”** It roughly means, **“The one making the allegation, that accuser is the guilty one.”**

That would arguably fit that MHI toady's gaslighting charge. *MHPProNews* strives day-by-day to lay out facts, cite sources, and quote accurately on both *MHPProNews* and *MHLivingNews*. The industry's readers have 'rewarded us' in the sense that we have [a far larger audience with much more robust engagement than our rivals](#) that share the common trait of kissing Arlington's ample derriere. We produce reports and fact checks that periodically fisk other's published statements and claims. That's done via factual analysis



and logical deductions. We give MHI and their corporate leaders who effectively run the show there the chance to respond. For years they did so routinely and promptly. Not only did they respond, they praised our work.



**"The emergence of Tony Kovach's group of publications has brought a new standard of professionalism to the industry. The thorough and unbiased reporting fills the vacuum that has existed for too long. It's been refreshing to have these**

**communications serving the manufactured housing industry, and here's to their continued success."**

- Howard Walker, JD,  
Vice-Chairman of Equity LifeStyle Properties (ELS)  
Manufactured Housing Institute Executive Committee  
Member

Kind thoughts from the late Howard Walker, the long-time right-hand man to ELS Chairman, billionaire Sam Zell. To this day, readers from firms of all sizes, ranging from the industry's giants, to mom-and-pops, make this most-read, runaway #1 trade media in the manufactured housing industry.

Or his is another example of such past praise by MHI's leadership.



**"[MHProNews.com](https://www.mhpronews.com) and [MHLivingNews.com](https://www.mhlivingnews.com) are both good communications resources for the Manufactured Housing Industry. I and many others at 21st Mortgage and at MHI logon to see the latest news, interviews, debates, videos, opinions and reports they publish. Having a trade publisher that presents thoughtful, respectful commentary independent of any association's perspective – as important as an association's view can be – can be a big asset to advancing the MH Industry's cause. Let me explain why..." - Tim Williams, 21<sup>st</sup> Mortgage Corp, then MHI Chairman.**

But as tips from other MHI insiders led us to a series of revelations, it increasingly became evident that manufactured housing independents were being undermined from either incompetence or some hidden agenda from within. The in-depth report below is just one of those news tips from industry insiders.

<https://www.manufacturedhomelivingnews.com/bridging-gap-affordable-housing-solution-yields-higher-pay-more-wealth-but-corrupt-rigged-billionaires-moat-is-barrier/>

More recently, these documents from a whistleblower demonstrated problematic MHI insider behavior.

<https://www.manufacturedhomepronews.com/whistleblowers-documents-on-lesli-gooch-manufactured-housing-institute-ceo-new-discoveries/>

That report elaborated on a related whistleblower-provided documents linked here.

<https://www.manufacturedhomepronews.com/masthead/tipsters-uncontroverted-documentary-evidence-reveals-new-manufactured-housing-institute-ceo-lesli-gooch-controversial-quagmire/>

These tips came as a result of our step-by-step analysis of purportedly prima facie evidence of various actions related to key MHI members and staff that apparently violated various cited laws.

<https://www.manufacturedhomeproneews.com/masthead/prima-facie-cases-against-manufactured-housing-institute-richard-a-dick-jennison-tim-williams-21st-mortgage-kevin-clayton-tom-hodges-clayton-homes-et-al/>

The premise being advanced, based on years of increasing evidence, is that manufactured housing is underperforming because the industry is being subverted by a combination of corrupt behavior on the part of various federal officials and by certain corporate interests. That problematic combination has a cascade effect on the U.S. affordable housing issue.

<https://www.valuepenguin.com/home-insurance/fear-manufactured-homes-affordable-housing-crisis>

Based on the above, we produced an illustrated version of the report on *MHLivingNews*.

<https://www.manufacturedhomelivingnews.com/fear-a-solution-to-the-affordable-housing-crisis-and-the-manufactured-home-dilemma/>

Instead of responding to our concerns and allegations, as several of these same industry leaders once did, a series of over the target reactions occurred instead.


<https://www.manufacturedhomeproneews.com/lanham-act-monopolistic-housing-institute-err-manufactured-housing-institute-legal-bullies-and-you/>

The amen-corner of the Omaha-Knoxville-Arlington axis is what it is. But the evidence of mainstream media concerns about the same players that we argue are undermining manufactured housing for their own purposes continues to mount.

<https://www.manufacturedhomelivingnews.com/hbos-john-oliver-on-last-week-tonight-mobile-homes-video-manufactured-home-communities-fact-check/>



MHI's own prior president, Chris Stinebert, politely but pointedly delivered a *slap in the face* to the very trade group that he was leaving. Rephrased, this isn't merely opinion. There is evidence to support it.

<https://www.manufacturedhomelivingnews.com/former-manufactured-housing-institute-president-manufactured-home-owners-urban-institute-and-you/>



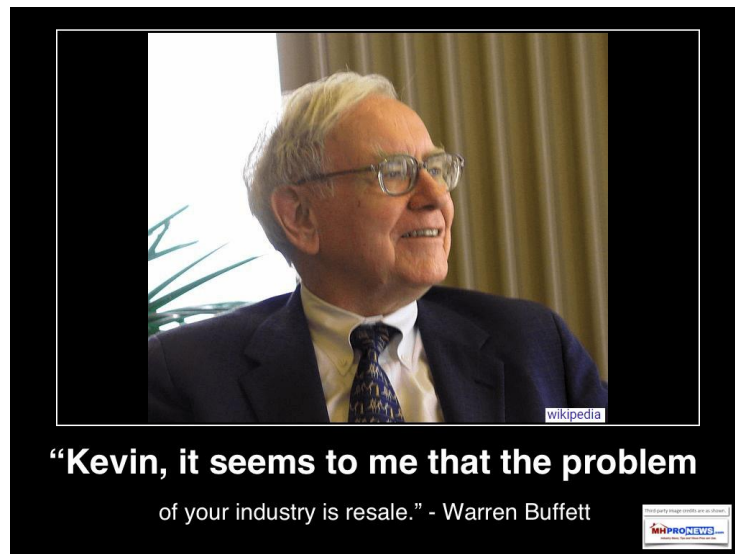
**"...keeping them [home buyers of manufactured homes] happy after the sale. This means insuring the homeowner builds equity and wealth in their home. And finally, this means providing for stable, viable resale market for when it is time to sell the home. Once the industry delivers this value, the rest will fall into place naturally."**

- Chris Stinebert, while still Manufactured Housing Institute (MHI) president.





The [Kevin Clayton video interview found posted near the end of the report at this link here](#) should be must-see viewing. In fact, the statements and admissions are so important, it should be viewed at least twice. Once, in the context of the article within which it is set. Then again, later, after additional reading has occurred. Because once the pattern of behavior is understood, it unlocks those statements which are thinly veiled head-fakes. For instance. Using the Buffett-Berkshire strategic 'castle and moat' strategy, they find weaknesses in rivals and then purportedly exploit them. The problem is that exploiting a rival businesses' weaknesses in the manner revealed arguably violates several laws. Furthermore, it also has the tendency to undermine the value of existing manufactured homes.



The Urban Institute aptly observed the following.

### 3. Lower appreciation

While manufactured homes have lower initial costs, the homes do not have the same price appreciation of site-built homes. Yet much of the appreciation in single-family, site-built home values is because of the appreciation of the land, not the structure. Since 2000, the value of the land has, on average, appreciated 2.35 times the rate of the structures.

Studies that compare the appreciation of manufactured housing units on the homeowner's land with the appreciation of site-built homes have mixed results. Some show similar appreciation, and others show slightly lower appreciation. Lower appreciation for manufactured housing may be because of the lack of financing options available for older manufactured homes, which affects resale value.

This is putting it politely. Of course fewer financing options harms manufactured home resale values. That was true for conventional housing in the wake of the 2008 housing/financial crisis too. The wonder is that manufactured homes can appreciate despite the fact that MHI, Clayton, and others have arguably manipulated the market, to limit those options for consumers.

Manufactured homes could ease the affordable housing crisis  
<https://www.urban.org/urban-wire/manufactured-homes-could-ease-aff...>

**URBAN INSTITUTE**

The same principle argued above logically applies to those MHI connected sources which instead of promoting appreciation for manufactured homes - that FHFA, NAR and the Urban Institute all say is

occurring – suggests otherwise. Deceiving or misleading the public may lead some to sell their homes for less than their true value. Included in that problematic pattern are arguably resale sites - for example, MHVillage - which fails to support the potential and reality of manufactured home appreciation. Once more, note that MHVillage is an MHI-member firm. Why are so many problematic operations connected to MHI?

The various tricky behaviors are why a growing array of public officials, mainstream media, manufactured home residents, and professionals are calling for state and/or federal probes of problematic behavior in manufactured housing.

<https://www.manufacturedhomeproneews.com/complaints-to-state-and-federal-officials-agencies-about-corrupt-practices-in-manufactured-housing-industry-growing/>

Let's once more bring these points back to the RFI. It was correct in requesting: **"It also seeks data, other information, analyses, and recommendations on methods for reducing these regulatory barriers."** To reduce the regulatory barriers and impacts on affordable housing, one must see who is behind the efforts that mask or reduce the effectiveness of the most proven form of affordable housing.

The troubling reality being demonstrated in a variety of ways from an array of vantagepoints points amounts to evidence of corruption.

Corruption has undermined good laws that would – if said laws were allowed to operate as intended – overcome regulatory barriers. That in turn would produce an increasing number of affordable manufactured homes for potentially millions of Americans.

That analysis - which points to corruption - is vital for the White House, HUD, and numerous other state and federal agencies to grasp.

The MHIA has been federal law for approaching 2 decades. The Duty to Serve manufactured housing mandated by HERA 2008 on Fannie Mae and Freddie Mac – which along with other lending laws and regulations that already exist – could fuel more financing of manufactured homes at more competitive rates. These points would with little cost beyond enforcement by state or federal officials could yield a steady stream of affordable manufactured homes at a pace that no conventional builder could match.

That's the nature and advantage of factory building.

Some argue that the U.S. produced the first 'factory built' or prefabricated homes. If so, that stands in stark contrast to this factoid.

**"The country [Sweden] is the world leader in prefabricated building, a process that can save enormous amounts of money in construction costs. As many as 84 percent of Swedish detached homes have prefabricated elements, compared with about 15 percent in Japan and 5 percent in the U.S., U.K. and Australia,"** said *Architizer*.

### Takeaways?

- **There are no new laws needed for manufactured housing to properly impact the reduction of regulatory barriers.** Those laws already exist. The laws should be robustly enforced. See the [report linked here](#).
- Some perhaps well-meaning laws are pending – see an [example linked here](#) – which as they currently are worded could potentially *undermine* the **"enhanced preemption"** provision of

manufactured housing under the MHIA. Those pending bills should either be rejected or completely revised in a manner that compliments rather than undermines the MHIA.

- There are a variety of apparently internal impediments within the federal government and within manufactured housing. Those bad actors must be rooted out. When laws have been broken or policies haven't been properly implemented, those officials should be dismissed. When problematic behavior has occurred on the part of business and/or association leaders – once more – the appropriate laws should be enforced.

<https://www.manufacturedhomeproneews.com/under-pressure-mhi-pivots-hud-must-implement-and-enforce-its-enhanced-preemption-authority/>

<https://www.manufacturedhomeproneews.com/bombshells-former-hud-manufactured-housing-program-administrator-bill-matchneer-cavcos-manuel-santana-statements/>

<https://www.manufacturedhomelivingnews.com/impact-communities-what-frank-rolfe-dave-reynolds-taught-beyond-mobile-home-u-manufactured-housing-institute-and-national-communities-council/>

Enforcing good laws will close the gap in wealth inequality.

<https://www.manufacturedhomelivingnews.com/addressing-growing-affordable-housing-crisis-income-inequality-by-enforcing-good-current-laws-illustrated-report-analysis/>

By properly implementing reforms to Section 8 and other similar programs, HUD could reinvent their programs in a fashion that would boost more affordable housing. Over time, the budget at HUD could be reduced by doing so.

<https://www.manufacturedhomelivingnews.com/reinventing-huds-role-in-quality-affordable-housing-reducing-poverty-and-dependency/>

There are other laws and programs with respect to financing that could be tweaked. With modest and sustainable modifications – once implemented - they too could promote positive changes.

For example:

- USDA (Rural Housing),
- VA,
- FHA Title I (Reform of 10/10 rule),
- FHA Title II and other FHA and HUD lending programs could make adjustments to make it easier to do developing and single-family and multifamily housing financing and updating.

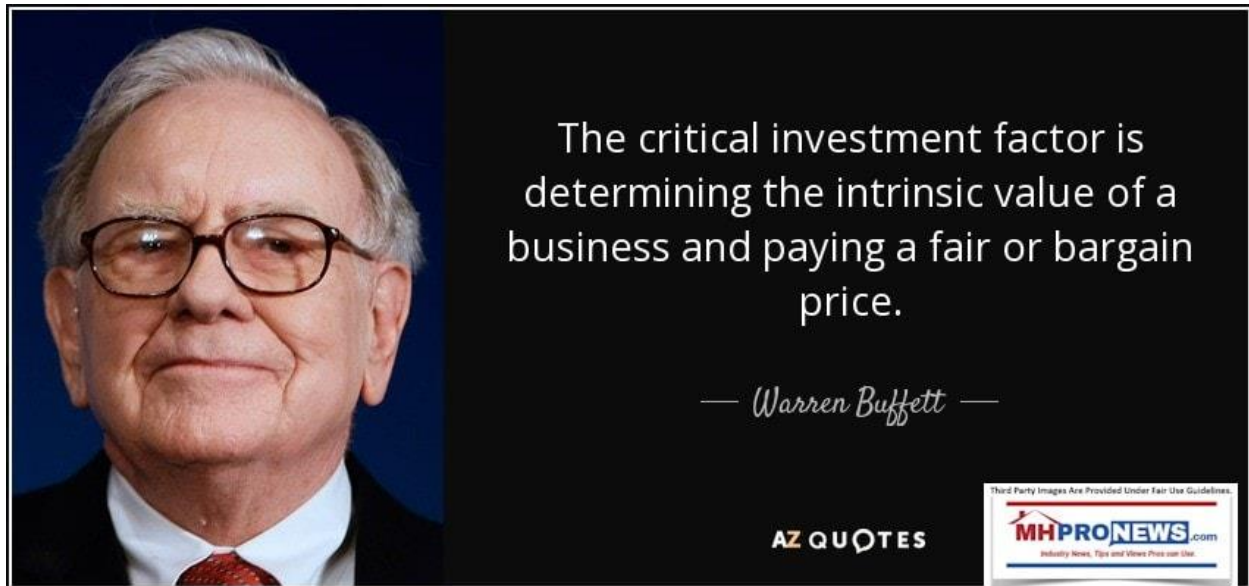
Any organization or person could have some good, bad, or meh work product. That is true for this writer and for anyone else. The proper way to understand and benefit from anyone's observations is to sift through the material, keep what is good and ignore and/or learn from whatever is problematic. That's the time-honored principle of separating the wheat from the chaff. With that in mind, the following research demonstrates that those who fear lending on manufactured homes are mistaken.

<https://www.manufacturedhomelivingnews.com/american-bankers-urged-to-lend-more-on-manufactured-homes/>

The video interview with Superior Credit Union at the link below is another, more recent, example of the same principle.

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

While it isn't HUD's job, nor the federal government's, to properly promote the industry, it is worthy of investigation why the Arlington, VA-based trade group has failed in their self-proclaimed function. Is MHI's ongoing failures part of a devious ploy to consolidate the industry at discounted valuations?



<https://www.manufacturedhomelivingnews.com/sky-high-opportunities-stevie-nicks-lawrence-welk-kid-rock-elvis-presley-art-linkletter-mobile-or-manufactured-home-living-2020-and-you/>

HUD Secretary Carson has arguably done more than any predecessor in the 21<sup>st</sup> century to promote a proper understanding of manufactured housing, including the 'resiliency' of manufactured homes.

<https://www.manufacturedhomepronews.com/public-reactions-to-hud-secretary-carsons-innovations-in-housing-promoting-manufactured-homes/>

But that begs the question. Why has Brian Montgomery, Teresa Payne, some at HUD's General Counsel, FHFA's Jim Gray, and key members of each federal organization's media relations team been allowed to keep their job when they are arguably part of the problem instead of part of the solution?

<https://www.manufacturedhomepronews.com/affordable-housing-experts-reveal-surprising-research-results-while-public-officials-and-media-decry-corruption/>

Some view what is occurring in Washington as select bureaucrats behaving in a 'deep state' manner at HUD, FHFA, and in other agencies. They are 'resisting' doing what the laws cited herein explicitly mandates. They are arguably doing so in a corrupt manner. The resistance is evident in reports like the one below.

<https://www.manufacturedhomepronews.com/hud-foia-battle-over-manufactured-housing-improvement-act-implementation-mask-purported-deep-state-style-coverups/>

Cited at the top of this RFI, several federal officials called for various kinds of investigations of specially named firms that happen to be MHI members. We concur with their call to investigate. That said, the investigations suggested are a mere start. There are numerous agencies that should be investigating the derailing of the existing laws that aimed at reducing regulatory barriers and increasing the availability of competitive financing for manufactured homes.



There should be public hearings by Congress, or even at the state level in jurisdictions like Iowa or New York – to name but two of several states where such topics have been probed.

<https://www.manufacturedhomelivingnews.com/manufactured-home-resident-leader-asks-for-federal-investigations/>

MHARR has made that request several times; the most recent one is linked here.

<https://manufacturedhousingassociationregulatoryreform.org/mharr-calls-on-fhfa-to-join-increasing-demands-for-congressional-oversight/>

The evidence of either historically inept or arguably corrupt behavior by MHI - and by implication, those behind MHI – is outlined step-by-step in the report linked below.

<https://www.manufacturedhomelivingnews.com/coming-epic-affordable-housing-finance-clash-chair-maxine-waters-vs-warren-buffett-clayton-homes-historic-challenges-ahead/>

These three graphics illustrate hiding-in-plain-sight evidence that something is very wrong in manufactured housing.

### Warren Buffett's Castle & Moat Metaphors



**"The most important thing to me is figuring out how big a moat there is around the business. What I love, of course, is a big castle and a big moat with piranhas and crocodiles."** – Warren Buffett, per *US News World Report*.

The castle is a metaphor for an attractive business. The Moat is a barrier to competitors, per Ben Bartlett.

**"In the business world, moats are very difficult to construct. The most obvious moat was the monopoly. I use the past tense because monopolies are effectively illegal today. But if you go back and consider some of the most profitable businesses in U.S. history -- Carnegie Steel, Standard Oil, and J.P. Morgan -- all started as virtual monopolies."** - Sham Gad, *On the Value of Moats*, The Street.

**"Imagine someone acquiring a castle with a moat, and then growing that moat by using methods that added piranhas and crocodiles yet didn't appear to regulators to violate antitrust laws."** – L. A. 'Tony' Kovach, on MHPProNews.

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MHPRONEWS  
Manufactured Housing Pro News

Since Buffett-led Berkshire bought Clayton, the industry's production is lower today than in 2003. How is that possible, during an affordable housing crisis, unless that conglomerate wanted it to be so?



Since Buffett bought Clayton Homes, their related lenders, and other pieces of the manufactured housing industry, the data is clear. The manufactured housing industry totals new home sales and shipments are lower today than in 2003. How is that possible during an affordable housing crisis?

Given Buffett's assets, their ownership of the dozens of newspapers in the BH Media Group, and over \$128 billion in liquid assets, doesn't it seem logical that *manufactured housing is underperforming because that is what Buffett wants at this time?*



Warren Buffett is sitting on \$128 billion, raising questions about whether the market is overvalued

AN HOUR AGO



3:10 PM  
11/29/2019

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“There’s class warfare,  
all right.  
But it’s my class,  
the rich class,  
that’s making war.  
And we’re winning.”

– Warren Buffett,  
Chairman and CEO  
of Berkshire Hathaway



Wry Wing Politics



“A good business is  
like a strong castle  
with a deep moat  
around it.  
I want sharks in the  
moat. I want it  
untouchable”

– Warren Buffett



Peyote Morgan

By creating directly and indirectly an array of issues within manufactured housing and from outside of the industry, Buffett's minions are expanding that moat on a slow and steady basis. It is arguably a slow-motion monopolization of manufactured housing. Doing it in that fashion arguably helped it escape regulatory scrutiny by antitrust officials for several years.

<https://www.manufacturedhomepronews.com/applying-democratic-republican-barak-orbachs-monopolization-logic-to-affordable-housing-crisis-impacting-manufactured-home-industry/>

The net result of these tactics is to consolidate the industry in what may appear to regulators to be 'natural market forces.' When in fact, their actions and inactions are demonstrably at the root of the very problems that keeps the industry underperforming.

<https://www.manufacturedhomelivingnews.com/zillow-home-buyer-trends-compared-conventional-townhouse-mobile-or-manufactured-homes-condos-and-duplexes/>

The arguments and efforts of key MHI business leaders undermines affordability.

<https://www.manufacturedhomelivingnews.com/frank-rolfe-says-why-you-should-never-build-a-mobile-home-park-seriously-fact-check-and-analysis/>

What that means is that if those efforts undermine affordability, then a close look at the opposite should be considered.

When sources inside the resident-side of the industry point to interlopers that are problematic, that should be carefully examined by public officials.

<https://www.manufacturedhomelivingnews.com/gsmols-michelle-smiths-cautionary-tale-and-mhaction-key-manufactured-home-insights-revisited/>

<https://www.manufacturedhomelivingnews.com/manufactured-home-community-leader-discusses-manufactured-housing-insanity/>

Buffett's dollars have demonstrably funded the very operations that have, in turn, spotlighted problems that often trace back to MHI. But it does so in ways that may obscure the fact that it is select firms – as opposed to all firms – that are behaving in predatory ways. Several nonprofits have been 'weaponized' in a manner that masks the source of their funding.

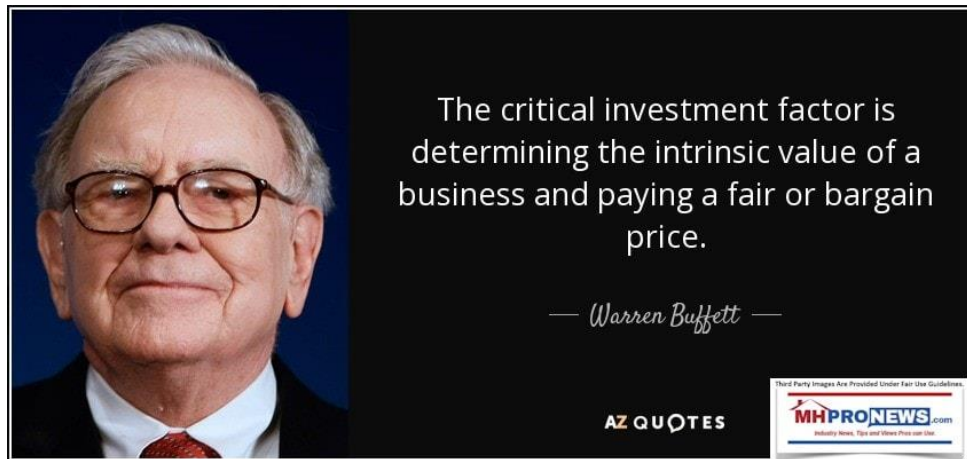
<https://www.manufacturedhomepronews.com/prosperity-now-nonprofits-sustain-john-olivers-mobile-homes-video-in-their-reports/>

By posturing doing things to 'improve' the industry's image, while stealthily undermining the industry's image, it fosters underperformance.

<https://www.manufacturedhomepronews.com/prosperity-now-how-the-games-played-in-manufactured-housing-plus-manufactured-home-investing-stock-updates/>

That underperformance results in businesses that fail or are sold at a discounted valuation. Once more for emphasis, that all tends to do what Buffett's mantra below advances. Coincidence?





Not everything in manufactured housing that is wrong is connected to Buffett, Berkshire, Clayton Homes, 21<sup>st</sup> Mortgage, Vanderbilt Mortgage and Finance (VMF) or key MHI member companies.

But those are common denominators that exist so often that it merits investigation.



**"For years, we have wondered WHY there was so little pro-industry advocacy from MHI to government movements, proposals, rules, etc. that were [often] not in the best interest of this industry."**

Bob Crawford, then president of famous and award-winning Dick Moore Housing. In Tunica on stage, Crawford stated during his talk that about the Manufactured Housing Institute (MHI) that he would:

**"...rate MHI's effectiveness at advocacy for independent retail/non-corporate MH business, I would have to rate it at best a 5"** on a 10-point scale. That's an F, a failing grade.

An array of industry voices directly or indirectly has pointed to similar factors.



National Association of Manufactured Housing Community Owners

**"Due to the lack of effective representation at the national level, the MHCA withdrew its membership from the national association [i.e.: the Manufactured Housing Institute or MHI] to pursue other avenues of representation. We are not the only state association to do so. The MHCA has been exploring other options; including hiring a lobbying firm that is prominent in Washington, D.C."**

- *Neal T. Haney, President of Manufactured Housing Communities of Arizona. The breakaways from MHI subsequently formed the National Association of Manufactured Housing Community Owners or NAMHCO; which did indeed hire a D.C. area lobbyist.*





**"It puzzles me why the auto, boating and RV industries can sell their products, which in many cases are much more costly than ours, with far fewer financing hurdles and regulations than the manufactured housing industry. In my opinion, we have done a poor job of advancing our cause and lobbying for our industry."**

**- Kenny Lipschutz**



**"So the association [MHI] is not there for the "industry," unless the interests of the Big Boys join the industry's."**

- Marty Lavin, J.D.

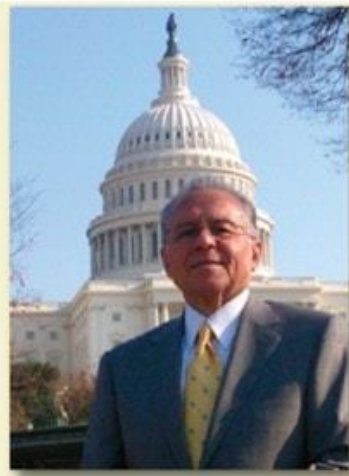
MHI Award Winner

High Volume Retailer, Community

Owner, Finance Expert.



Marty Lavin performed services for companies and the trade association he politely but pointedly ripped. The industry is being undermined from within, arguably by those who are consolidating the industry through efforts that violate various laws and regulations.



**"From my personal experience, at any given time, the largest manufacturers tend to dominate that Association -- i.e., the Manufactured Housing Institute. The same principal may well apply at the state association level."**

Danny Ghorbani, a structural and civil engineer, former **Manufactured Housing Institute (MHI)** Vice President.

He is the Founding President and CEO of the **Manufactured Housing Association for Regulatory Reform (MHARR)**. He is a 51-year veteran of the manufactured housing industry, who has represented all aspects of the industry in Washington, D.C., including, but not limited to, manufacturers, suppliers, retailers, communities and

developers, and has managed two national manufactured housing industry trade shows. He is currently Senior Advisor to MHARR.

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There is no lack of evidence and commentary that points to certain common problems. All of these issues undermine the implementation of existing laws that would overcome regulatory barriers, or laws that would yield more competitive financing for affordable housing purchases.

It isn't that manufactured homes have had a run of merely bad luck. That defies belief and logic. The far more logical conclusion is that manufactured housing has been – and continues to be – undermined from within. That occurs with the tacit if not active aid of specific federal officials.

In the absence of such stealthy sabotage, the industry could be growing at a steady and rapid pace in a manner that would increasingly diminish the affordable housing crisis.

<https://www.manufacturedhomeproneews.com/expose-manufactured-housing-institute-ducker-research-cost-salaries-other-spending-program-revealed/>

<https://www.manufacturedhomeproneews.com/paltering-manufactured-homes-crossmodtm-homes-manufactured-housing-institute-clayton-homes-berkshire-hathaway-manufactured-home-lenders-dts-and-you/>

<https://www.manufacturedhomeproneews.com/david-dworkin-national-housing-conference-compared-and-contrasted-with-lesli-gooch-manufactured-housing-institute-on-fannie-mae-freddie-mac-proposed-modifications-to-fhfa-on-duty-to-serve-finance/>

Instead of MHI and the industry's 'big boys' using their access to robustly advocate for implementation of existing laws, MHI pushes photo and video opportunities.

<https://www.manufacturedhomeproneews.com/saturday-satire-and-executive-summaries-for-manufactured-housing-professionals-investors-advocates-researchers-public-officials-and-investigators/>

The above underscores a point that MHARR's Mark Weiss stressed about a year ago that there is an "Illusion of Motion" which creates the appearance of activity without delivering actual results.

<https://manufacturedhousingassociationregulatoryreform.org/the-illusion-of-motion-versus-real-world-challenges/>

The industry is being 'razzle dazzled.' At least that is the apparent goal.

<https://www.manufacturedhomeproneews.com/national-criminal-justice-reference-service-ncjrs-razzle-dazzle-manufactured-housing-institute-analyzing-the-latest/>



**"...But this only underscores my point that there is still a missing piece of the puzzle at the national level. And that is the type of independent, collective, national post-production association that MHARR has long called for, with which it could partner – at the national level – to advance these key issues that have been limiting industry growth for far too long."**

- Mark Weiss, J.D.

*Pull quote from a deep dive  
Interview with Mark Weiss on  
MHProNews.com.*





But the data tells the tale, as was noted by citing MHI's on shipment report above. Here is how MHARR has framed the shipment data. The emphasis and arrows were added by *MHProNews*.



Washington, D.C., December 3, 2019 – The Manufactured Housing Association for Regulatory Reform (MHARR) reports that according to official statistics compiled on behalf of the U.S. Department of Housing and Urban Development (HUD), year-over-year HUD Code manufactured home production increased in October 2019. Just-released statistics indicate that HUD Code manufacturers produced 9,415 homes in October 2019, up 9.6% from the 8,588 homes produced in October 2018. Cumulative industry production for 2019 now totals 79,912 homes, a decline of 3.6% from the 82,942 HUD Code homes produced over the same period in 2018.

A further analysis of the official industry statistics shows that the top ten shipment states from the beginning of the industry production rebound in August 2011 through October 2019 – with cumulative, monthly, current year (2019) and prior year (2018) shipments per category as indicated – are:

| State          | Cumulative   | Current Month (Oct. 2019) | 2019   |   | 2018   |
|----------------|--------------|---------------------------|--------|---|--------|
| 1. Texas       | 99,718 homes | 1,546                     | 13,211 | ↑ | 16,143 |
| 2. Louisiana   | 35,888 homes | 441                       | 3,695  | ↑ | 4,340  |
| 3. Florida     | 35,350 homes | 720                       | 6,690  | ↓ | 5,994  |
| 4. Alabama     | 23,857 homes | 405                       | 3,388  | ↑ | 3,820  |
| 5. N.C         | 23,377 homes | 469                       | 4,038  | ↓ | 3,846  |
| 6. California  | 20,571 homes | 341                       | 3,368  | ↑ | 3,370  |
| 7. Michigan    | 20,097 homes | 418                       | 3,613  | ↑ | 3,862  |
| 8. Mississippi | 20,036 homes | 376                       | 2,910  | ↑ | 3,119  |
| 9. Kentucky    | 17,836 homes | 358                       | 2,318  | ↑ | 2,421  |
| 10. Tennessee  | 15,538 homes | 273                       | 2,246  | ↑ | 2,395  |

The latest information for October 2019 results in no changes to the cumulative top-ten shipments list.

Arrows by MHProNews.com.

The Manufactured Housing Association for Regulatory Reform is a Washington, D.C.-based national trade association representing the views and interests of independent producers of federally-regulated manufactured housing.





When the array of positive reports is contrasted with the problematic results that have occurred since Berkshire Hathaway's acquisition of Clayton Homes, it begs for investigations. As noted, several lawmakers have asked this or that agency do to just that, but frankly, there are other steps needed.

<https://www.manufacturedhomepronews.com/clayton-homes-21st-mortgage-mh-village-manufactured-housing-institute-leaders-challenged/>

In no specific order of importance, the various public agencies should be investigating what's gone wrong in the manufactured housing industry.

- Committees of competent jurisdiction in Congress, on both the House and the Senate side, must look at issues relative to antitrust, deceptive or corrupt practices, RICO and related problems. That could occur at the state and federal level. Make those hearings public and using subpoena powers to call witnesses and get document production. If such hearings are done in two phases, and are publicized, watch the second set of hearings produce additional witnesses from the public and from among professionals who have experienced or observed the misbehavior cited and linked from this report.
- State Attorney Generals (AGs) and state level agencies should be probing these issues too, as they routinely impact their state's citizens in a range of problematic ways.
- [IRS should probe MHI, and perhaps other nonprofits, to see if key officials lied under oath](#) and to see if they are properly doing what their various nonprofits claimed they are doing. Let's note that while some nonprofits may have started legitimately enough, they may well have since been corrupted or weaponized. That should be considered in a similar manner that a criminal organization may buy a legitimate company as a front and slowly twist its operation. The FBI should be investigating RICO and similar concerns.
- Federal Trade Commission (FTC) should probe antitrust and deceptive trade practices.
- The Federal Communications Commission (FCC) should be probing issues related to related issues. While we are strong believers in the First Amendment, there are possible scenarios that could violate various federal laws.
- The [Securities and Exchange Commission \(SEC\) should broaden their probe that began with Cavco Industries \(CVCO\) in 2018](#) and look at ways that the market is arguably being manipulated in a manner that is depriving investors of their true opportunities.
- Federal Housing Finance Agency (FHFA) should investigate why approaching a dozen years after the passage of HERA 2008 that the Duty to Serve manufactured housing mandated for Fannie Mae and Freddie Mac is still not being properly implemented.
- HUD should investigate why the MHIA 2000, enhanced preemption, and other aspects of the federal law have been largely thwarted for approaching 2 decades. There are voices connected with [HUD that have provided important insights on these issues, see one example linked here](#).
- Postal inspectors should look at the items being mailed by those who [purportedly are engaged in deceptive trade practices to see if they are in violations of various aspects of federal law](#).
- DOJ should fill in the gaps on antitrust and other purported criminal behavior that is outlined and linked from herein.

<https://www.manufacturedhomepronews.com/manufactured-housings-problems-and-solutions-in-a-nutshell/>

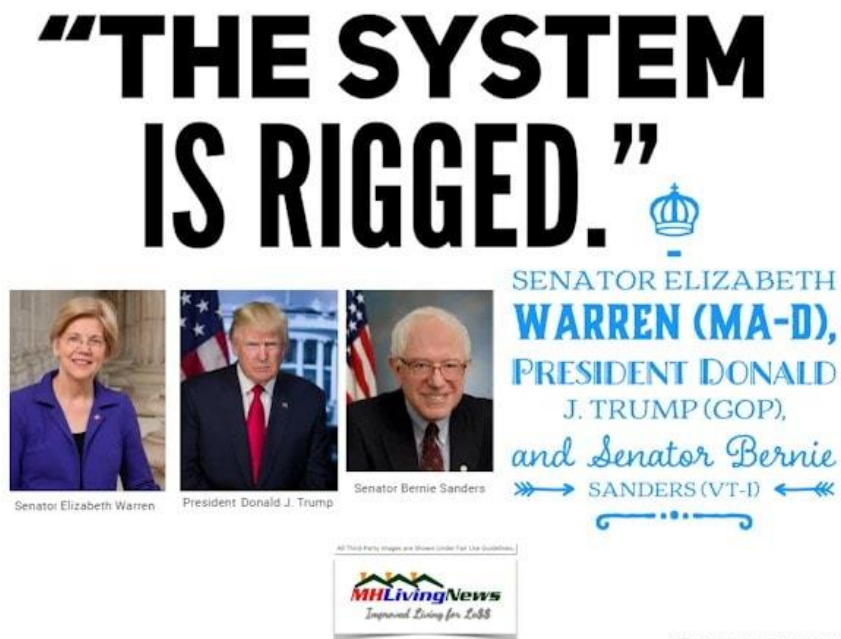
- In 2011, during the Obama Administration, HUD commissioned university level research on manufactured housing. That [HUD PD&R university-level research documented that manufactured homes and conventional housing appreciated side-by-side with conventional housing](#) in each of the U.S. cities studied.
- More research was performed by the [Consumer Financial Protection Bureau \(CFPB\) in 2014](#). That too should be understood as part of this submission.

- The Government Accountability Office ([GAO](#)) did research in 2014 on manufactured housing.
- We have called for Congressional hearings and other investigations. It must be noted that in 2012, Congress held hearings, and the "enhanced preemption" came up repeatedly. While a HUD official claimed the law was being enforced, the complaints by others make it clear that the claim is contradicted by those impacted. That [report is linked here](#).

The fact that hearings have been held before, and the problems outlined, documented and linked from herein demonstrate, makes it clear that the MHIA and other laws haven't been properly implemented. New hearings, more robustly performed, and done in two separate sessions as suggested earlier would yield a wealth of confirmation of the concerns being raised in my comments and in the linked research.

- Once more, let me stress that each document, linked report, their videos, illustrations and respective cross links should all be considered as part of my RFI submission. As was previously noted, our reports on our public facing *Manufactured Home Living News (MHLivingNews)* or *MHProNews* sites have downloads, videos, images and cross-links. Following and grasping that information will yield in reasonably short order literally years of research.

Several of the 2020 candidates have made a similar statement at various times.



That is arguably true in manufactured housing.

Both the MHIA and DTS were enacted by widely bipartisan margins. Public officials on both sides of the political aisle have reason to be proud of the plan that those laws envisaged.

That said, those laws have demonstrably been thwarted. While other aspects of affordable housing may need legislative remedies or further study, hopefully this RFI has made it clear that manufactured housing has already been studied numerous times.

A public official I spoke with in Washington, D.C. when my son and I visited their office told in politely but bluntly that they were aware of the MHIA and enhanced preemption. They wanted others in Congress on

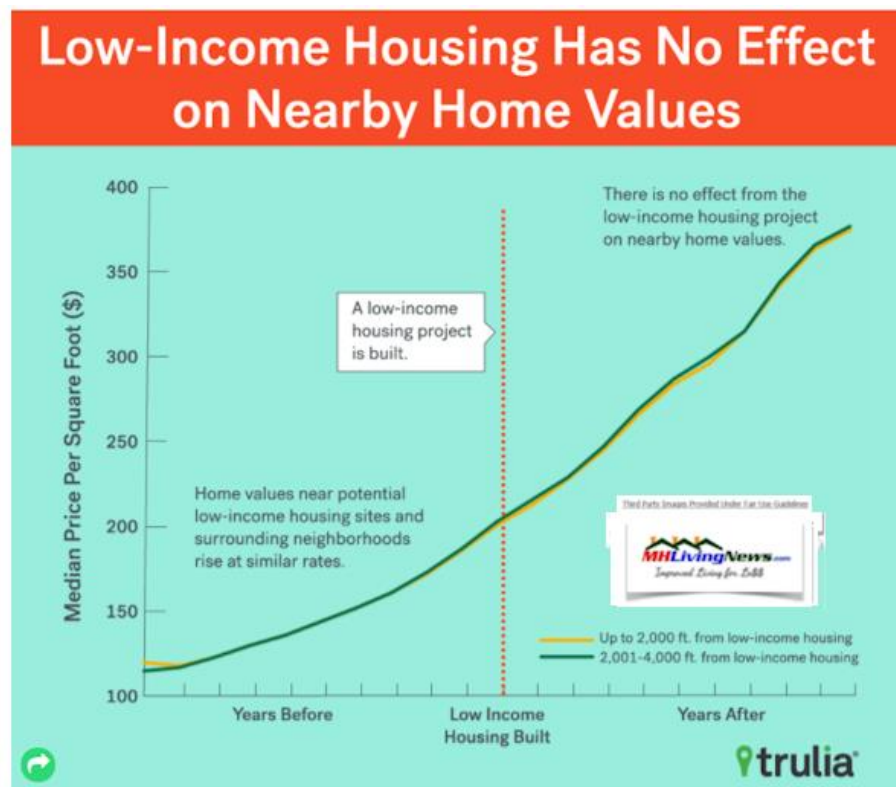
both sides of the aisle to step up and push together in a bipartisan fashion. The reason is the fear of backlash at the state level.

That was sincere but misses the evidence of reports like the viral local news video, *Seattle is Dying*.

<https://www.manufacturedhomelivingnews.com/why-is-seattle-dying-affordable-housing-misplaced-compassion-and-manufactured-homes/>

What we know is that when affordable housing isn't made available, a variety of problematic events follow. Homelessness rises. Drug and alcohol addiction occur. Crimes follow. While the sequence of those problems might vary, that they exist is not in dispute.

It costs locals not to have affordable housing. There is no measurable harm from affordable housing.



Least Affordable Housing Markets and Low-Income Housing Projects

With respect to manufactured homes and those that fear crime, that too has been debunked by university level research.

<https://www.manufacturedhomelivingnews.com/pride-and-prejudice-the-truth-about-manufactured-home-communities-and-crime/>

NIMBY thinking results in the kinds of issues that are drawing problematic headlines in Los Angeles, Seattle, New York City, Austin, Seattle and other cities across the country. Once more, while other forms of affordable housing may need legislative fixes, the laws needed already exist for manufactured homes.

So that 2011 HUD PD&R documented that manufactured homes don't harm property values nearby. The Obama Administration can feel good about that research.

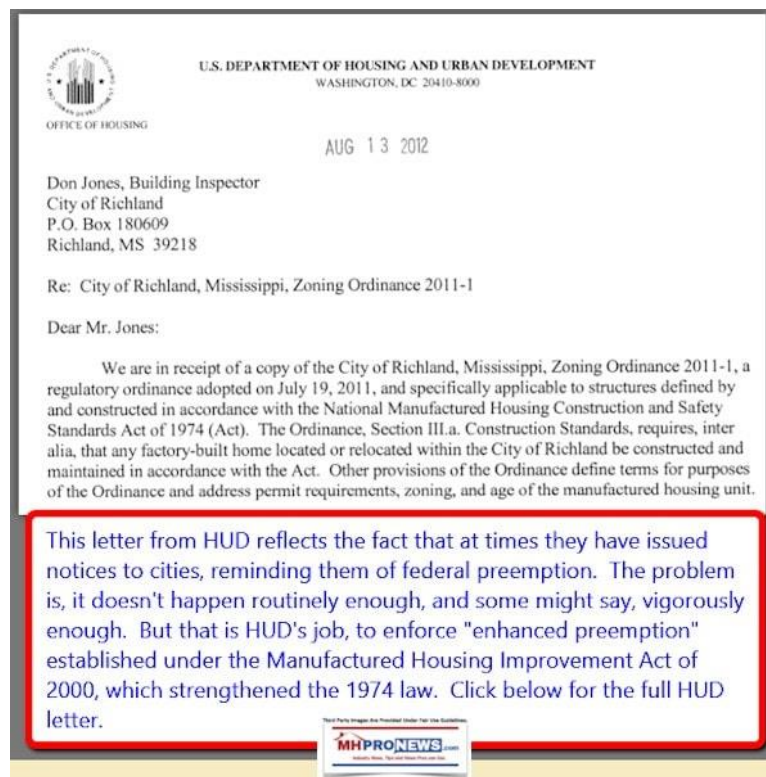
That said, no HUD Secretary in the 21st century has done more to promote the proper understanding of manufactured homes than Secretary Ben Carson, M.D. If Secretary Carson's statements about manufactured homes were more widely known and better understood, the affordable housing crisis would already be abating.

<https://www.manufacturedhomelivingnews.com/we-as-a-nation-can-solve-the-affordable-housing-crisis-says-secretary-ben-carson-spotlighting-manufactured-homes-other-emerging-housing-technologies/>

That said, Dr. Carson has failed to use two almost magical words - "**enhanced preemption**" - that are part of federal law.

While the entire 2000 Act is relevant, the consumer protections, installation standards and the "**enhanced preemption**" provisions and more all made the act what Congresswoman Waters and her colleagues called the MHIA more than just "**consumer protection**;" it made the reform act an "**affordable housing law**."

Our sources tell us that HUD's Brian Montgomery, Teresa Payne, or others are aware of enhanced preemption. There is no evidence to date that Dr. Carson is aware of that part of federal law. But frankly, all of them should be called before competent committees of jurisdiction and asked about why that portion of the law has not been stressed. That HUD knows about it is evidenced from examples that follow.



For years, MHI *used to have* information about *enhanced preemption* on their website. That's illustrated below. A tipster provided us this document that was once part of the MHI website circa 2003.



## Implementation of MHIA 2000

(As of 2-17-03)

| <u>Activity</u>   | <u>Status</u>   |
|---|---|
| Appointment by HUD of non-career administrator within the Department to run the MH Program.           | Completed. <u>William Matchneer</u> appointed as non-career administrator in May 2002. <u>Mark Calabria</u> appointed in September 2002 as Deputy Assistant Secretary (DAS), to whom Matchneer reports.   |
| Federal preemption of HUD Code -- "broadly and liberally construed."                                  | Ongoing. Since MHIA was enacted, HUD has sent at least two letters to municipalities advising them that their zoning ordinances are preempted by MHIA 2000. HUD also in process of issuing a new "Statement of Policy" regarding its interpretation of federal preemption language in MHIA 2000. Once issued, this statement may be used by states and municipalities to fight discrimination against manufactured housing. |
| GSEs (Fannie Mae, Freddie Mac) working with industry to develop securitization programs for MH loans. | Ongoing. Meetings with HUD are in the works to encourage greater GSE participation.   |
| HUD reviewing FHA MH loan programs and develop changes where necessary.                               | Ongoing. FHA Title I (personal property) insurance program: HUD has awarded outside contract to help develop recommendations to strengthen program. Report due to HUD in June 2003.   |

These bullets are pull quotes from a Manufactured Housing Institute (MHI) document provided to MHPProNews as part of a trove of other items as part of a 'news tip.'

Note that this is pre-Warren Buffett led Berkshire Hathaway's acquisition of Clayton Homes and their associated lending. The items above, had they been properly implemented, could have taken manufactured housing to new record highs. So how does one explain that items that MHI once made public they now hide - even on their own website?

But since then, MHI's website has been purged of that and other such information. Which begs the question, why? Why remove information that would help the industry overcome regulatory barriers if more people realized that the law existed and what the law meant?

Indeed, as has been stated and alluded, several key topics that logically should be on the MHI website are not found there.

See various examples in the screen captures from MHI's website search tool below.



1/21/2020



SCHOLASTICA CORORATON

MEMBERS

The points made by searches like this one are many. Possibly MHI is sloppy, inept or deviously shrewd.

No Results Found

The page you requested could not be found. Try refining your search, or use the navigation above to locate the post.



1/21/2020

ERIC BELSKY

MEMBERS

Eric Belskey's research on manufactured housing was once elevated and praised by MHI in their literature. Now Belksy is purged from their website? Why?

No Results Found

The page you requested could not be found.



1/21/2020

ENHANCED PREEMPTION

MEMBERS

As a tipster recently proved by providing related documentation from MHI, this phrase was not only previously on their website, it was touted and tracked. If MHI's leaders want robust growth, why have they since hidden it from public view?

No Results Found

The page you requested could not be found.



1/21/2020



ANTITRUST

MEMBERS

If MHI were serious about their published antitrust statement, why have they not notified federal or state officials of the evidence and allegations of monopolistic practices in manufactured housing?

No Results Found

The page you requested could not be found.

MHI's website has been online for more than 20 years. By contrast, MHARR's website is approaching its third anniversary. So, why is it that there are so many references to **enhanced preemption** by MHARR and none currently visible on MHI's site? Why did MHI once have references to enhanced preemption and has since removed them at least from the public searchable side of their website?

Do you see why there are logical concerns about MHI's leadership's true intentions?

## Enhanced preemption - search results

Enhanced preemption

Search

If you're not happy with the results, please do another search



### "Time to Enforce the Law on Federal Preemption"

October 31, 2017



### HUD Code Manufactured Home Production Decline Persists - Time For Action...

February 4, 2019



### "The Illusion of Motion Versus Real-World Challenges"

January 23, 2019



### Comprehensive MHARR Comments on HUD Review Of Manufactured Housing Regulations

February 21, 2018



### MHARR Calls on HUD To Remove Zoning, Placement and Consumer Financing...

October 11, 2018



### "Another Missed Post-Production Opportunity?"

August 27, 2018



### "MHARR Leadership Continues to Produce Results for Industry"

March 28, 2018



### MHARR Officials Meet with Hud Secretary Dr. Benjamin Carson - ...

January 30, 2018



### MHARR Washington Update, 10.10.2017

October 11, 2017



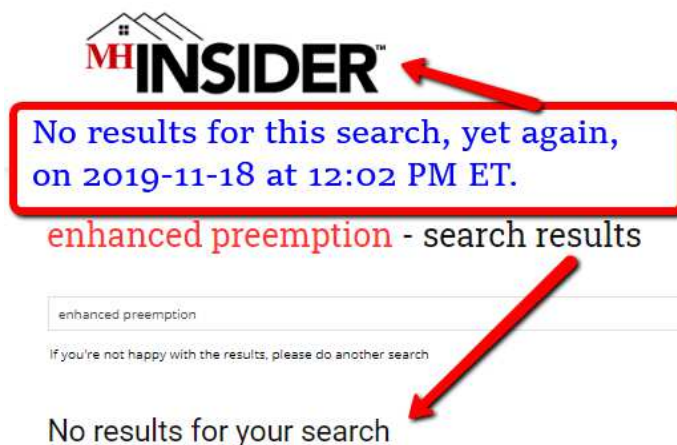
### Actions and Abuses Of The Current HUD Manufactured Housing Program...

August 3, 2017

The contrast between MHARR and MHI on this issue, and others too, is stark. This isn't merely a matter of policy differences. This goes to the heart of why the MHIA 2000 was enacted. MHI and MHARR, did so collaboratively. Arguably, since 2003, that collaboration has waned. That happens to coincide with Berkshire Hathaway's buy-out of Clayton Homes and other manufactured housing units. Coincidences?




Something similar regarding "enhanced preemption" can be noted on the MHI-backed *MHInsider* trade publication website.



The key words that could unlock regulatory barriers are being systematically hidden by MHI and their surrogates, why?

To be clear, it isn't that MHI doesn't use the words. They have in certain letters or on set occasions. But those are routinely not found online. Again, if they were sincere in promoting the industry's growth, how is that explained?

|  |   |
|--|---|
| DRC 1 – FR6030-N-01 – Regulatory   | Date: 6/13/2017   |
| Submitter:    | Soheyla Kovach  |
| <p>Comment:</p> <p>Ironically, by urging a "no" vote by the MHCC, Manuel 'Manny' Santana on behalf of MHI arguably made the very points that Soheyla Kovach's summary by HUD of her comments letter said.</p> <p>Furthermore, former HUD Office of Manufactured Housing Program administrator William 'Bill' Matchneer underscored by his statement that HUD had a general counsel that refused to enforce the law.</p> <p>This matter calls out for federal and other investigations.</p> | <p>1) The solution to the affordable housing crisis can in many cases be accelerated by using HUD code manufactured homes, the enhanced preemption of the Manufactured Housing Improvement Act of 2000 (MHIA 2000). Certainly preserving existing housing and other factors are needed too, but manufactured homes ought to be front and center.</p> <p>2) Enforcement of the law (MHIA 2000) and draining the swamp at HUD's program management are essential.</p> <p>3) MHI ought not to be trusted, see the above, as they have allegedly worked in collusion with HUD and others to the detriment of independent businesses and producers.</p> <p>4) Educate those in the program about the realities linked above.</p> <p>Understanding of the realities of the product vs. the history from the mobile home era. Enforcing the law. Leveling the playing field. Draining the swamp at HUD. Don't allow back-handed, alleged de-facto collusion between MHI and HUD (or other agencies). Do those things, and the manufactured home program will thrive. Millions will buy. Millions of jobs will be created. The federal budget for HUD and affordable housing programs will naturally be reduced over time, thanks to the work of the free market. To paraphrase Mark Weiss from MHARR said, set manufactured housing free. The industry is not asking for handouts. We want to be regulated, that's to the benefit of consumers and honest industry builders. But make that regulation reasonable and per the MHIA 2000 law, not regulatory overreaches that harm independents to the advantage of larger operations.</p> |
| Statutory:   | No  |



Here is an example of MHI using the term, but it is in a letter that may or may not have made it to Dr. Carson's desk. That MHI letter was placed online by *MHProNews*, but not by MHI.

July 18, 2019

The Honorable Ben Carson  
Secretary  
U.S. Department of Housing and Urban Development  
451 7th Street SW  
Washington, D.C. 20410

**MHI Letter to Dr. Carson.**

RE: Notice of a Federal Advisory Committee Meeting; Manufactured Housing Consensus Committee (Docket No. FR-6141-N-04)

Dear Secretary Carson,

manufacturedhomepronews.com

 **MHI**  
MONOPOLISTIC HOUSING INSTITUTE

4.) HUD Must Implement and Enforce its Enhanced Preemption Authority

MHI Proposes that HUD shall issue a revised and updated policy statement regarding the Department's position concerning preemption and state and local zoning, planning, or development restrictions that either severely limit or outright prohibit manufactured housing.

HUD needs to exercise its preemption authority when local regulatory construction standards and zoning, planning, or development policies adversely affect the placement of quality, affordable manufactured housing. While HUD has pursued individual cases where local jurisdictions have introduced construction and safety standards that are not consistent with the HUD Code or have imposed zoning and planning requirements that exclude HUD-compliant manufactured homes, MHI believes HUD must play a much greater role in this effort and has a congressional mandate to do so. HUD has jurisdictional authority to move beyond case-by-case enforcement and take an official policy position opposing state and local regulatory schemes that are inconsistent with Congressional intent.

The satirical MHI logo is paradoxically demonstrated by this long letter to HUD Secretary Ben Carson from the Manufactured Housing Institute (MHI). On bottom of page 5 it raises the topic of enhanced preemption rather well.

The letter was sent after months of relentless pressure by MHProNews, not to mention years of MHARR items on this key subject.

Page 6  
Submission by the Manufactured Housing Institute  
July 18, 2019

 **MHProNews**  
Manufactured Housing News & Information

In 1997, HUD determined it has authority under the MHCSS Act to issue a "Statement of Policy 1997:1 State and Local Zoning Determinations Involving HUD Code" (the 1997 Policy Statement) that summarizes the Department's policy position concerning preemption and certain zoning decisions being made by state or local governments.<sup>1</sup> Following passage of the Manufactured Housing Improvement Act of 2000 (the Improvement Act), which significantly strengthened HUD's preemptive authority, HUD clearly has the authority to make necessary updates to its original policy statement.<sup>2</sup> Consequently, MHI recommends that HUD update its 1997 Policy Statement because it was issued after enactment of the MHCSS Act, but before the passage of the Improvement Act. Given that the Improvement Act expanded HUD's authority, MHI believes it is only appropriate for the Department to update its statement. Further, updating the 1997 Policy Statement only guarantees HUD's pledge to facilitate the availability of affordable manufactured homes and to increase homeownership for all Americans.<sup>3</sup>

The letter is fine, but begs several questions. Why did it take MHI until 7.18.2019 before MHI raised "enhanced preemption" with Secretary Carson? Why not raise it earlier and in person?

Citing years of research, a key takeaway is that enforcement of existing laws could open up economic development along with more affordable manufactured housing. The results? Per another Obama-era research, it could unlock an estimated \$2 trillion dollars in additional economic activity.

Using those existing laws, in conjunction with Opportunity Zones, could create robust economic growth in some of the areas that affordable housing, jobs and opportunities are the most needed.

Please ponder that for a few moments. More affordable housing where it is needed could unlock some \$2 trillion dollars in additional economic activity in the U.S. That plus the GDP boost possible from opportunity zones could fuel even more private investors and businesses of all sizes to pay the bulk of the expenses to create more affordable housing and other jobs.

Most Americans would benefit, but not all would necessarily gain from applying those well-reasoned and researched principles.

That's thinking big, to recall the Donald J. Trump quote above. That's dreaming a big dream.

That almost euphoric vision could be reality. More Americans, including millions of minorities and lower income whites, would benefit from that plan. What stands in the way are so-called special interests that believe that they are benefiting from the status quo.

<https://www.manufacturedhomepronews.com/case-against-clayton-homes/>

So why haven't these adjustments already been performed?

| Part I Summary          |  |
|-------------------------|--|
| Activities & Governance | <b>1</b> Briefly describe the organization's mission or most significant activities<br>IMPROVE THE OVERALL OPERATING ENVIRONMENT FOR THE MANUFACTURED HOUSING INDUSTRY AND EXPAND THE DEMAND FOR MANUFACTURED HOMES BY SEEKING FAIR AND EQUITABLE TREATMENT IN THE MARKETPLACE AND THE REGULATORY AND LEGISLATIVE ARENAS   |
|                         | MHI President Richard "Dick" Jennison signs this IRS 990 statement under penalties of perjury.<br>1) MHI's president argued in a video interview that the industry should grow slowly. Isn't that the opposite of what this statement says the organization is supposed to accomplish?<br><br>2) MHI's former VP, Jason Boehlert stated in writing that MHI's goal would not likely be achieved. Why pursue a goal that at the time, they felt was unattainable? Did Berkshire Hathaway benefit either from advancing, or not, MHI's stated goals? |
| Revenue                 | Is there a case to be made for perjury, a criminal charge, against MHI CEO Richard 'Dick' Jennison, based upon known facts?  |

Once the pattern of problematic, hidden-agenda driven behavior is understood, evidence erupts from a variety of sources. Consider what Jennifer Reingold said about the Berkshire Clayton Homes deal, in the article linked below.

<https://www.manufacturedhomepronews.com/jennifer-reingold-questioned-berkshire-clayton-deal-mhi-gses-rocked-by-tip-document-drop-plus-manufactured-home-investing-stock-updates/>

There are several examples where the general interests of manufactured housing independents have been subverted by what arguably amounts to sabotage.

<https://www.manufacturedhomepronews.com/manufactured-housing-professionals-independent-no-more/>



There is not much that the Omaha-Knoxville-Arlington axis and their allies 'fear,' save serious investigations that aim at exposing and prosecuting whatever wrongdoing they discover.

<https://www.manufacturedhomepronews.com/what-warren-buffett-kevin-clayton-tim-williams-berkshire-brands-and-manufactured-housing-institute-leaders-fear/>

These words sum up the evidence and allegations of years of research. Ignorance. Corruption. Special interests. Market manipulation. Deceptive trade practices. Sabotage. The truth hiding in plain sight. Giving the powerful a pass. Failure to enforce good laws.



The law should be enforced. The Trump Administration has as one of their mantras – enforce the law. That noted, there are a variety of laws – as has been duly noted herein and from the linked evidence – that are going un-enforced at this time.

The powerful should not be allowed to get away with the purported subterfuges that have been outlined and linked. Without implying an endorsement of all else that she said in her book **"How to Overthrow the Government,"** the following pull quote is fitting.

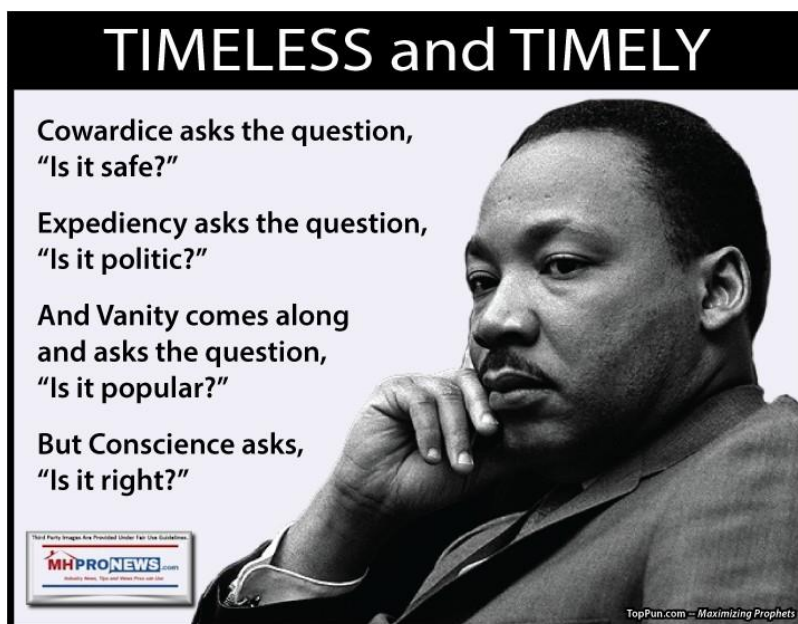
**"...our politics has become a zero-sum game of competing special interests. And when no special interest would benefit from fixing a problem - when fixing it is solely in the public interest, which has all but vanished from the pie chart - there is no organized constituency powerful enough to ensure that it is addressed."**

- Ariana Huffington, author.

There are a variety of quotations that are useful in grasping the rationale behind this RFI. One, merely skim-reading this document and not looking at the linked reports and additional evidence would be a waste of time that would de facto reward wrongdoers and punish those in greatest need.




Having just celebrated Dr. Martin Luther King, Jr. holiday, these words of challenge and encouragement are indeed timely.



There are quotes past and present that arguably sheds light on why laws designed to overcome regulatory barriers and that provide for more affordable housing – on paper – have been thwarted.






Marcus Tullius Cicero - Wikiwand


**"For the traitor appears not a traitor;  
he speaks in accents  
familiar to his victims, and he wears  
their face and their arguments,  
he appeals to the baseness that lies  
deep in the hearts of all men."  
- Marcus Tullius Cicero, per GoodReads.**

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We've named very specific names herein. Some are corporate and nonprofit leaders. More are found in the linked reports. Those individuals are the Benedict Arnolds and Quislings of our age with respect to putting to work laws that already exist.

Properly implementing DTS would cost Berkshire Hathaway money. Warren Buffett has said as much. So too as Tim Williams at 21<sup>st</sup> Mortgage Corp. For their own reasons, Fannie Mae and Freddie Mac would rather pay homage on this matter to MHI than fully and robustly enforce existing laws.



Mark Weiss

**"Indeed, what precious-little new  
manufactured housing support activity is,  
in fact, provided by the FHFA-approved  
DTS implementation plans, appears to be  
directed primarily to the industry's  
largest businesses, their corporate affiliates  
and other related beneficiaries." –**




Mark Weiss, JD, President, CEO of MHARR



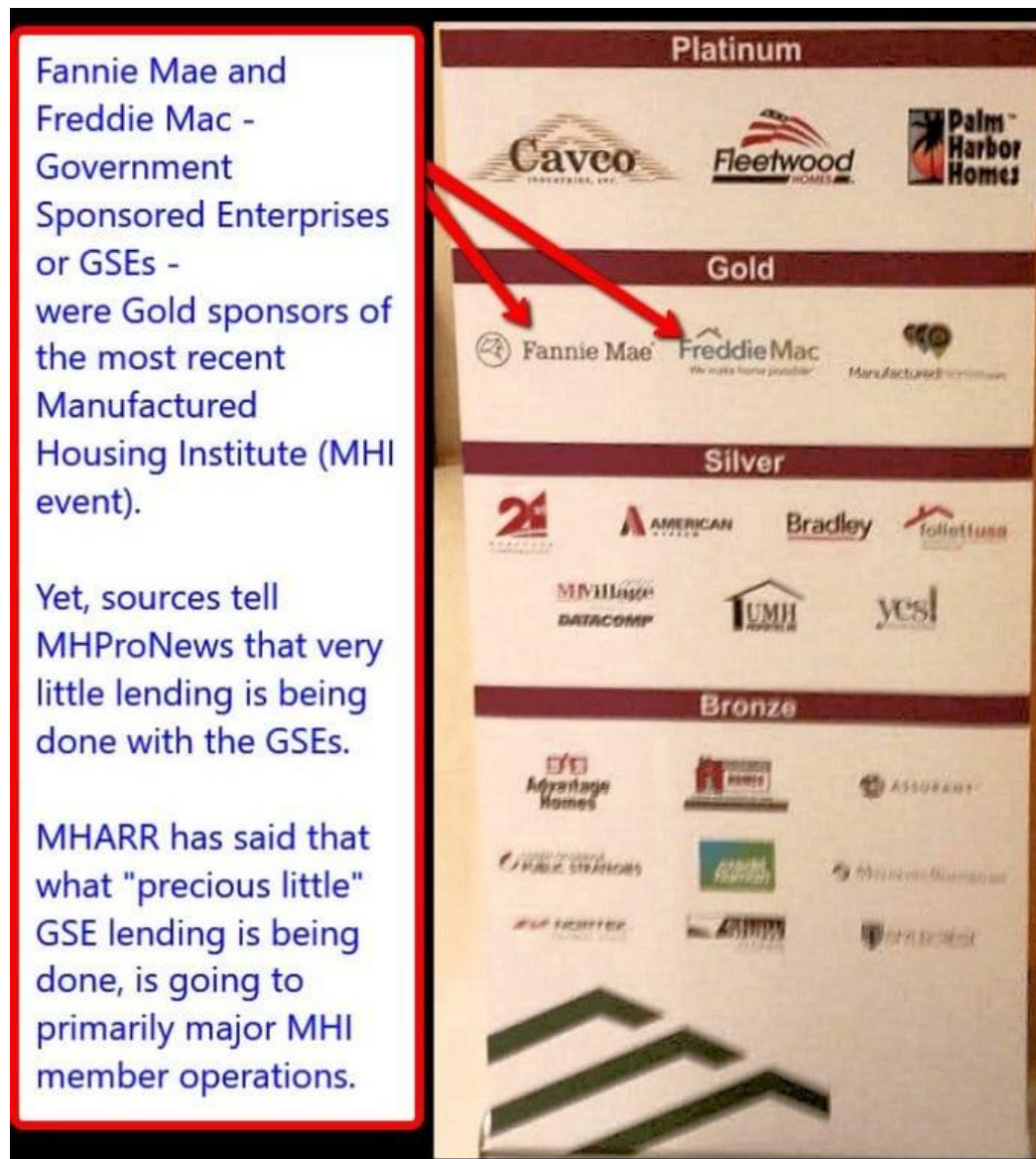
**"If CONGRESS HAD MEANT THE "DUTY TO SERVE"  
TO BE OPTIONAL, IT WOULD NOT HAVE CALLED IT  
A "DUTY." THE DICTIONARY DEFINITION OF A  
"DUTY" HAS – AT ITS CORE – A MANDATORY  
RESPONSIBILITY."**

**M. MARK WEISS  
PRESIDENT, CEO - MHARR**



Why did MHI do their meetings with the GSEs behind closed doors and not release the minutes?

The photo below is from an MHI event. It shows the sponsors of that event. Fannie and Freddie paid to sponsor it. There is a tiny stream of lending occurring, but often not in the way that Congress envisioned.



<https://www.manufacturedhomelivingnews.com/fhfa-gses-high-cost-to-minorities-all-americans-due-to-asserted-failures-to-follow-duty-to-serve-affordable-housing-existing-federal-laws/>

Until public officials at the state and federal levels investigate these and other linked evidence and allegations, the underlying causes of the affordable housing crisis – as it relates to manufactured homes – will not be properly understood.

But the reverse is true. By studying these issues, by diving deeply into the linked reports, videos, documents and related research years of study could be grasped in a matter of days. That time

investment would yield the solution to the affordable housing crisis and the related regulatory barriers that are hiding in plain sight.

Please consider this writer as a resource for further questions or for the suggested hearings and investigations. The reports linked in the appendix should be treated the same as those above.

Respectfully submitted,

*Tony*

L. A. "Tony" Kovach  
Co-founder and managing member,  
LifeStyle Factory Homes, LLC  
DBA [MHProNews.com](http://MHProNews.com) | [MHLivingNews.com](http://MHLivingNews.com) | [LATonyKovach.com](http://LATonyKovach.com)

**Note:** Even as industry experts, our understanding of these issues have steadily evolved over time, as several of the items that follow explain. The more generic articles and video that are linked below are to aid the general understanding of manufactured homes which will be useful in explaining to others why these laws should be fully enforced.

## **Appendix**

<https://www.manufacturedhomelivingnews.com/reviewing-cbs-news-report-long-live-the-mobile-home/>

<https://www.manufacturedhomelivingnews.com/walk-down-memory-lane-from-trailers-and-mobile-homes-to-early-and-modern-manufactured-homes-video/>

<https://www.manufacturedhomelivingnews.com/mobile-home-burns-woman-dies-details-at-ten-back-story-of-mobile-home-fires-regulatory-facts/>

<https://www.manufacturedhomelivingnews.com/conventional-or-manufactured-housing-facts-matter-and-public-engagement-matters-too/>

<https://www.manufacturedhomelivingnews.com/affordable-housing-needed-corporate-corruption-and-manufactured-homes-time-to-get-federal-officials-fully-involved/>

This next article and video interview sheds light on just how rapidly affordable housing issues could be addressed by enforcing the good laws previously described.

<https://www.manufacturedhomelivingnews.com/mike-harrison-on-new-single-family-developments-communities-using-quality-affordable-attractive-modern-manufactured-homes/>

<https://www.manufacturedhomepronews.com/complaints-to-state-and-federal-officials-agencies-about-corrupt-practices-in-manufactured-housing-industry-growing/>

<https://www.manufacturedhomelivingnews.com/impact-communities-what-frank-rolfe-dave-reynolds-taught-beyond-mobile-home-u-manufactured-housing-institute-and-national-communities-council/>

<https://www.manufacturedhomelivingnews.com/huds-urban-institutes-edward-golding-knew-because-manufactured-housing-institutes-lesli-gooch-told-him/>

<https://www.manufacturedhomelivingnews.com/frank-rolfe-says-why-you-should-never-build-a-mobile-home-park-seriously-fact-check-and-analysis/>

<https://www.manufacturedhomelivingnews.com/home-shopping-consumer-alert-bbb-f-rated-ssk-communities-rebrands-as-flagship-communities/>

<https://www.manufacturedhomelivingnews.com/oklahoma-tornado-kills-sobering-surprising-fact-check-mobile-homes-manufactured-homes-commercial-buildings-conventional-housing-twisters-and-death/>

<https://www.manufacturedhomelivingnews.com/manufactured-housing-greener-savings-by-design-earth-day-opportunities-missed/>

<https://www.manufacturedhomelivingnews.com/who-will-act-will-senator-elizabeth-warren-and-or-the-trump-administration-act-to-restore-open-markets-thereby-supporting-affordable-manufactured-homes/>

<https://www.manufacturedhomelivingnews.com/democrats-republicans-agree-manufactured-homes-can-play-a-vital-role-in-easing-the-affordable-housing-shortage/>

<https://www.manufacturedhomeproneews.com/illusory-vs-authentic-opportunities-historic-struggles-then-now-for-affordable-housing-sunday-manufactured-home-headlines-1-12-to-1-19-2020/>

<https://www.manufacturedhomeproneews.com/builder-confidence-high-manufactured-housing-pros-take-note-plus-manufactured-home-investing-stock-updates/>

<https://www.manufacturedhomeproneews.com/pitchforks-coming-billionaire-nick-hanauer-unpacked-bridging-economic-political-and-moral-gaps-affordable-housing-and-manufactured-homes/>

<https://www.manufacturedhomeproneews.com/congresswoman-rips-frank-rolfe-dave-reynolds-havenpark-for-troubling-predatory-deceptive-practices-calls-for-federal-investigations/>

<https://www.manufacturedhomelivingnews.com/coming-epic-affordable-housing-finance-clash-chair-maxine-waters-vs-warren-buffett-clayton-homes-historic-challenges-ahead/>

<https://www.manufacturedhomeproneews.com/federal-bill-that-mhi-prosperity-now-namhco-tout-mharr-opposes-why/>

<https://www.manufacturedhomeproneews.com/federal-official-manufactured-housing-institute-manufactured-housing-association-for-regulatory-reform-and-certain-mhi-member-firms/>

<https://www.manufacturedhomeproneews.com/masthead/evidence-of-epic-corruption-mhi-big-boy-members-hud-fhfa-insider-news-tip-includes-document-drops/>

<https://www.manufacturedhomeproneews.com/masthead/choke-points-reality-checks-humility-affordable-housing-political-economics-and-manufactured-homes-dark-opportunities> ## Intro to this RFI is at this page linked below.  
<https://www.manufacturedhomeproneews.com/quisling-and-manufactured-housing>