

Congress of the United States
House of Representatives
Washington, DC 20515-1501

January 7, 2020

The Honorable Joseph J. Simons, Chairman
Federal Trade Commission
600 Pennsylvania Avenue NW
Washington, DC 20580

Dear Chairman Simons:

I write to express my concern about troubling business practices occurring at mobile and manufactured home parks across Iowa. There are more than 550 mobile and manufactured home parks in Iowa.¹ Within the last several years, we have seen out-of-state investors and corporations purchase and assume ownership of an increasing number of these parks and then charge residents excessive amounts – raising rents and imposing new fees – as well as subject them to unreasonable lease agreements.² These practices are predatory and unfair, leaving residents with little choice but to pay rising rates. I urge you to investigate these businesses in the interest of protecting those living within mobile and manufactured home parks.

In my congressional district, the most troubling stories are coming out of Dubuque, Iowa where hundreds of residents of the Table Mound Mobile Home Parks have seen their rents nearly double.³ Impact MHC Management LLC, also known as Impact Communities – the sixth-largest national chain of manufactured home parks – bought the parks from a local owner in 2017. Residents only learned that the parks had a new owner-operator when they began receiving notices for hikes in rent.⁴ This was just the beginning, though. After several increases, residents were informed they had to sign new forty-page lease agreements locking them into not only higher rents, but new fees for water and sewer which they had not previously paid and deposits that would not be wholly refunded.⁵

The situation in Dubuque is not unique. Iowans living in North Liberty, Waukee, and other communities have faced similar issues after ownership of their parks changed hands.⁶

¹ Thomas Friestad, "Iowa Legislature called to reform 'inadequate and exploitable' manufactured housing laws," *The Gazette*, December 16, 2019, <https://www.thegazette.com/subject/news/business/iowa-legislature-called-to-reform-inadequate-and-exploitable-manufactured-housing-laws-20191216>.

² *Ibid.*

³ Ashley Scott, "Residents; lawmakers unite against mobile home rates," *KWWL*, October 21, 2019, <https://kwwl.com/2019/10/21/mobile-home-rates>.

⁴ Benjamin Fisher, "'Predatory practices:' Dubuque-area mobile home residents, officials working to push back against cost increases," *Telegraph Herald*, September 22, 2019, https://www.telegraphherald.com/news/tri-state/article_0a237331-601d-5e31-abe1-4b3d8af5bcca.html.

⁵ *Ibid.*

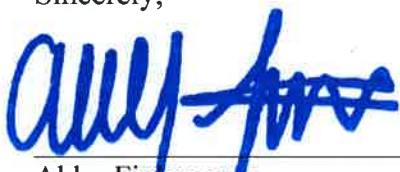
⁶ Zachary Oren Smith, "Mobile home park owner criticized for rent increase says it prevented 'mass' evictions," *Iowa City Press-Citizen*, June 19, 2019, <https://www.press-citizen.com/story/news/2019/06/19/havenpark-capital-rebrands-local-state-and-nation-takes-notice/1494406001>.

Unfortunately, residents' recourses are limited. It can cost up to \$5,000 to relocate a manufactured home – an upfront cost that some residents, especially those living on fixed incomes, cannot cover.⁷ Even more disturbing are clauses included in some of these lease agreements that prohibit residents from moving their homes without the written permission of the landlord, meaning that even those who can afford the cost of relocation could find it blocked by the owner-operator.⁸ For residents that cannot pay the rising rent for their lot or afford to move their home to another park, they risk losing it altogether.

For these reasons, the residents of mobile and manufactured home parks are uniquely vulnerable to firms like Impact MHC Management LLC and Havenpark Capital, another notorious corporation that has bought parks in Iowa in recent years. Their business model is no secret. Manufactured Home University—founded by Frank Rolfe and Dave Reynolds who appears to have financial ties to Impact MHC Management LLC—charges would-be investors \$2,000 for lessons on how to maximize their returns as owner-operators of these parks.⁹ Both men have been subject to numerous consumer complaints, and other investors linked to these companies have troubling histories as well. This includes J. Anthony Antonelli, a managing partner at Havenpark, who was a top executive at Nu Skin Enterprises when the company came under investigation by the Federal Trade Commission for deceptive business practices.¹⁰

With complaints in Illinois, Ohio, Indiana, and Michigan, this is a national issue and undoubtedly one that merits an 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.

Sincerely,



Abby Finkenauer
Member of Congress

⁷ Zachary Oren Smith, "National trend toward consolidation of mobile home park ownership," *Iowa City Press-Citizen*, April 9, 2019, <https://www.press-citizen.com/story/news/2019/04/09/mobile-home-resident-advocates-worry-future-parks/3365446002>.

⁸ Matt Chapman, "Multilevel marketing moguls turned housing profiteers come to Iowa," *Bleeding Heartland*, June 12, 2019, <https://www.bleedingheartland.com/2019/06/12/multilevel-marketing-moguls-turned-housing-profiteers-come-to-iowa>.

⁹ Gary Rivlin, "The Cold, Hard Lessons of Mobile Home U.," *The New York Times Magazine*, March 13, 2014, <https://www.nytimes.com/2014/03/16/magazine/the-cold-hard-lessons-of-mobile-home-u.html>.

¹⁰ Lee Rood, "Investor firm that hiked lot rents at Iowa mobile home parks is subject of complaints in other states," *Des Moines Register*, May 5, 2019, <https://www.desmoinesregister.com/story/news/2019/05/05/mobile-home-tenants-wary-history-complaints-havenpark-capital-partners-waukee-north-liberty-iowa-ia/3640106002>.