

117th Congress
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H. R. _____

To ensure that federally backed financing for the construction, rehabilitation, or purchase of manufactured home communities is available only for communities whose owner has implemented minimum consumer protections in the lease agreements with residents of all manufactured home communities owned by such owner, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. AXNE introduced the following bill; which was referred to the Committee on _____

A BILL

To ensure that federally backed financing for the construction, rehabilitation, or purchase of manufactured home communities is available only for communities whose owner has implemented minimum consumer protections in the lease agreements with residents of all manufactured home communities owned by such owner, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Manufactured Housing Tenant’s Bill of Rights Act of 2021”.

SEC. 2. REQUIREMENTS FOR COVERED LOAN PROGRAMS.

(a) **REQUIREMENTS.**—No loan shall be eligible for insurance by the Secretary of Housing and Urban Development or purchase by an enterprise (as such term is defined in section 1303 of the Housing and Community Development Act of 1992 ([12 U.S.C. 4502](#))), as applicable, under a covered loan program (as such term is defined under section 4 of this Act) unless—

(1) the borrower under the loan certifies to the Secretary or the applicable enterprise that the borrower will include, in any lease agreement for a pad site, or a pad site and manufactured

home, located in any manufactured home community that the borrower or an affiliate of the borrower owns, the minimum consumer protections specified in subsection (b) of this section; and

(2) the borrower complies with regulations, which shall be issued by the Secretary or the Director, as applicable, that require the borrower to submit documentation to the Secretary, or to the applicable enterprise and Director that is sufficient, as determined by the Secretary or Director, to ensure that the borrower is complying with the certification pursuant to paragraph (1), which shall include a copy of the standard lease agreement used by the borrower that includes such minimum protections.

(b) **MINIMUM CONSUMER PROTECTIONS.**—The minimum consumer protections specified in this subsection are as follows:

(1) One-year lease terms that are renewable for additional one-year terms unless there is good cause for non-renewal.

(2) A right to receive written notice of any newly required charges (including water and other utilities) or increase in the rents for pad sites, or pad sites and manufactured homes, located in the community, including a written justification of the increase with information on increases in the costs of operating, maintaining, or improving the community. Such notice shall be provided to the tenant not less than 60 days before the effective date of any newly required charge or increase in the rents, except that—

(A) in the case of any increase exceeding 5% of the previous monthly rent, an additional 30 days notice must be provided for each additional 2.5% increase in the rent.

(B) Such notice must also include identification of the amount of, and a description of, any newly required charges (including water and other utilities) that the tenant is not currently responsible for but will be responsible for upon the rent increase and, if available, an estimate of the monthly amount of such charges;

(C) **MONTHLY RENT.**—For purposes of the calculation in subparagraph (A), the amount of any increase in the monthly rent for a dwelling unit shall be considered to include any newly required charges described in subparagraph (B), and any charges without an estimate of the monthly amount shall be estimated at 5% of the previous monthly rent.

(3) A 5-day grace period for rent payments.

(4) A right to cure defaults on rent payments.

(5) A right for a tenant to sell a manufactured home owned by the tenant without having to first relocate it out of the community.

(6) A right for a tenant to sell a manufactured home owned by the tenant in place within a reasonable time period, but not shorter than 45 days, after eviction by the manufactured housing community owner.

(7) A right for a tenant who owns a manufactured home—

(A) to sublease or assign the pad site lease for the unexpired term to a new buyer of the tenant's manufactured home unless the prospective tenant fails to meet the community's reasonable and uniformly applied application criteria; and

(B) in such a case of denial, a right to written notice provided by the owner of the community informing the tenant of the denial and the prospective tenant of the denial and the specific reason or reasons for denial.

(8) A right for a tenant who owns a manufactured home to post "For Sale" signs.

(9) A right to receive 60-day advance written notice of the planned sale or closure of the manufactured housing community.

(10) (A) A right against termination of tenancy except in cases in which a tenant engages in a material noncompliance with the rental agreement, a tenant commits a material violation of the manufactured home community reasonable rules or regulations, or the community has a material, legitimate, and uniformly applied business reason for termination that was included in the lease agreement as grounds for termination.

(B) In such a case of termination, a right to written notice provided by the owner of the community informing the tenant of the termination and the specific reason or reasons for termination.

Nothing in this subsection may be construed to annul, alter, or affect any State or local law providing greater protections to tenants of manufactured home communities than the protections afforded under this subsection.

(c) PRICING INCENTIVES.—Any covered pricing incentive offered for loans issued after the date of the enactment of this Act shall reward implementation of resident protections that are more protective than those specified in subsection (b). Any covered pricing incentive that does not comply with this requirement may not be offered for any loan issued after the date of the enactment of this Act.

(d) PUBLICATION.—The Secretary and Director shall make the list of properties covered by the protections in subsection (b) publicly available on a single website. Properties which are covered as of the date of enactment by the Federal National Mortgage Association's Tenant Site Lease Protections or the Federal Home Loan Mortgage Corporation's MHC Tenant Protections shall also be made publicly available, and shall include an explanation of the differences between those protections and the minimum consumer protections in subsection (b).

(e) PENALTIES.—The Secretary and Director shall prohibit the borrower or an affiliate of the borrower from securing future federally-backed financing or other housing-related federal assistance for at least 3 years, and shall also determine appropriate penalties for any borrower who fails to include the consumer protections in subsection (b) in any lease agreement, or fails to

comply with a lease agreement including the protections in subsection (b). Such penalties shall be in addition to minimum payments to the injured tenant(s) as follows:

(1) For a violation of paragraphs (1) or (10), 6 months of the current monthly rent;

(2) For a violation of paragraph (2), any increased rent must be paid back to the tenant with interest, plus 25%;

(3) For a violation of paragraph (3), any penalties or late fees must be paid back to the tenant with interest, plus 25%;

(4) For a violation of paragraphs (4), (5), or (6), the greater of the sale price of the manufactured home if the borrower or an affiliate sells it within 12 months of the violation or 12 months of the prior monthly rent;

(5) For a violation of paragraph (7) or (8), the total remaining monthly rent owed on the tenant's lease;

(6) For a violation of paragraph (9), the greater of 12 months rent, or 20% of the sale price of the community divided by the number of tenants in the manufactured housing community.

SEC. 3. MANUFACTURED HOME COMPANY LENDING STANDARDS COMMISSION.

(a) **ESTABLISHMENT.**—There is established a commission to be known as the Manufactured Home Company Lending Standards Commission (in this section referred to as the “Commission”).

(b) **DUTIES.**—

(1) **PROPOSED STANDARDS.**—Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Commission shall submit to the Congress, the Secretary of Housing and Urban Development, and the Director of the Federal Housing Finance Agency a report that sets forth proposed consumer protection standards for the covered loan programs that—

(A) are in addition to and provide greater protection than the requirements under section 2(b); and

(B) could be used as a basis for establishing covered pricing incentives under the covered loan programs that comply with section 2(c).

(2) **STANDARD FOR DETERMINATIONS.**—Any determination by the Commission to approve a consumer protection in the proposed standards required under paragraph (1) shall be made by a vote of a simple majority of the members of the Commission.

(c) **MEMBERSHIP.**—

(1) NUMBER AND APPOINTMENT.—The Commission shall be composed of 14 members, as follows:

(A) The Secretary of Housing and Urban Development (or the Secretary’s designee).

(B) The Director of the Federal Housing Finance Agency (or the Director’s designee).

(C) Three each shall be appointed by the Speaker of the House of Representatives, the minority leader of the House of Representatives, the majority leader of the Senate, and the minority leader of the Senate. Of the three members appointed by each such officer—

(i) one shall be employed at the time of appointment as a professor or academic researcher with demonstrated background in housing and consumer protection issues, especially as they relate to manufactured housing;

(ii) one shall be a current or former member of Congress; and

(iii) one shall be a current resident and tenant at a manufactured housing community.

(2) CHAIRPERSON AND CO-CHAIRPERSON.—

(A) CHAIRPERSON.—The chairperson of the Commission shall be designated by the President from among the members of the Commission.

(B) CO-CHAIRPERSON.—The co-chairperson shall be selected as follows:

(i) DESIGNATION BY SPEAKER OF THE HOUSE.—If, on the date of appointment, the Speaker of the House is of a different political party than the President, the Speaker of the House shall designate the co-chairperson from among the members of the Commission.

(ii) DESIGNATION BY MINORITY LEADER OF THE HOUSE.—If, on the date of appointment, the Speaker of the House is of the same political party as the President, the minority leader of the House shall designate the co-chairperson from among the members of the Commission.

(3) TIMING OF APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act.

(4) TERMS; VACANCIES.—Each member shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers and shall be filled within 45 days of the vacancy in the manner in which the original appointment was made.

(5) HEARINGS.—In carrying out its duties under this section, the Commission is authorized to hold such hearings and take testimony with respect to matters to which it has a responsibility under this section. The Chairperson, or any member authorized by the

Chairperson, may administer oaths or affirmations to witnesses appearing before the Commission.

(6) PROHIBITION OF COMPENSATION.—Members of the Commission shall serve without pay.

(d) OPERATION AND POWERS.—

(1) MEETINGS.—The Commission shall meet not later than 30 days after the date upon which a majority of its members have been appointed and at such times thereafter as the chairperson or co-chairperson shall determine. Detailed minutes of each meeting of the Commission, except for any closed session, shall be kept and shall include a record of the persons present and a complete and accurate description of matters discussed.

(2) RULES OF PROCEDURE.—The chairperson and co-chairperson shall, with the approval of a majority of the members of the Commission, establish written rules of procedure for the Commission, which shall include a quorum requirement to conduct the business of the Commission.

(3) HEARINGS.—The Commission shall hold no fewer than 2 hearings on matters to carry out its duties under subsection (b). The Commission may take testimony and receive evidence as the Commission considers appropriate. Timely public notice of each hearing, including the time, place, and agenda of the meeting, shall be provided by any means determined by the Commission to provide for wide publicity. Timely notice of each regular meeting shall be published in the Federal Register. Interested persons shall be permitted to submit written statements regarding the matters on the agenda of such hearings.

SEC. 4. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) AFFILIATE.—Except as provided by the Secretary of Housing and Urban Development or the Director of the Federal Housing Finance Agency, as applicable, the term “affiliate” means, with respect to a borrower referred to in section 2(a), any entity that controls, is controlled by, or is under common control with, the borrower.

(2) COVERED LOAN PROGRAM.—The term “covered loan program” means any of the following programs:

(A) The program under section 207 of the National Housing Act ([12 U.S.C. 1713](#)) for insurance of loans for financing for the construction or substantial rehabilitation of manufactured home parks.

(B) The program of the Federal National Mortgage Association for multifamily loans for manufactured housing communities.

(C) The program of the Federal Home Loan Mortgage Corporation for loans for manufactured housing communities.

(3) COVERED PRICING INCENTIVE.—The term “covered pricing incentive” means any pricing discount available to borrowers under any of the covered loan programs that rewards the borrower’s implementation of one or more specific resident protections and is designed to ensure that the benefits of a covered loan program are provided at a lower cost for manufactured home communities based on the extent to which residents of a manufactured home community are better protected from predatory rent increases and management practices.

(4) DIRECTOR.—The term “Director” refers to the Director of the Federal Housing Finance Agency.(5) MANUFACTURED HOME.—The term “manufactured home” has the meaning given such term in section 603(6) of the National Manufactured Housing Construction Safety and Standards Act of 1976, except that such term shall include any structure described in such section without regard to whether such structure complies with any standards under such Act and without regard to the date of the manufacture of such structure.

(6) MANUFACTURED HOME COMMUNITY.—The term “manufactured home community” means any community, court, or park equipped to accommodate manufactured homes for which pad sites or pad sites and the manufactured homes, or both, are leased to residents to be used primarily for residential purposes, including any manufactured housing community as such term is used for purposes of a program referred to in subparagraph (B) or (C) of paragraph (2).

SEC. 5. FUNDING.

No additional funds are authorized to be appropriated to carry out this Act. Any expenses required to carry out this Act shall be funded using amounts otherwise available to the Department of Housing and Urban Development or to the Federal Housing Finance Agency.

SEC. 6. TERMINATION.

The Commission shall terminate upon the submission of the report required under section 3(b).