



Fred Neil

Dover City Council • Home address: 521 Weaver Drive, Dover, DE 19901

302-678-3288 • fred.neil@dover.de.us



To: MH ProNews

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Tony,

Thanks for this notice. I tried to find some specific form that I could use from the FHFA on the subject of financing in undeserved communities. The deeper I dug on the web site, the more I realize if I sent my message on DTS financing to the wrong place, my remarks would be recycled without being read. I am counting on you to place my remarks on record with the FHFA. I have added a PDF is preferred.

I am also sending this email to Mark Weiss, who I discovered by researching via your email. He has a different stake in the industry, and like us, he may or may not agree on some of my points.

For the record, my mini-bio is listed on the City of Dover Website, under Government, Biographies of the Mayor and the City Council. My vision on housing starts with my professional career as a newsman, who, at age 87, is now serving his 3<sup>rd</sup> term as a City Councilman.

As an elected official, who purchased a customized Marlet built home on leased land, with a promise of Country Club living in my semi-retirement at age 70, I discovered too late, the folly of my purchase of a quality MH home on leased land. Under Delaware law, my ground rents were nothing like the ground rents of my parents' 2 homes in Baltimore. I became an Advocate in 2004.

- **What we know:** Housing is essential to our economy and affordable housing for low income families and seniors, including retired military is in short supply. The higher the cost of housing, the more pressure on the minimum wage. The homeless population represents a different conundrum not close to being solved.

- **The Housing Shortage** has driven up the cost of housing and has put pressure on the minimum wage.

- **State Laws fail** to protect leased land home owners permitting private equity giants to gouge leased land tenants. As a result, even in States which permit home owners to purchase their communities, home owners can not out bid the big corporations.

- **Blatant Rent Increases:** Without competitive or legal restraint, corporations raise rents far in excess of inflation. RHP purchased my upscale 55 Plus Wild Meadows community in late October 2017 and raised rents 8% in 2018, 4% each in 2019, 2020, & 2021, from \$500 in 2017 to \$630 per month in 2021. That money leaves the Delaware economy and enters the pockets of investors who do not pay Delaware Taxes.

- **Trailer Park Warehousing Mentality:** As an advocate since 2004, large and larger leased land community owners treat their clientele as ATM Machines. In my upscale community, RHP advertizes, "Bad Credit? No Problem." Problems on my wetland surrounding the community may take 2 years and go through 3 or 4 layers of management for the approval of the expenditure to fix the problem. In 2014 and 2019, Dover City Code Inspectors forced the former and current owner to fix the recurring drainage problems.

● **No Mortgages:** RHP advertizes Chattel Loans at 8% plus the 4 % compounded year lot rent increase. There are no programs to train new leased land home buyers on the purchase and financial management of the home as Habitat requires of their clients. I seldom miss a Habitat new home event.

**How Fannie Mae, Freddy Mac, and HUD Can Make Real Progress in Housing:  
BY CONGRESSIONAL ACTION, PRESIDENTIAL ORDER, OR RULE**

- Any money lent should have a limit on the amount rents can increase each year.
- When the Apartment House or Leased Land Community is sold, priority should go to Tenant occupants but professionally managed ,in a not for profit Condo Association, **or** a not for profit corporation to preserve affordable housing. This creates a professional cadre for housing.
- Require or encourage States to create a Public Service Commission for any apartment or leased land housing community that has been previously funded or funded in the future with any Fannie Mae, Freddie Mac, or HUD Loans. **Guarantee a percentages of profit over cost**, and make the community owners show their financials.
- **FHFA** should supply the funds via grants to State agencies or on-profits such as United Way agencies to educate tenant renters on handling their finances.
- **FHFA** should set up a revolving fund with a service fee for financial institutions to handle below Chattel loan rates for leased land home buyers. I would suggest at least 2% less than Market Rate for Chattel loan or 2% above Mortgage Rates, but I would leave that discussion to financial experts.



Fred Neil  
3<sup>rd</sup> District  
Dover City Council  
302-678-3288