



Manufactured Housing Association for Regulatory Reform

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VIA FEDERAL EXPRESS AND US MAIL

Ms. Alanna McCargo
President
Government National Mortgage Association
425 3rd St. SW
Suite 500
Washington, DC 20024

Dear Ms. McCargo:

On behalf of the members of the Manufactured Housing Association for Regulatory Reform (MHARR), please accept our congratulations on your confirmation and swearing-in as President of Ginnie Mae.

MHARR is a Washington, D.C.-based national trade organization representing the views and interests of producers of manufactured housing regulated by the U.S. Department of Housing and Urban Development (HUD) pursuant to the National Manufactured Housing Construction and Safety Standards Act of 1974 (1974 Act) as amended by the Manufactured Housing Improvement Act of 2000 (2000 reform law). MHARR's members are primarily smaller and medium-sized businesses located in all regions of the United States.

As you are undoubtedly aware, HUD-regulated manufactured housing is the nation's leading source of affordable, non-subsidized homeownership for lower and moderate-income American families. Consequently, we commend you for your early and unequivocal commitment, as President of Ginnie Mae, to advance policies that will "make affordable homeownership and rental housing available for millions of households...."

In order to facilitate the availability and utilization of inherently affordable HUD-regulated manufactured housing, pursuant to and in accordance with the purposes and objectives of the 1974 Act as amended by the 2000 reform law, Congress long ago authorized -- and has repeatedly

ratified and updated -- Federal Housing Administration (FHA)-backed consumer loans for purchases of (i.e., Title I) and improvements to (i.e. Title II) HUD Code manufactured homes.

Unfortunately, however, for more than a decade, an arbitrary Ginnie Mae mandate, applicable only to issuers of manufactured housing-based Mortgage Backed Securities (MBS) (i.e., Part 2, Section C of Chapter 30 of Ginnie Mae's MBS Guide -- Adjusted Net Worth Requirements) has decimated lender participation in FHA's manufactured home loan programs. As a result, those programs, which helped finance tens of thousands of manufactured home purchases prior to the adoption of the above-referenced section of the MBS Guide have, for years now, seen only negligible levels of participation and loan originations. And the disappearance of FHA/Ginnie Mae support for the manufactured housing lending sector, virtually overnight, helped to fuel a broad and severe downturn in the manufactured housing market which has persisted ever since, with production levels far below historic norms.

This failed and unnecessary policy not only needlessly undermines the availability of affordable, non-subsidized manufactured homes for all lower and moderate-income American families, but also has profound racial and economic equity implications, as emphasized by a May 2021 Consumer Financial Protection Bureau (CFPB) report showing that minority groups which are "overrepresented" among manufactured housing chattel loan applicants, experienced a disproportionate level of rejection by available lenders. Obviously, action to restore FHA/Ginnie Mae-insured lending for manufactured housing would have an extremely positive impact on the market as a whole and for these applicants in particular, by providing them with an alternative, non-discriminatory source of consumer financing.

Given this issue and its overriding importance to both the manufactured housing industry and American consumers of affordable housing, we look forward to meeting you and working with you to help restore FHA's longstanding and statutorily-directed role in the manufactured housing consumer financing market. We will, therefore, contact your office soon to schedule such a meeting.

Again, congratulations and we look forward to meeting with you soon.

Sincerely,

Mark Weiss
President and CEO

cc: HUD Code Manufactured Housing Producers, Retailers, Communities and Finance Companies