



Vote YES: Support the Affordable HOMES Act

The Affordable HOMES Act repeals Section 413 of the Energy Independence and Security Act (EISA) of 2007 and would ensure that the Department of Energy's (DOE) final rule on Energy Conservation Standards for Manufactured Housing will have no force or effect.

Halting implementation of the EISA's flawed approach and re-affirming HUD's long-standing exclusive control over federal manufactured housing standards is the best way to ensure the timely adoption of improved energy efficiency standards for factory-built housing – but also in a way that preserves the availability of affordable manufactured homes for American households.

Section 413 of EISA Has Stymied Progress on Energy Efficiency for Manufactured Homes

The Affordable HOMES Act rescinds the statutory directive to the Department of Energy to establish energy standards for manufactured housing. This will ensure that energy standards for manufactured housing align with the federal construction requirements for manufactured homes, which have been administered and regulated by the U.S. Department of Housing and Urban Development (HUD) for 50 years.

Without this correction, the industry is subject to crippling conflicts in regulation which puts the availability of affordable manufactured homes in jeopardy.

The EISA provision was never vetted (it was a rider), includes language that is inapplicable to manufactured homes, and has resulted in conflicting regulations that jeopardize the future availability of homes built to the federal building code. The DOE's failure for the last 15 years illustrates the fundamental flaw with this EISA rider.

For years, the energy efficiency standards for manufactured housing have been in need of update. However, in recent years HUD has not addressed these standards precisely because of the conflict with the Department of Energy.

Industry Supports Advancing Energy Efficiency for Manufactured Homes

The manufactured housing industry has been a leader in producing energy efficient homes. Even as the most affordable form of homeownership in America, new manufactured homes are at least as, and in many cases more, energy efficient than new site-built homes. More than 30 percent of new homes are Energy Star certified and even more are built to meet or exceed those standards.

In-factory home builders are also leaders in efficient building methods. They are constantly developing new initiatives and technologies, such as comprehensive recycling programs, to reduce waste. The factory-built process utilizes exact dimensions and measurements for most building materials, eliminating waste. Today's modern manufacturing plants are so efficient that nearly everything is reused or recycled such as cardboard, plastic, carpet padding, vinyl siding, scrap wood and much more.

MHI and its members have for some time pressed for timely updates to the HUD Code, including the adoption of additional energy efficiency improvements. MHI is actively working with HUD to that end and progress is being made. The Manufactured Housing Consensus Committee (MHCC) met in the fall of 2022 and drafted proposed energy standards for manufactured homes [see [recommendations](#)] that MHI strongly supports.

MHI's testimony before the House Financial Services Committee from July 14, 2023 of this year further explains the industry's position and need for a legislative fix. (See [MHI HFSC Testimony Before HFSC, July 14, 2023](#)).

Off-Site Construction Process of Manufactured Homes is Unique

In May 2022, the DOE issued a final rule for energy standards for manufactured homes. There are significant problems with the DoE standards: (1) they rely on a site built code (IECC), which is incompatible with off-site built homes, (2) they lack a testing, compliance, and enforcement capability, creating uncertainty and impeding needed energy efficiency upgrades, (3) they create conflicting sets of energy standards (DOE and HUD), which will discourage the production of new affordable manufactured homes.

The standards were developed without the input of those with the requisite knowledge of the housing manufacturing business, or those most in touch with the needs and concerns of housing stakeholders including aspiring homeowners. In fact, when HUD's Manufactured Housing Consensus Committee (MHCC) considered the DOE energy standards last fall, it determined there was a failure by the DOE to consider the unique characteristics of manufactured home construction despite outreach from the MHCC and industry to do so. The MHCC determined that:

- The DOE standards did not take into consideration current construction methods and transportation requirements for manufactured homes,
- DOE circumvented the EISA statutory development process requiring cost justification and consultation with HUD
- DOE developed a standard based on site-built construction and applied it instead to a performance-based national code, and

- DOE failed to follow HUD’s previous recommendation to include the substantial cost of testing, enforcement, and regulatory compliance in its statutorily required cost-benefit analysis.

In May 2022 the DOE delayed the implementation of the rule pending further rulemaking. To date, the DOE still has failed to have meaningful engagement with the industry to understand the unique characteristics of building a home in a factory and transporting it to the home site for placement.

The debacle illustrates why Congress, under the Manufactured Home Construction and Safety Standards Act of 1974, determined that HUD should have sole responsibility for federal manufactured home construction standards.

HUD Should Maintain Authority Over Energy Standards for Manufactured Housing

Just as efficiency standards for cars are set by the Department of Transportation (not DOE) since they oversee the construction of cars, the efficiency standards for manufactured homes should be set by HUD.

Energy standards for manufactured housing must be developed with input from those with knowledge and expertise of manufactured housing and take into account the needs and concerns of affected stakeholders.

Energy standards should not conflict with the Manufactured Housing Construction Safety Standards Act of 1974 (MHCSS), which for 50 years has given HUD exclusive authority over adoption and enforcement of federal uniform manufactured home construction and safety standards under the “HUD Code”.

Energy standards should not threaten the affordability of new manufactured homes – our nation’s most affordable homeownership option – by (1) raising the cost of new homes by thousands of dollars, (2) causing many home buyers to no longer qualify for a mortgage loan, and (3) imposing costs on homeowners that far exceed any reasonable value placed upon the projected energy savings.