



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

OFFICE OF HOUSING

MEMORANDUM FOR: Dana T. Wade, General Deputy Assistant Secretary for H
Federal Housing Commissioner, H

THROUGH: Nandini B. Rao, Associate Deputy Assistant Secretary, Office
of Risk Management and Regulatory Affairs, HA

FROM: Pamela Beck Danner, Administrator, Office of Manufactured
Housing Programs (OMHP)

SUBJECT: September 29, 2017 Letter to Secretary Carson from Oregon
Department of Commerce and Business

The purpose of this memorandum is to provide background and context for the issue outlined in the attached September 29, 2017 letter from the State of Oregon's Department of Commerce and Business Services regarding its participation in the federal manufactured housing program.

Issue:

The Oregon State Administrative Agency (SAA) is concerned that HUD staff discussed HUD's review of the Oregon SAA program with the Oregon Manufactured Housing Association, the state association representing manufacturers and retailers in Oregon. In its September 29, 2017, letter to Secretary Carson, the program Administrator, Mark Long said, "HUD staff exerted a lack of judgement and insensitivity to ongoing negotiations regarding Oregon's status as an Administrative State Agency." He further stated that "my goal is for you to be aware of our concerns and some but not all of the background if we ultimately decide to discontinue our relationship."

Background:

The Office of Manufactured Housing Programs (OMHP), in accordance with 24 CFR Part 3282 requires HUD to review State Administrative Agencies (SAAs) programs and In Plant Primary Inspection Agencies (IPIAs) to ensure that they are carrying out their responsibilities under the HUD Manufactured Housing Construction and Safety Standards program, including whether HUD payments to the SAA's are being utilized in accordance with the federal regulations. Oregon, in addition to serving as an SAA is one of 9 states that also serve as an exclusive State IPIA. In order to serve as an exclusive IPIA, Oregon must be fully approved as an SAA.

HUD conducted a review of Oregon's SAA and IPIA programs in May 2017. On June 6, 2017 it submitted its SAA Monitoring Assessment Report to Oregon with six recommendations for improvement. As per the regulations, OMHP requested a response by July 7, 2017. In a separate letter dated June 14, 2017, HUD submitted its IPIA Monitoring Report to Oregon with four recommendations for improvement. OMHP requested a response from Oregon by July 14, 2017

On August 22, 2017, concerned about Oregon's lack of response to written requests, the Office held a conference call with Mr. Mark Long, Administrator of the Oregon SAA program, and his staff to discuss the program and potential solutions to HUD's concerns. OMHP agreed to extend the July deadlines for Oregon's response to October 1, 2017. During that call, Mr. Long advised that they might withdraw their participation as an SAA, which they also stated over two years ago.

On September 29, 2017, OMHP received a letter from Mr. Long that their responses to HUD, due October 1, will be delayed, pending a review by the Oregon Assistant State Attorney General.

OMHP staff reached out to the Oregon Manufactured Housing Association in order to facilitate Oregon's continued participation in the program. For many years Oregon's role fulfilling two essential functions as an SAA and an exclusive IPIA, has been helpful to HUD's overall program. OMHP wants to preserve this relationship and thought the Oregon Manufactured Housing Association could assist in this effort. OMHP is aware that the industry has had a good relationship with the Oregon SAA, and could certainly be adversely impacted should Oregon decide that it no longer wants to serve as an SAA. Nothing confidential or sensitive was shared or discussed in the email exchange or one phone call with Ms. Jessica Carpenter, Executive Director, OMHA.

In an effort to keep you apprised of the efforts of the OMHP, I hope this better explains the background for this incoming communication to the Secretary. Staff have been instructed not to discuss any such matters with the industry associations going forward. Please let me know if you have additional questions or would like to discuss further.

Enclosures