

March 31, 2020

Office of General Counsel  
Regulations Division  
U.S. Department of Housing and Urban Development  
451 7th Street SW, Room 10276  
Washington, DC 20410-0001

Re: Proposed Rule on Federal Manufactured Home Construction and Safety Standards  
[Docket No. FR-6149-P-01]

To Whom It May Concern:

On behalf of the National Association of Home Builders (NAHB), I am pleased to submit these comments on the U.S. Department of Housing and Urban Development's (HUD) proposed rule to amend the Federal Manufactured Home Construction and Safety Standards (the Construction and Safety Standards or HUD Code).

NAHB is a Washington, D.C.-based trade association that represents more than 140,000 members and includes more than 700 affiliated state and local associations in all fifty states, the District of Columbia, and Puerto Rico. NAHB members design, construct, and supply single-family homes, build and manage multifamily projects, and remodel existing homes. In the single-family market, NAHB's members construct custom housing as well as homes for first-time home buyers, including low- and-moderate-income families and individuals. NAHB's multifamily members build and manage rental housing for renters in market-rate, affordable and federally assisted multifamily housing. Our members are proud to construct over 80 percent of the homes produced each year that provide shelter for this Nation's families.

### **Background and Proposed Rule**

The National Manufactured Housing Construction and Safety Standards Act of 1974 authorizes HUD to establish the Construction and Safety Standards. The Construction and Safety Standards mandate federal standards for design, construction, and installation of manufactured homes to ensure quality, durability, safety, and affordability of these homes. The Construction and Safety Standards preempt state and local building codes that are not identical to the federal standards. The Manufactured Housing Improvement Act of 2000 established the Manufactured Housing Consensus Committee (MHCC), a committee responsible for providing HUD recommended revisions to the Construction and Safety Standards.

HUD has issued this proposed rule to amend the Construction and Safety Standards to incorporate recommendations made to HUD by the MHCC and add related proposals that complement the MHCC's recommendations. HUD's proposed revisions include adding a definition for "attached accessory building or structure" such as a carport or garage; adding requirements for carbon monoxide detectors; establishing standards for multistory design and construction; revising transportation system requirements; and establishing new standards for attached manufactured homes with a zero lot line. HUD's stated goal of this proposed rule is to modernize manufactured housing code provisions to allow for more optimal use of this housing in urban areas and allow for more streamlined production of manufactured housing.

Most notably, the proposed rule eliminates the need for an Alternative Construction (AC) approval from HUD when the manufactured home manufacturers install certain design features that fall out of the scope of the current HUD building code. The AC process requires design approval from HUD and close coordination between

the manufacturer and the design approval agency, in-plant inspection agency, and the state administrative agency. As part of the AC process, the manufacturer must ensure the purchaser/consumer is notified of any alternative construction design changes in the home. The AC process also usually requires special inspections of the home to ensure structural soundness.

### **NAHB Comments**

While NAHB applauds the Trump Administration's initiative to modernize regulations to reduce unnecessary and duplicative barriers to the construction of affordable housing, we remain critical of any policy that may give one type of housing an unwarranted competitive advantage and risks the health and safety of the occupants. Although NAHB agrees that the HUD Code, like those enacted at the state and local levels, needs to be updated periodically so that it reflects current practices and technology, the Department should refrain from making any changes that would result in furthering the divide between the code requirements for manufactured homes and those that apply to homes that are stick-built or built using engineered building systems.

NAHB is concerned that the use of a standard HUD code and elimination of the AC process for manufactured housing that utilizes design elements of site-built homes could affect the health and safety of the manufactured housing occupants. Local building codes are important because they factor in the characteristics of a local jurisdiction such as the soil, climate, and occurrence of natural disasters to set minimum standards to ensure the health, safety and welfare of occupants. NAHB urges HUD to keep the AC process in place for design features that could affect the structural integrity and safety of the manufactured home including attached homes (i.e. zero lot line), multi-story homes, and attached carports and garages.

Building codes have a significant influence on not only occupant health and safety, but also on overall housing production costs. NAHB research shows that regulatory costs, including state and local building code compliance, account for 24.3 percent of the final price of a new single-family home and 32.1 percent of multifamily project costs.<sup>1</sup> Expanding the use of manufactured housing, which does not have to meet most state and local building codes, would result in an unfair competitive disadvantage for other sectors of the home building industry. Blurring the line between what is manufactured housing and what is site-built housing could also mislead homebuyers who might not fully understand the design elements, building code related safety features, and performance of their home purchase. Manufactured housing design that emulates site-built homes should be held to the same inspection and building standards as site-built homes. Furthermore, while NAHB appreciates that this proposed rule will only apply to manufactured homes that remain on a permanent chassis, in the event that the chassis of a manufactured housing unit is removed, NAHB urges the HUD to require that unit to meet all state and local building codes, including higher energy standards, required for conventionally built housing.

### **Housing Affordability**

The severe shortage of housing supply is a primary concern and barrier to housing affordability. A recent study from Freddie Mac shows that an estimated 2.5 million additional housing units are needed to make up this shortage. While this proposed rule plays a role in President Trump's promise for widespread regulatory relief across industries, the proposed reform impacts only a subset of an industry. Site-built homes still make up the

---

<sup>1</sup> Emrath, Paul, "Government Regulation in the Price of a New Home," (May 2016), [http://www.nahbclassic.org/generic.aspx?sectionID=734&genericContentID=250611&channelID=311&\\_ga=2.110683909.1061924478.1580331878-453421962.1576169493](http://www.nahbclassic.org/generic.aspx?sectionID=734&genericContentID=250611&channelID=311&_ga=2.110683909.1061924478.1580331878-453421962.1576169493).

Emrath and Walter, Regulation: Over 30 Percent of the Cost of a Multifamily Development, (2018), <https://www.nahbclassic.org/generic.aspx?sectionID=734&genericContentID=262391&channelID=311>.

vast majority of housing production (over 96 percent in 2018) and accordingly marked efforts should be made to streamline and incentivize the production and preservation of these homes.<sup>2</sup>

On Jan. 31, 2020 NAHB submitted comments to HUD's request for information on eliminating regulatory barriers to affordable housing with numerous suggestions on regulatory changes that HUD could pursue that would result in widespread improvements to housing affordability and availability across the country. Removing regulatory barriers to building a variety of housing and enhancing the financial tools to gain access to homeownership are essential steps to ensuring all Americans have access to housing they can afford.

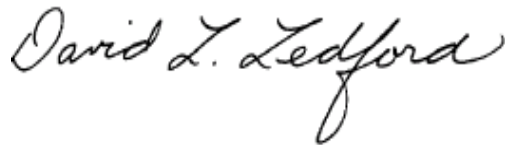
Because of the challenges to producing affordable housing and the substantial effort needed to make the appropriate changes, some policy makers are focusing on manufactured housing as a means of addressing the supply shortage. While such housing does have a role, it should not be viewed as a panacea. Site-built and modular housing can be affordable when policy makers and housing market participants work together to find solutions.

### **Conclusion**

NAHB has long been a supporter of policies that allow homebuyers and homeowners the opportunity to live in a home of their choice in a location of their choice, whether that home is a manufactured home, a modular home, a panelized home, a concrete home, a timber frame home, or a stick-built home. Manufactured homes remain an important component of this mix. NAHB urges HUD to maintain this balance and continue to facilitate consumer choice by ensuring any regulatory reform efforts do not favor manufactured homes over other types of residences, leading to consumer confusion and unfair competition in the marketplace.

Thank you for consideration. NAHB looks forward to working with HUD in its continuing efforts to reduce regulatory burdens on the private sector and improve the efficiency of its programs. If you have questions or would like to discuss NAHB's comments or recommendations, please contact Heather Voorman, at [hvoorman@nahb.org](mailto:hvoorman@nahb.org).

Sincerely,



David L. Ledford  
Executive Vice President  
Housing Finance and Regulatory Affairs

---

<sup>2</sup> Zito, Ben, "Housing Construction: Types and Trends," (August 2019), <https://www.nar.realtor/blogs/economists-outlook/housing-construction-types-and-trends>.