

7.24.2025

Federal Trade Commission

Premerger Notification Office

Bureau of Competition

600 Pennsylvania Avenue NW

Washington, DC 20580

premerger@ftc.gov

<vgraham@ftc.gov>

Subject: Opposition to Cavco-American Homestar and Champion-Iseman Homes Mergers

Dear Commissioners,

We write to formally oppose the proposed mergers between Cavco Industries and American Homestar, and between Champion Homes and Iseman Homes. These transactions raise serious concerns under the current merger guidelines, which the Trump Administration has pledged to retain. In fact, FTC Chairman Andrew Ferguson stated that “stability across administrations of both parties has thus been the name of the game,” affirming that the 2023 Merger Guidelines—despite their flaws—would remain in effect¹. These guidelines presume against mergers that increase market concentration and reduce competition, especially in sectors already plagued by consolidation².

While the Trump Administration has made notable strides in certain areas, its record on affordable housing—particularly manufactured housing—is arguably among its weakest. I say that as the publisher of the documented largest trade media serving the manufactured housing industry which has 3 times supported the Trump Campaign publicly.

HUD Secretary Scott Turner, during a recent cabinet meeting, made no substantive remarks on the topic, despite the agency’s own data showing a 32% increase in homelessness over two years³.

 **The Manufactured Housing Sector: A Case Study in Market Failure**

Manufactured housing is underperforming despite its proven potential to address the affordable housing crisis. HUD researchers Pamela Blumenthal and Regina Gray have

documented that for over 50 years, federal officials have known both the problems and the solutions, yet failed to implement the bipartisan Manufactured Housing Improvement Act of 2000 (MHIA), which includes enhanced federal preemption⁴. Notably, then-Senator Joe Biden was a co-sponsor of the MHIA, underscoring its bipartisan origins⁵.

Evidence of Antitrust and Market Manipulation

A growing body of evidence points to systemic issues in the manufactured housing industry:

- **Tying Arrangements:** The infamous 21st Mortgage letter threatened independent retailers with loss of financing unless they agreed not to sell homes from certain producers⁶.
- **Killer Acquisition:** Cavco's purchase and subsequent closure of Lexington Homes appears to fit the DOJ's definition of a "killer acquisition"—a deal that eliminates a competitor to protect a monopoly⁷.
- **Market Foreclosure:** Maris Jensen's University of Iowa study found that vertically integrated manufacturers use floorplan financing to distort competition and restrict output⁸.
- **Consolidation Concerns:** MHARR President Mark Weiss has stated that "the consolidation of key industry sectors is an ongoing and growing concern that MHI has not addressed because doing so would implicate their own members"⁹.
- **Graphic Evidence:** Our annotated screen captures from investor relations statements and public remarks by MHI leaders and corporate executives illustrate a pattern of consolidation and exclusionary practices¹⁰.

Academic and Legal Support

- **James Schmitz Jr.** (Federal Reserve) and **Samuel Strommen** (Knudson Law) have independently documented how monopolistic practices have sabotaged manufactured housing, harming consumers and small businesses¹¹.
- **Rachel Cohen Booth** (Vox, Yahoo News) and **Fredric Lederer** have exposed how industry insiders and trade groups like MHI have failed to advocate for enforcement of existing laws, contributing to underperformance¹².

Political Independence and Bipartisan Accountability

Our publications have publicly supported Donald Trump three times. However, we are political independents committed to evidence-based advocacy. We cite sources across

the political spectrum, including **Matt Stoller** (Big) and **David Dayen** (The American Prospect), who have criticized the Trump Administration's antitrust enforcement record. Stoller and Dayen argue that mergers like these are part of a broader pattern of regulatory failure that costs the U.S. economy an estimated \$2 trillion annually¹³.

Conclusion and Request

We urge the FTC to:

- **Block** the Cavco-American Homestar and Champion-Iseman Homes mergers.
- **Announce** a formal investigation into past mergers in the manufactured housing sector.
- **Consider** the cumulative impact of consolidation, tying, and foreclosure practices on consumers, small businesses, and affordable housing outcomes.

Thank you for your attention to this matter. We are prepared to provide additional documentation and expert testimony as needed.

Sincerely,

L. A. "Tony" Kovach

Managing Member

LifeStyle Factory Homes, LLC.

Parent company to DBAs

ManufacturedHomeProNews.com (MHProNews.com) and
ManufacturedHomeLivingNews.com (MHLivingNews.com)

Footnotes

1. [DLA Piper: Ferguson affirms 2023 Merger Guidelines](#)
2. [Bates White: Structural Presumption in 2023 Guidelines](#)
3. [Deseret News: HUD Secretary Turner remarks](#)
4. [HUD PD&R: Blumenthal and Gray on MHIA](#)
5. [Congressional Record: MHIA 2000 co-sponsorship](#)
6. [Patch: DOJ Whistleblower Program and 21st Mortgage Letter](#)
7. [MHProNews: Cavco's Lexington Homes closure](#)

8. [University of Iowa: Jensen's foreclosure study](#)
9. [MHARR: July 2025 consolidation warning](#)
10. [MHProNews: Annotated investor statements](#)
11. [Tampa Free Press: Schmitz and Strommen analysis](#)
12. [MHProNews: Cohen Booth's Vox/Yahoo exposé](#)
13. [American Prospect: Dayen on regulatory failure](#)

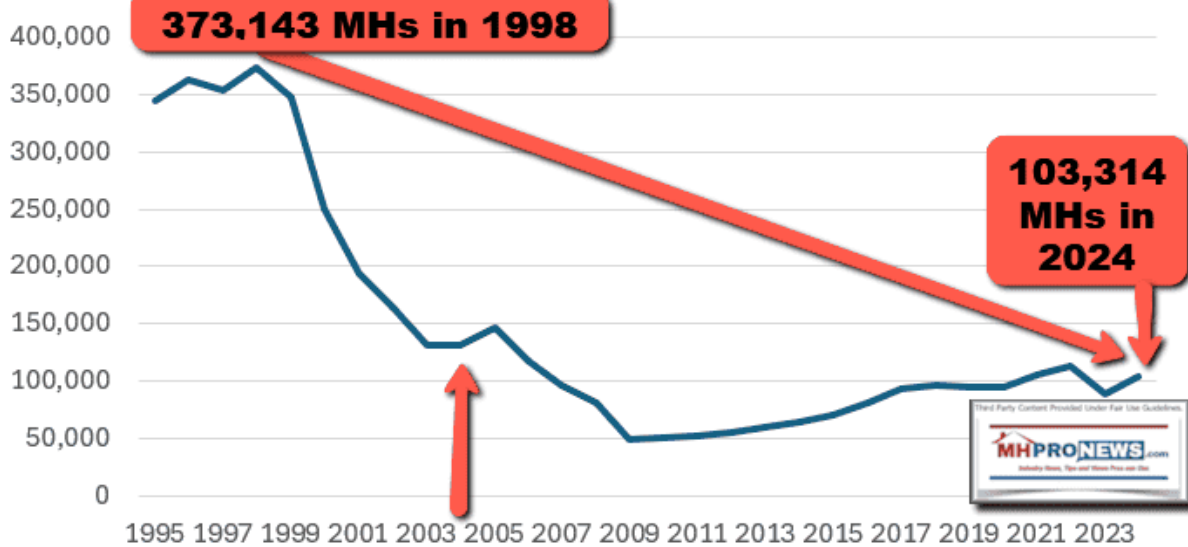
Additional Insights and Snapshots

Executive Summary: Opposition to Cavco–American Homestar & Champion–Iseman Mergers

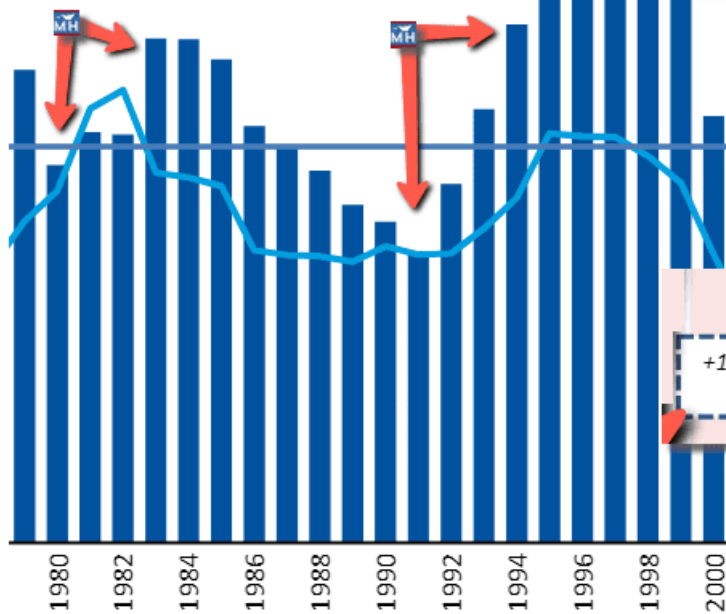
This letter urges the Federal Trade Commission to block the proposed mergers between Cavco Industries and American Homestar, and between Champion Homes and Iseman Homes. Drawing on bipartisan sources, ‘best practices’ third-party AI fact-checking, scholarly research, and first-hand statements from industry leaders, the letter demonstrates:

- These mergers violate the structural presumption outlined in the 2023 Merger Guidelines.
- The manufactured housing industry is underperforming not because of consumer preference but due to consolidation, regulatory capture, and sabotage monopoly tactics.
- The Manufactured Housing Institute (MHI) has exhibited self-contradictory behavior that undermines competition, evidenced by its own CEO's admissions.
- The mergers, if approved, would reinforce existing monopolistic structures and impede affordable housing goals—costing the U.S. economy up to \$2 trillion annually per Federal Reserve and NBER-linked experts.

U.S. Manufactured Home Production by Year Trendline from 1995 to 2024



- A) Citing data from HUD's contractor (so, official federal figures)**
 "...manufacturers produced 9,281...homes in May 2025, a 1.3% decrease from...9,408...homes produced in May 2024. Cumulative... 2025...totals 44,923...homes [vs.] 42,656...in 2024, a 5.3% increase."
- B) In 2021, the industry produced 105,772. 2022 total HUD Code production was 112,882. 2023=89,169. 2024 totaled 103,314.**
- C) In 2004 MHI CEO Chris Stinebert said they expected the industry to recover to the levels of the mid-to-late 1990s, which ranged from 250,366 (2000) to 373,143 in 1998. 2004=130,748 homes.**



1) The two pink shaded callouts below are by MHI member Skyline Champion.

3) 5 years after that 2018 production level of 96,555 the 2023 U.S. production of new HUD Code manufactured homes fell back to 89,169.



2) The base graphic is from a SKY IR pitch. It made the argument that the industry could grow 141% from 2018 to historic LT average.



THE "CLAYTONIZATION" OF MANUFACTURED HOUSING: SYSTEMIC FAILURES EXPOSED

CONSPIRACY AND CONCEALMENT

- Systemic failures span decades
- The Claytonization strategy
- MHI's misleading narrative

SCALE OF HARM

- \$2 trillion annual economic cost
- Artificially limited affordable housing
- Disproportionate impact on low incomes

ETHICAL AND LEGAL RAMIFICATIONS

- Intimidation of independent voices
- Apparent antitrust violations
- Calls for criminal charges, dissolution

TRUE GROWTH POTENTIAL

- Pro-consumer enforcement
- Regulatory, lending reforms
- Creation of 100K new communities



TERMINOLOGY 101: DECODE MHVille's CRISIS

PALTER

Misleads using technically true statements.

POSTURE

Pretend to advocate while falling to act.

PROJECTING

Accuse others of what you're doing.

ILLUSORY TRUTH EFFECT

Repetition makes falsehoods seem true.

OPTICS

Surface-level appearance used to mislead.

THROTTLING PRODUCTION = CONSOLIDATION

Restricting supply boosts market control.

MOAT

Strategic barrier

=

Strategic barrier to competition

PROJECTING

Accuse others of what you're doing.

REGULATORY CAPTURE

Agencies serve industry interests over public.

IRON TRIANGLE

Alliance of industry, regulators, and lawmakers.

NONPROFIT-CAPTURE

Nonprofits serve funders, not mission

HISTORICAL CONTRAST | MHMA VS. MHI

Hands-on community development aiding over 200 000 home sites

Photo ops. videos. rarely enforces laws like MHIA 2000

PRODUCTION COULD EXPAND VIA:

- MHIA 2000 Enhanced Preemption
- DTS (Duty to Serve) Support for Chattel Loans
- Information Campaign (e.g., GoRVing)

MHProNews

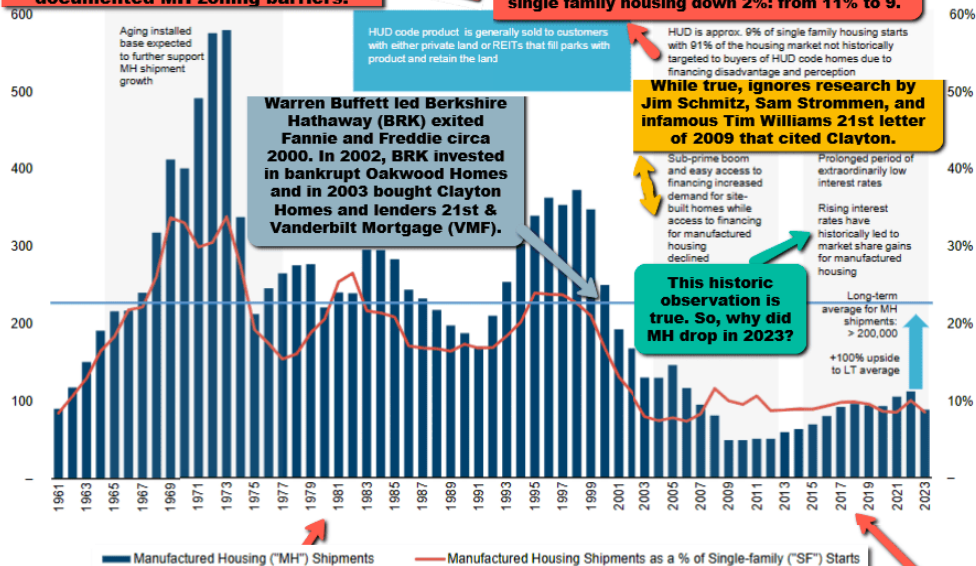


HUD Industry Overview

The Manufactured Housing Industry (HUD Product) has Significant Upside as Financing Returns

While true, this remark ignores well documented MH zoning barriers.

Based on May 2023 SKY IR pitch, MH share of single family housing down 2%: from 11% to 9.

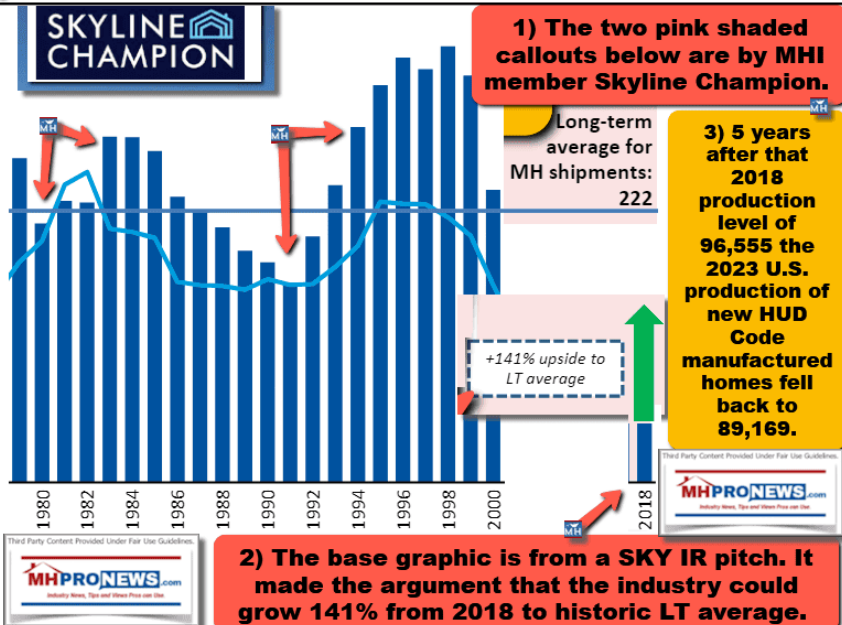


Per fellow MHI member Cavco Industries (CVCO) 12.2023 IR pitch deck: "188K Average annual home shipments since HUD Code adoption in [6.15] 1976"

The lack of reference by SKY to the Manufactured Housing Improvement Act (a.k.a.: MHIA, 2000 Reform Law, 2000 Reform Act) raises concerns about Champion's corporate and similarly MHI's fiduciary responsibilities due to apparently missing material facts.

Champion reportedly has over '\$500 million in free cash.' They have multiple idled plants. They claim they want to grow organically and via acquisitions.

Why aren't they using their legal and financial resources to sue to get the 2000 Reform Law enforced? Especially post Loper Bright decision, the odds for success and increased opportunities for sales are per MHARR better.



ADU production in CA soared after statewide preemption kicked in. Similarly, if federal preemption under the 2000 Reform Law were enforced by HUD routinely manufactured housing production could soar nationally. That would ease affordable housing crisis. Enforcement could save tax dollars over time.

PROUD MEMBER OF



MONOPOLISTIC HOUSING INSTITUTE



THE NATIONAL ASSOCIATION
SERVING CONSOLIDATORS OF THE
MANUFACTURED HOUSING INDUSTRY



"The Manufactured Housing Institute [MHI] acts not only as the public mouthpiece of the Big 3 manufacturers (in the name of the industry) but also appears to act directly on its behalf in its various lobbying endeavors.⁹⁵"



Samuel Strommen

Strommen said he **"submits that the MHI's conduct in obfuscation judicious decision-making by the [FHFA and HUD] constitutes a conspiracy to restrain trade under Section 1 of the Sherman Act, and by virtue of the misrepresentative nature of the conduct, should not be afforded *Noerr* protection."**



– Sam Strommen,
The Monopolization of the American Manufactured Home Industry and the Formation of REITs: a Rube Goldberg Machine of Human Suffering.



"The Monopolization of the American Manufactured Home Industry and the Formation of REITs: a Rube Goldberg Machine of Human Suffering."

Sam Strommen –

Legal Research Report published on MHProNews on 2.1.2021 provides evidence of "felony" "antitrust," notes "RICO" and other possible illegalities harming consumers and independent businesses. Thus a "machine of human suffering."



How Warren Buffett broke
American capitalism

FINANCIAL TIMES

SEPTEMBER 12 2017



ROBIN HARDING

"The [Warren] Buffett definition of good management [for Berkshire Hathaway owned firms] is therefore clear. If you have effective competitors, you are doing it wrong..."

– Robin Harding, *in the article cited at the left.*





Andy Gedo



ManageAmerica
Online Property Management Systems



"So, six years before the conventional mortgage meltdown, MH chattel lending virtually disappeared for anyone with a flawed credit history..."

"Clayton's finance capability is a barrier to entry (what you [MHPRONews/MHLivingNews like to call a "moat"] that limits competition. Barriers to entry can sometimes be exploited through unfair competition to gain monopoly power in a market..."

To see this in context go to the original debate linked below.

Let's note that our publications call it "the Moat" because Warren Buffett, Kevin Clayton and others in that mindset call it "the moat." It is Buffett's term, not one we created.

That noted, Gedo is quite right in saying that **"barriers to entry can sometimes be exploited..."** Why is the Duty to Serve (DTS) manufactured home lending passed in 2008 as part of the Housing and Economic Recovery Act (HERA) still not being properly implemented? Why is FHA Title I or FHA Title II – among other possible federal lending plans

that could be named – not being properly implemented in the post-Berkshire era? Is it a coincidence? Or have they used their influence and resources to limit and divert those options and thus maintain their moat as a barrier to entry, and maintenance in the industry?



Kevin Clayton, left, Warren Buffett, right.

Photo credit:

Seattle Times expose portrays Warren handbill.us



"Warren [Buffett] is very competitive ...he paints such an image in each of our manager's minds about this moat, this competitive moat, and our job is very simple and we share this..."

Deepen and widen your moat to keep out the competition...

But some of our competitors do a good job, but our plans are to make that difficult for them."

- Kevin Clayton,
President and CEO of Clayton Homes,
a Berkshire Hathaway brand.
Source – video transcript posted on
MHLivingNews.com.



"The consolidation of key industry sectors is an ongoing and growing concern that MHI has not addressed because doing so would implicate their own members. Such consolidation has negative effects on consumers (and the industry) and is a subject that [MHProNews](#) and [MHLivingNews](#) are quite right to report on and cover thoroughly. This is important work that no one else in the industry has shown the stomach or integrity to address."



Timeline: Consolidation and Policy Failures

Year	Event/Source	Significance
1974	HUD Code passed with chassis requirement	NAHB allegedly inserted clause to block growth ¹⁶
2000	MHIA passes with enhanced preemption	Bipartisan fix ignored by regulators and MHI ⁴⁵
2003–2012	MHI and allies promote PAMHA	Effort quietly abandoned with no public closure ¹⁷
2017	MHI begins chassis reform push	Gooch admits they waited decades to act ¹⁸
2021–2025	AI and media expose MHI contradictions	MHProNews, Grok, Gemini validate monopoly concerns ¹²⁴

Visual Comparison: Trade Group Conduct vs. Research Findings

Entity or Author	Core Concern Raised	MHI Response
James A. Schmitz Jr.	Monopoly sabotage of manufactured housing	✗ No acknowledgment
Samuel Strommen (Knudson Law)	RICO and antitrust violations	✗ Ignored publicly
Rachel Cohen Booth (Vox)	NAHB sabotage and MHI complicity	⚠ Gooch admits contradiction, then goes silent
Fredric Lederer (Harvard)	Ethics in AI and policy capture	✗ No engagement or reforms proposed

FTC Submission Format

- This letter may be submitted directly via email to: **premerger@ftc.gov**
- Include a request for confirmation of receipt.
- Attach supporting documentation, hyperlinks to footnotes, and a cover memo if desired.

FTC Letter with Embedded Footnotes

For the fully updated letter formatted for submission, please copy from this secure page:
Full FTC Letter: MHProNews Opposition to Mergers (Updated July 2025)†

Plain Text Hotlinked Footnotes

- <https://www.manufacturedhomepronews.com/interview-mhi-vp-jason-boehlert-on-pamha/>
- <https://www.manufacturedhousing.org/>
- <https://www.manufacturedhomepronews.com/mhi-pivots-national-association-of-home-builders-remarks-revelations-on-hud-code-manufactured-homes-manufactured-housing-institute-clayton-homes-champion-homes-cavco-industries-mhville-fea/>
- <https://www.manufacturedhomepronews.com/july-release-of-50-states-manufactured-housing-production-and-shipment-data-for-may-2025-unpacking-manufactured-housing-institute-manufacturedhomes-com-mhville-and-marketing-mhville-fea/>

- <https://www.vox.com/policy/420254/housing-reform-congress-manufactured-homes-chassis-rule>
- <https://patch.com/florida/lakeland/mharr-doe-issues-final-rule-delaying-energy-rule-compliance-date-tier-2>
- <https://www.manufacturedhomeprnews.com/wp-content/uploads/2025/07/Draft4AIRachelCohenBoothMarketplace.orgReferenceJamesSchmitzManufacturedHousingIndustryResearchDerekHunterInsightApparentVulnerabilityManufacturedHousingInstituteFirmsFEA-MHProNews.pdf>
- <https://manufacturedhousingassociationregulatoryreform.org/manufactured-housing-association-for-regulatory-reform-mharr-july-9-2025-washington-update-an-exclusive-report-and-analysis/>
- https://www.promarket.org/author/james_schmitz/
- <https://sites.google.com/site/jamesschmitzjr/>
- <https://www.tampafp.com/monopolies-sabotage-and-destroy-markets-successfully-sabotaged-u-s-factory-production-of-homes-prof-james-schmitz/>

This writer stands prepared to shed additional information on these topics.

Kindly confirm this message.

Please refer this to other agencies as warranted.

Thank you for your attention to this matter.

L. A. "Tony" Korach