

Pre-publication draft for third-party AI check for pending report on MHPProNews.

'Affordable Housing Unaffordable Credit? Concentration High-Cost Lending for Manufactured Homes' Sebastian Doerr-Andreas Fuster BIS 'Exploit Market Power-Manufactured Housing Borrowers' FEA

"Policy makers place high hopes in manufactured homes - the largest source of unsubsidized affordable housing in the US - to alleviate housing supply shortages. This paper shows that high market concentration in the multi-billion-dollar manufactured home loan market allows lenders to charge significantly higher interest rates than for site-built homes." So says part of the abstract by Sebastian Doerr and Andreas Fuster in a research paper published by the **Bank for International Settlements (BIS.org)**. "We further show that [vertically] integrated lenders, which play an outsized role in the manufactured home loan market, charge particularly high rates, and we provide evidence suggesting that these lenders exploit their market power over borrowers."

"This bunching suggests market power," said Doerr and Fuster, who added the following.

In a perfectly competitive market, a threshold above which origination costs discontinuously increase would lead to a "missing mass" of observations right above the threshold, but no bunching. In the presence of market power, however, lenders can charge a markup so that the rate spread exceeds the loan cost.

An MS WORD search of their working paper reveals Doerr and Fuster used the word "concentration" is used in their working paper **85 times**.

A WORD search reveals the use of the word "power" **19 times**.

Noting the value of the research, objectively one apparent glitch in their working paper is this:

Manufactured homes currently house about 17 million Americans, making them the largest source of unsubsidized affordable housing.^[3]

That noted, the associated footnotes takes a step in the correct direction by saying: "[3] Number taken from Jensen (2024), based on Census data. Industry publications estimate a number of manufactured home residents in excess of 20 million (see e.g., [here](#))." As detail minded and long-term readers of MHPProNews know, the more common statement is that some [22 million Americans live in a pre-HUD Code mobile home or a post-HUD Code manufactured home](#). At times, the Manufactured Housing Institute (MHI) have tossed a potential wrench into the gears of accurate data by [saying there are 21.2 million living in](#)

[manufactured homes](#), but they have used that [figure inconsistently](#) and at times with little or no explanation.

That said, Doerr and Fuster clearly referenced the [Maris Jensen university level research on manufactured housing on "market foreclosure"](#), which MHPProNews has previously explored in the report with Jensen's research document linked [here](#).

Clayton appears in 9 search results in the BIS.org working paper, starting with this one.

Treating the two largest integrated lenders, which are both affiliated with Clayton Homes (see Section 4), as one entity in the HHI calculation.

That would be 21st Mortgage Corporation and Vanderbilt Mortgage and Finance (VMF). All three firms are owned by still Warren Buffett led Berkshire Hathaway (BRK).

Another apparent glitch in their report is this:

Clayton Homes also owns over 750 retailers across the country.^[30]

[\[30\]](#) Both lenders and Clayton Homes are wholly owned subsidiary of Warren Buffett's Berkshire Hathaway. While beyond the scope of this paper, there have been reports of Berkshire Hathaway abusing its market dominance, especially among non-landowners.

While the concern about "abusing its market dominance, especially among non-landowners" is justified, their figure of 750 street retailers owned by Clayton Homes is too high, and thus incorrect. From the report [linked here](#) is the following.

From a 2011 Kevin Clayton video interview transcript in the article: "We have 450 retail stores that we own and in addition to that, we have about 1,200 wonderful independent retailers that buy product as well from us."

That [article contrasts](#) the above with the then current figures, per Clayton's website: "over 400 Clayton Homes Retail locations nationwide" for owned stores and 764 independent retailers, noting a decline.

Those glitches noted, much of the bis.org paper by Doerr and Fuster sheds a bright light on the intersection between "concentration," "market power," and higher costs; in this case, higher cost lending. More items are unpacked in [facts-evidence-analysis](#) found in Part III.

This MHVille FEA is underway.

Part I. Per BIS.org Working Papers | No 1255 linked [here](#) and [here](#) provided under [fair use guidelines](#) for [media](#) is the following.

Affordable housing, unaffordable credit? Concentration and high-cost lending for manufactured homes

BIS Working Papers | No 1255 |

07 April 2025

by [Sebastian Doerr](#) and [Andreas Fuster](#)

[PDF full text](#)

Summary

Focus

Expanding homeownership has been a prominent goal of public policy, as homeownership allows families to build wealth and provides financial security. The acute housing shortage and rapid rise in house prices, however, threaten this objective in the United States. One proposed solution is manufactured homes, which are prefabricated, permanent residences that are factory-built and then installed on a lot. Their sales price is often less than half of what it would cost to build a similarly sized home on site, reflecting substantially cheaper construction costs. While manufactured homes currently house about 17 million Americans, the market structure and lending conditions for manufactured home loans have received little attention.

Contribution

We provide novel evidence that the market for manufactured home loans is characterised by substantial market concentration that contributes to high interest rates when compared with mortgages for site-built houses. Using public application-level data on manufactured home loans collected under the Home Mortgage Disclosure Act, we first provide a series of stylised facts on the manufactured home loan market. We then show that market concentration is a key driver of higher interest rates on manufactured home loans. Our results also highlight the role of integrated (or captive) lenders in explaining the link between market concentration and interest rates.

Findings

We find that the loan market for manufactured homes is characterised by much higher local market concentration than the market for site-built home mortgages and that borrowers in counties with higher lender concentration face substantially higher loan rates. To provide additional evidence on the nexus between market concentration and rate

spreads, we exploit the Home Ownership and Equity Protection Act (HOEPA) threshold for rate spreads. Under HOEPA, high-cost loans are defined as having a rate spread exceeding 6.5 percentage points and come with higher administrative and compliance costs for lenders. We find a positive and highly significant effect of local market concentration on the probability of a loan having a rate spread just below the HOEPA threshold, consistent with lenders having market power. Finally, we show that integrated lenders, which play an outsized role in the manufactured home loan market, charge particularly high rates, and we provide evidence suggesting that these lenders exploit their market power over borrowers.

Abstract

Policy makers place high hopes in manufactured homes - the largest source of unsubsidized affordable housing in the US - to alleviate housing supply shortages. This paper shows that high market concentration in the multi-billion-dollar manufactured home loan market allows lenders to charge significantly higher interest rates than for site-built homes. Loan-level data indicate that borrowers in counties with higher lender concentration face significantly higher rates. Evidence from bunching at the regulatory HOEPA rate threshold, an instrumental variable analysis, and a difference-in-differences analysis around HOEPA's introduction suggests a causal link. We further show that integrated lenders, which play an outsized role in the manufactured home loan market, charge particularly high rates, and we provide evidence suggesting that these lenders exploit their market power over borrowers.

JEL classification: G21, G23, L13, R31

Keywords: manufactured homes, mortgage market, competition, household finance, HOEPA

The views expressed in this publication are those of the authors and not necessarily those of the BIS.

About the authors



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Part II. From the PDFs of the BIS.org Working Papers | No 1255 entitled: "Affordable housing, unaffordable credit? Concentration and high-cost lending for manufactured homes" linked [here](#) and [here](#) provided under [fair use guidelines](#) for [media](#) is the following.

Sebastian Doerr (sebastian.doerr@bis.org): Bank for International Settlements and CEPR.
Andreas Fuster (andreas.fuster@epfl.ch): EPFL, Swiss Finance Institute and CEPR. We would like to thank Helen

Banga, Matteo Benetton, Neil Bhutta, Brian Melzer, Nicola Pavanini, Jos ´e-Luis Peydr ´o, Christopher Saldan˜a, seminar participants at University of St. Gallen, Tilburg University, University of Wisconsin Madison, Erasmus University Rotterdam, IE Business School, Central Bank of Ireland, as well as at the BoE 5th Workshop on Household Finance and Housing for comments, and Zhixun Chen for excellent research assistance. The views expressed here are those of the authors only, and not necessarily those of the Bank for International Settlements.

1 Introduction

For decades, expanding homeownership has been a prominent goal of public policy in the US and other countries. Homeownership allows families to build wealth and provides financial security (Goodman and Mayer, 2018; Sodini et al., 2023), in particular for traditionally disadvantaged groups (Herbert et al., 2014; Wainer and Zabel, 2020). Homeowners exhibit higher savings rates (Di et al., 2007; Turner and Luea, 2009) and benefit from a higher internal rate of return and the favorable tax treatment of housing compared to alternative investments. Moreover, housing wealth can stimulate entrepreneurship and investment by easing collateral constraints (Corradin and Popov, 2015; Schmalz et al., 2017; Bahaj et al., 2020).

The acute housing shortage and rapid rise in house prices, however, threaten the objective of expanding homeownership.^[1] Surging construction costs, among other factors, have led to a steadily widening housing supply deficit. Recent estimates put it at a staggering four million units (Freddie Mac, 2021). Meanwhile, the cost of a typical American home substantially increased in the last decades, lowering housing affordability.

One proposed solution to the housing shortage are manufactured homes. Manufactured homes, also called mobile homes, are prefabricated, permanent residences that are factory-built and then installed on a lot. Their sales price is oftentimes less than half of what a similarly sized on-site home would cost, largely reflecting substantially cheaper construction costs. Policy makers hence place high hopes in manufactured homes to ease supply constraints in the housing market.^[2]

Manufactured homes currently house about 17 million Americans, making them the largest source of unsubsidized affordable housing.^[3] The market for manufactured home loans is also sizable: between 2018 and 2022, lenders originated almost one million manufactured home mortgages for a total of about \$150 billion, predominately to borrowers with lower socio-economic status. The market for manufactured home loans is thus comparable in size to other important loan markets, such as the market for payday loans with an annual volume of \$30 billion.^[4] And yet, despite its importance and size, the market structure and lending conditions for manufactured home loans have received little attention from academic researchers, in contrast to the mortgage market for site-built homes.

This paper provides novel evidence that the market for manufactured home loans is characterized by substantial market concentration that contributes to high interest rates when compared to mortgages on site-built properties. Our study uses public application level data on manufactured home loans collected under the Home Mortgage Disclosure Act (HMDA). We first provide a series of stylized facts on the manufactured home loan market. We then show that market concentration is a key driver of higher interest rates on manufactured home loans. Our results also highlight the role of integrated (“captive”) lenders as a potential driver of the link between market concentration and interest rates.

The HMDA data provide a wealth of information on lenders, applicants, and loan terms. Crucial to our analysis, since 2018 HMDA contains new data points specific to manufactured housing. First, HMDA provides information on whether the manufactured home is secured by the home and the land (a mortgage) or the home and not the land (a chattel or personal property loan). Second, it indicates whether the land on which a manufactured housing unit is located is owned or rented. This distinction enables us to restrict our sample to properties where the borrower owns the land (two-thirds of the sample of manufactured home loans in HMDA) to ensure a closer comparison to the market for mortgages for site-built homes. Third, HMDA contains detailed information on loan interest rates and rate spreads, which are defined as the difference between a loan’s interest rate (in terms of annual percentage rate, APR, which incorporates upfront costs) and the average APR on similar-maturity mortgage loans issued to prime borrowers at the same time (the APOR).

Our data show that, compared to site-built mortgages, manufactured home loans have substantially higher interest rates (5% vs 3.6%) and rate spreads (1.9 percentage points (pp) vs 0.5 pp). Property values and loan amounts are lower, loan terms shorter, and LTV ratios higher. Banks (i.e., deposit-taking institutions) are less important in the manufactured home loan market than in the site-built market, and loans are more likely to be retained by the lender rather than sold in the secondary market. Compared to sitebuilt mortgages, borrowers in the manufactured home loan market have lower incomes and are more likely to be white, under 35 or over 62 years old.

We also find that the loan market for manufactured homes is characterized by much higher local market concentration than the market for site-built mortgages. In the average county, the Hirschman-Herfindahl Index (HHI), a standard measure of competition used in the literature (e.g., Scharfstein and Sunderam, 2016; Buchak and Jørring, 2024), is more than three times larger. Every third county has an HHI that exceeds 0.25, i.e., is classified as highly concentrated, in the manufactured home loan market. This compares to only 2% of highly concentrated counties in the market for site-built loans.

Motivated by these facts we investigate whether local market concentration is a driver of higher rate spreads. We find a highly significant positive relationship between local market concentration and rate spreads. In our preferred specification, a 10 bp (0.1) higher county-level HHI is associated with a 10 bp higher rate spread. This result stands in stark contrast to analyses for the site-built mortgage market, where studies typically find little relationship between local concentration measures and rate spreads (Hurst et al., 2016; Amel et al., 2018; Bhutta et al., 2024; Buchak and Jørring, 2024; Fuster et al., 2024).^[5]

A concern with identifying the effects of market concentration on rate spreads is that higher spreads could reflect differences in borrower characteristics. For example, riskier borrowers could cluster in more concentrated markets, leading to a positive relationship between market concentration and spreads. To account for differences in borrower characteristics, our regressions include a battery of loan- and borrower-level controls, as well as various census tract characteristics. Furthermore, our preferred specification includes county fixed effects, meaning that time-invariant local characteristics are absorbed and the effect of interest is identified based on within-county changes in market concentration over time.

To further assess the causality of the link between concentration and rate spreads, we use a Bartik-style instrumental variable strategy. We first predict the number of originations of each lender in each county for the years 2019–2022 based on the lender’s initial originations in 2018 in a county and the national growth rate in the lender’s originations. We then use these predicted origination numbers to re-construct the HHI. The resulting

instrument thus uses only variation in market shares coming from lenders' initial local footprint alongside their nationwide growth in later years. While initial originations could correlate with unobserved local factors, county fixed effects absorb this. Two-stage least squares (2SLS) regressions confirm our baseline result: higher market concentration leads to significantly higher rate spreads. We perform a large number of additional tests to ensure the robustness of this finding.^[6]

To provide additional evidence on the nexus between market concentration and rate spreads, we exploit the Home Ownership and Equity Protection Act (HOEPA) threshold for rate spreads. HOEPA seeks to ensure that borrowers who take out high-cost loans, defined as having a rate spread exceeding 6.5 pp, have a clear understanding of the terms. High-cost mortgages are therefore subject to additional consumer protections, such as special disclosures and restrictions on loan features. Moreover, they come with various restrictions and require the lender to provide transparency to the borrower about all costs entailed. These requirements imply significantly higher administrative and compliance costs for the lender, and make lenders reluctant to originate loans with spreads above the threshold (Benzarti, 2024).

First, we find a positive and highly significant effect of the HHI on the probability of a loan having a rate spread in the bunching region ($[6, 6.5 \text{ pp}]$). A 10 bp increase in the HHI within county increases the probability of a loan having a rate spread in the bunching region by 0.15 pp, relative to an unconditional mean of 4%. This bunching suggests market power. In a perfectly competitive market, a threshold above which origination costs discontinuously increase would lead to a "missing mass" of observations right above the threshold, but no bunching. In the presence of market power, however, lenders can charge a markup so that the rate spread exceeds the loan cost. Lenders can thus decide to give up some of their rents to avoid paying the higher costs associated with HOEPA. The resulting bunching below the threshold is then indicative of market power (Bachas et al., 2021; Cox et al., 2023).

Second, we focus on the introduction of HOEPA in January 2014 and estimate difference-in-differences (DiD) regressions. We find that the introduction of HOEPA significantly reduced rate spreads in more concentrated markets. Moreover, the positive effect of market concentration on bunching below the threshold only emerged after the introduction of HOEPA, while there was no bunching and no correlation between market concentration and bunching prior to 2014. Consistent with our 2SLS regressions, these results suggest that the relationship between rate spreads and market concentration is not driven by borrowers' unobservable credit risk.

We then investigate an important contributor to concentration in the manufactured home loan market, namely the presence of integrated lenders, who account for over 20% of loans in our sample. We show that the rate spreads they charge are about 1.8 pp higher than those of nonintegrated lenders, controlling for all the borrower observables as well as county and year fixed effects. These higher rates are the opposite of what one might expect if integrated lenders have informational advantages (e.g., because they know the quality of collateral better than other lenders); instead, they suggest that integrated lenders may be exploiting their market power over borrowers at the point-of-sale of the home.^[7]

An alternative explanation for the higher rate spreads of integrated lenders is that they are part of a bundling strategy: cash-constrained buyers may be willing to pay a higher interest rate in return for a lower price on their manufactured home. We test this in two ways, but do not find support for the predictions from bundling. First, rate spreads at integrated lenders are not differentially higher for borrowers with low income (relative to the typical purchase price for a manufactured home in their area), who should benefit most from such bundling. Second, we explain that bundling would predict that after HOEPA was introduced, loan amounts and application denial rates at integrated lenders should increase, but we do not find evidence for these predictions in the data. We also study differences in lenders' financing costs as an alternative explanation for the higher rates charged by integrated lenders (who retain almost all their loans on balance sheet), but find little supporting evidence. Finally, we demonstrate that integrated lenders are more likely to originate loans as expensive chattel loans (rather than mortgages collateralized by the land) in more concentrated markets, suggestive of steering.

Despite the importance of the market for manufactured home loans for lower-income households, there has been essentially no academic research on it.^[8] We systematically investigate the effects and drivers of lender concentration in the market for manufactured home loans, and thereby make three main contributions to the literature and policy debate.

First, our findings cast doubt on manufactured homes as a straightforward solution to America's housing crisis. A naive look at the US housing market might suggest that while house prices are high, the mortgage market is highly competitive and quite efficient. Cheaper housing options should thus alleviate supply constraints and provide an affordable alternative to the ownership of site-built homes. However, our results suggest that the cheaper price of manufactured homes may be partly outweighed by higher financing costs that reflect frictions in the loan market for these homes. Policy initiatives that promote manufactured housing should thus also consider the lack of competition, and in particular the role of integrated lenders, in the mortgage market for manufactured homes.^[9]

Second, our results suggest that consumer protection regulation in the form of HOEPA can benefit many manufactured home buyers. Due to high market concentration and lenders' market power, without HOEPA manufactured home loans would have even higher rates on average. Since we find little to no effect of the introduction of HOEPA on loan originations, our results suggest that lowering the HOEPA threshold further could reduce the cost of financing manufactured homes without materially affecting the supply of loans. These findings contribute to the literature investigating the effects of rules aimed at preventing predatory lending on (mortgage) credit (Bond et al., 2009; Agarwal et al., 2014; Di Maggio and Kermani, 2017; Di Maggio et al., 2019; Benzarti, 2024).

Third, our evidence from the market for manufactured home loans also complements existing insights from other credit markets. In particular, our results contribute to the long-standing debate on market power and loan pricing in the US mortgage market. Most studies have failed to establish a reliable link between market concentration and loan rates for mortgages (Hurst et al., 2016; Bhutta et al., 2024; Buchak and Jørring, 2024; Fuster et al., 2024).^[10] Rather, the US mortgage market is generally considered as highly competitive (Amel et al., 2018) and “national in scope” (Federal Reserve System, 2008). Our setting helps in identifying the effect of concentration on rate spreads. And it shows that a segment of the mortgage market that is particularly important for low-income borrowers is characterized by low competition and high spreads, even if the mortgage market as a whole is deemed competitive. In addition, we complement studies that have considered the role of integrated (or captive) lenders for credit supply and other outcomes (e.g., Benmelech et al., 2016; Stroebe, 2016; Murfin and Pratt, 2019; Benetton et al., 2023; Hankins et al., 2023).

The rest of the paper proceeds as follows. Section 2 provides background on manufactured housing and HOEPA. It also explains our data and main variables. Section 3 reports the results for concentration, rate spreads and bunching, as well as results from instrumental variable and difference-in-differences analyses. Section 4 examines the role of integrated lenders. Section 5 concludes.

[1] See [Wall Street Journal: The Next Housing Crisis: A Historic Shortage of New Homes](#); [The New York Times: The Housing Shortage Isn't Just a Coastal Crisis Anymore](#); or [Financial Times: Housing shortage risks breaking the American dream](#).

[2] See [Council of Economic Advisers, 2021](#) and [Fannie Mae's "Duty to Serve Underserved Markets Plan"](#).

[3] Number taken from Jensen (2024), based on Census data. Industry publications estimate a number of manufactured home residents in excess of 20 million (see e.g., [here](#)).

[4] The market for payday loans has attracted significant attention in the economics literature, see Stegman (2007); Agarwal et al. (2009); Melzer (2011); Carrell and Zinman (2014); Di Maggio et al. (2020), and Allcott et al. (2022), among others. For estimates on the size of the payday loan market, see [here](#) and [here](#).

[5] We verify for our sample period, 2018 to 2022, that there is no positive relationship between the HHI and rate spreads in the site-built mortgage market once borrower characteristics are controlled for. In fact, using the same regression specification as for the manufactured home loans, the estimated relationship between local market concentration and rate spreads is sometimes negative, although in our instrumental variable specification, there is no significant relationship.

[6] For instance, we show that our results are robust to using alternative measures of market concentration; restricting the sample to purchase loans only; removing chattel loans from the sample; restricting the sample period to pre-COVID years; and to adding lender $\times$ year fixed effects or loan amount $\times$ property value fixed effects to the regression.

[7] On the other hand, we do find that nonintegrated lenders charge higher spreads on their loans when the local market share of integrated lenders is higher, consistent with concerns about adverse selection (Stroebel, 2016).

[8] At least since the year 2000, we could not find any articles on manufactured housing in the top-3 finance and top-5 economics journals. The main existing studies of the manufactured home loan market are provided by the CFPB (2014, 2021), focusing on descriptive statistics. Johnson and Todd (2017) focus specifically on concentration in manufactured home loans to American Indian and Alaska Native borrowers. After publishing our initial draft, we became aware of a dissertation chapter (not available online) by Banga (2022) that documents some of the same facts as we do and also studies the HOEPA introduction in 2014. Her paper does not study different potential drivers of the price premium charged by integrated lenders (including bundling and steering), and does not compare the loan market for manufactured homes to that for site-built homes.

[9] Recent work by Jensen (2024) explores another dimension of market power, specifically in the provision of inventory financing from manufacturers to retailers. She argues that high prices charged for this financing lower the quantity of homes shipped, exemplifying a case of “vertical foreclosure.”

[10] Although Buchak and Jørring (2024) find no relationship between interest rates and market concentration, they document a positive relationship between non-interest fees and concentration. Bhutta et al. (2024) find that the dispersion of rates is higher in

locations with lower concentration, consistent with stronger competition benefitting primarily sophisticated borrowers.

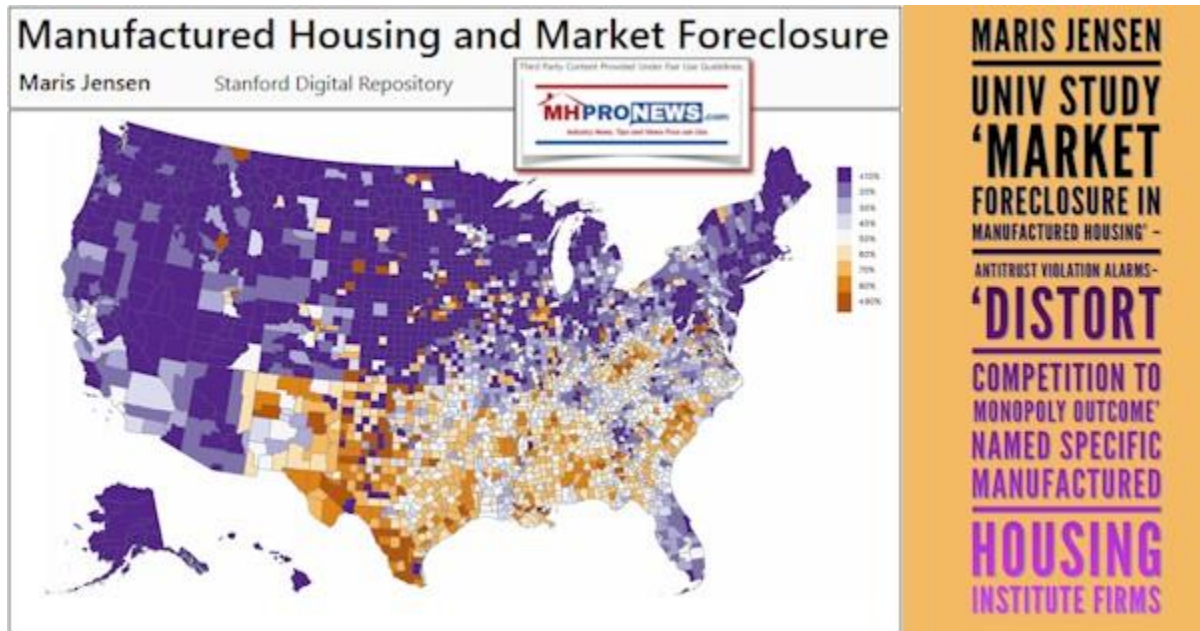
MHProNews notes that the PDF of their full research for the balance of their evidence-backed thesis is linked [here](#) and [here](#).

Part III. Additional Information from Sources as Shown plus more MHProNews Industry [Expert](#) Commentary

1) The [BIS.org working paper on manufactured housing finance cost research by Sebastian Doerr and Andreas Fuster](#) adds to the apparently growing body of evidence that relates to concerns about consolidation, concentration of market power, and what some researchers and manufactured home industry professionals have argued are examples of antitrust behavior.

Perhaps no other academic, media, governmental, or nonprofit sources has invested more time and reporting into those issues than MHProNews and/or our [MHLivingNews](#) sister site. Maris Jensen's research was referenced in the context of [Doerr's and Fuster's working paper](#).

[caption id="attachment_213474" align="aligncenter" width="600"]



<https://www.manufacturedhomepronews.com/maris-jensen-univ-study-market-foreclosure-in-manufactured-housing-antitrust-violation-alarms-distort-competition-to-monopoly-outcome-named-specific/>[/caption]

Perhaps unwittingly, Berkadia may have inadvertently shined a light detected by *MHProNews* with respect to a common effect of concentrated market power, which can include oligopoly style monopolization.

[caption id="attachment_218455" align="aligncenter" width="592"]



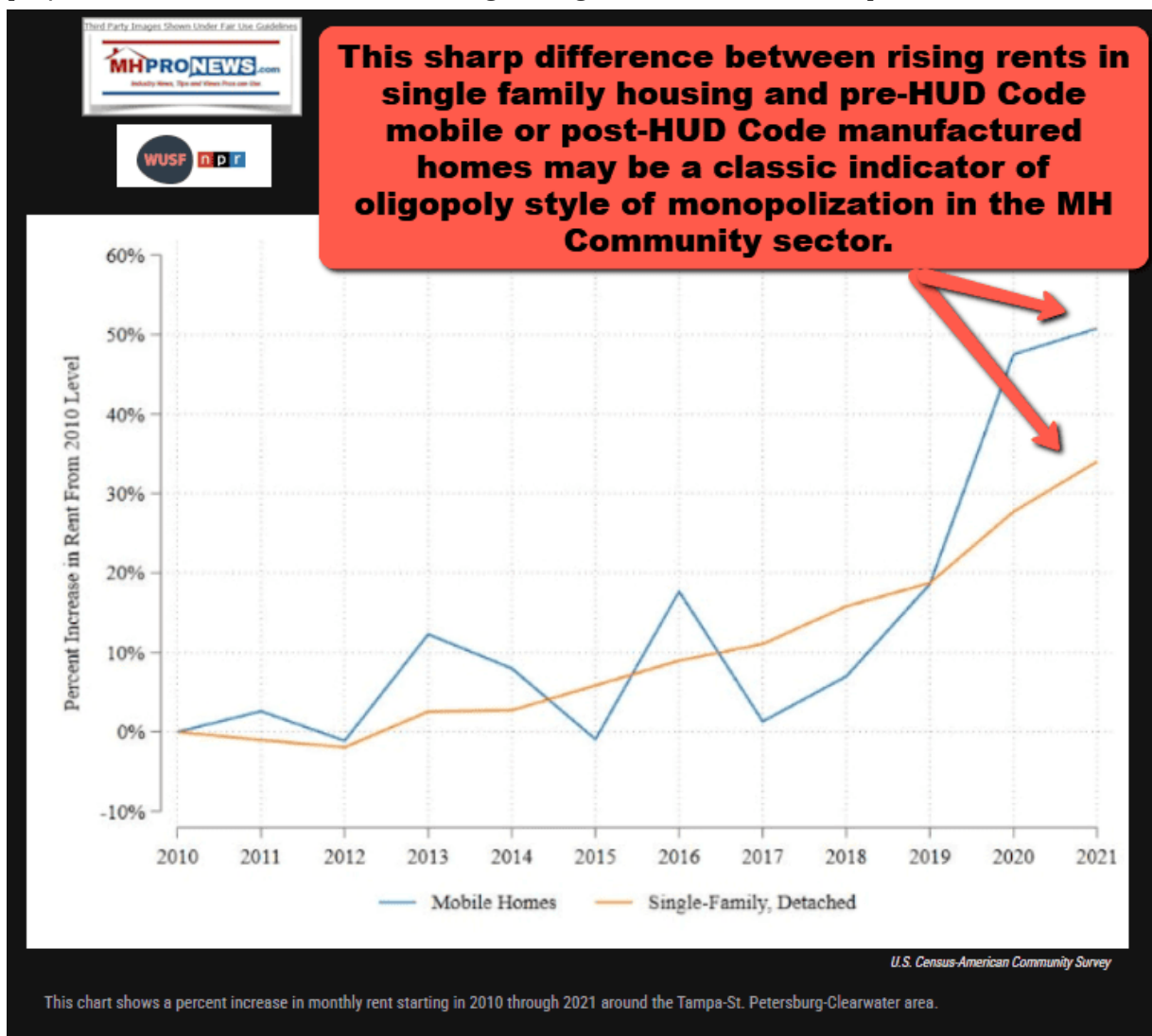
“For households, manufactured homes have appreciated faster than site-built homes, according to a study by HUD and the U.S. Census Bureau. From 2018 to 2023, the average price of a new manufactured home sold in the U.S. increased 58.3% compared to 37.7% for site-built homes.”



“For households, manufactured homes have appreciated faster than site-built homes, according to a study by HUD and the U.S. Census Bureau. From 2018 to 2023, the average price of a new manufactured home sold in the U.S. increased 58.3% compared to 37.7% for site-built homes.” See: <https://www.manufacturedhomepronews.com/berkshire-hathaway-brk-linked-berkadia-research-into-land-lease-manufactured-home-communities-market-data-trends-plus-lending-options-increase-for-manufactured-housing-market-mhville-fe/> This sort of disparity has been described by Gemini as a classic signal of the effects of monopolization of a business sector, in the manufactured housing industry instance, an apparent oligopoly style of monopolization. [/caption]

As developing of new land-lease manufactured home communities have slowed dramatically in the 21st century and the often-reported pace of [consolidation](#) of those properties into the hands of consolidators continues,

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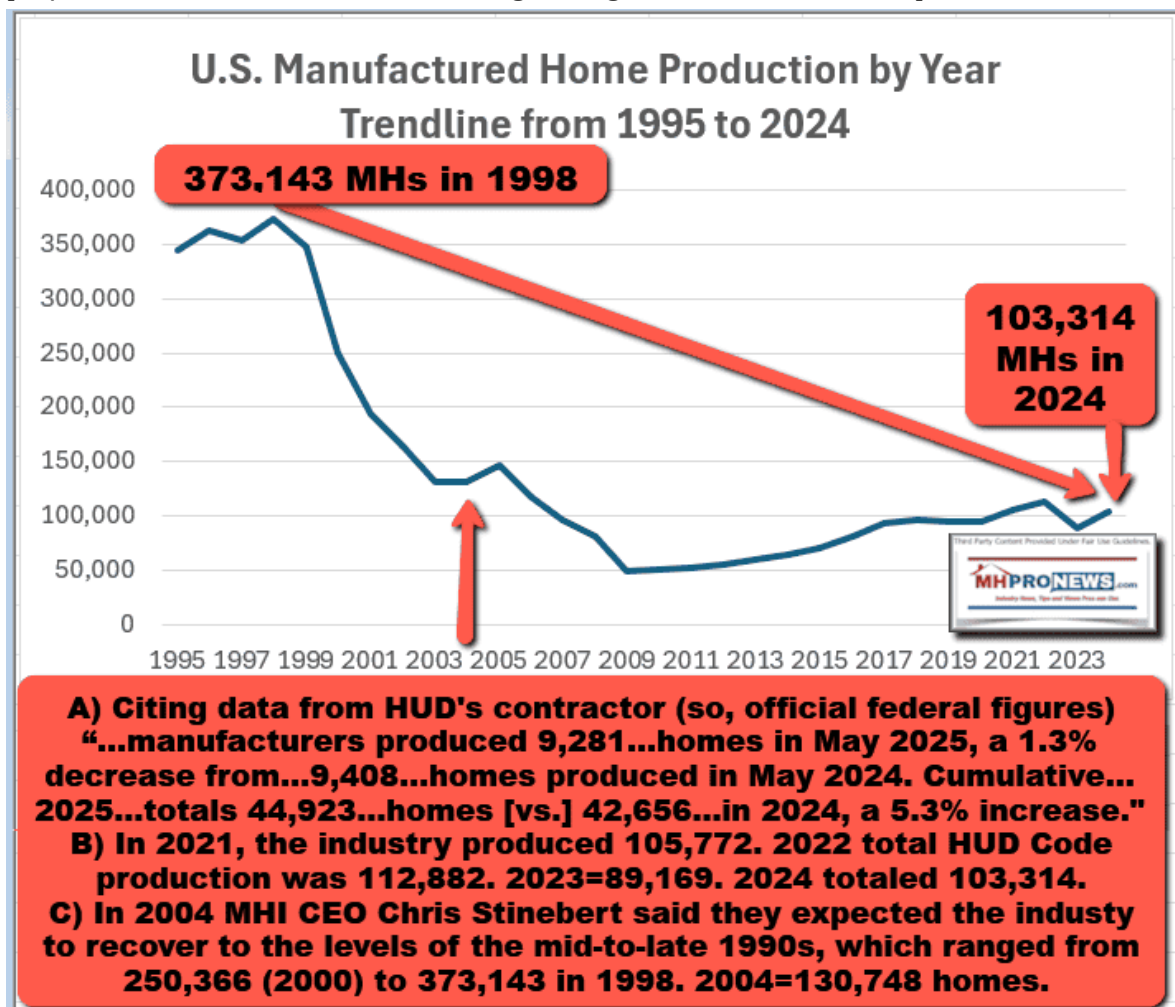
Note: depending on your browser or device, many images in this report can be clicked to expand. For example, in some browsers/devices you click the image and select 'open in a new window.' After clicking that selection, you click the image in the open window to expand the image to a larger size. To return to this page, use your back key, escape or follow the prompts. [/caption]

Among the findings the BIS.org paper updated is this. Be it financing, the sale of new manufactured homes, the cost to lease a site in a growing number of the remaining manufactured home communities (MHCs), a common outcome is increased costs to consumers. While it may be an exaggeration to attract reader attention to say that manufactured home financing is "unaffordable" lending, what is largely agreed upon is the

status quo has kept borrowing costs higher on HUD code manufactured homes than it otherwise would be if there were more cost-effective competition for lending in the market.

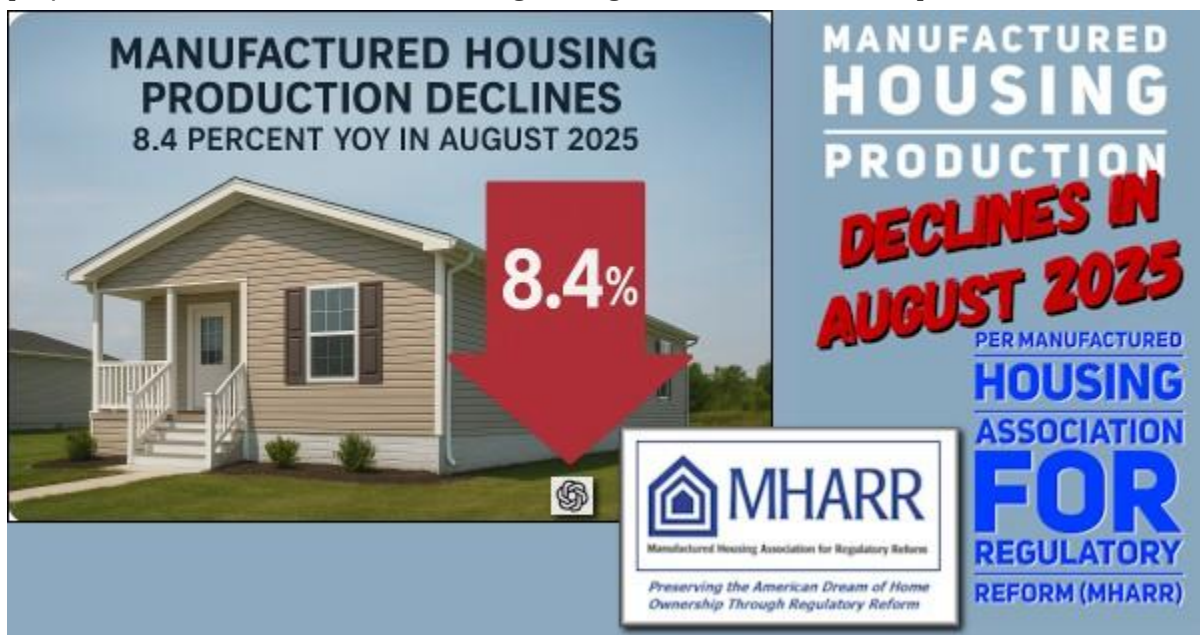
2) Because manufactured home production is relatively low, there is arguably less motivation for lenders to consider entering the manufactured home market. Sources linked to MHARR deemed reliable have told *MHProNews* off the record that if production of new manufactured homes reached 200,000 new homes annually, more producers would enter the marketplace. Some companies that idled or closed plants do to the sustained and historically low levels of manufactured housing production in the 21st century would be among them.

[caption id="attachment_216992" align="aligncenter" width="591"]



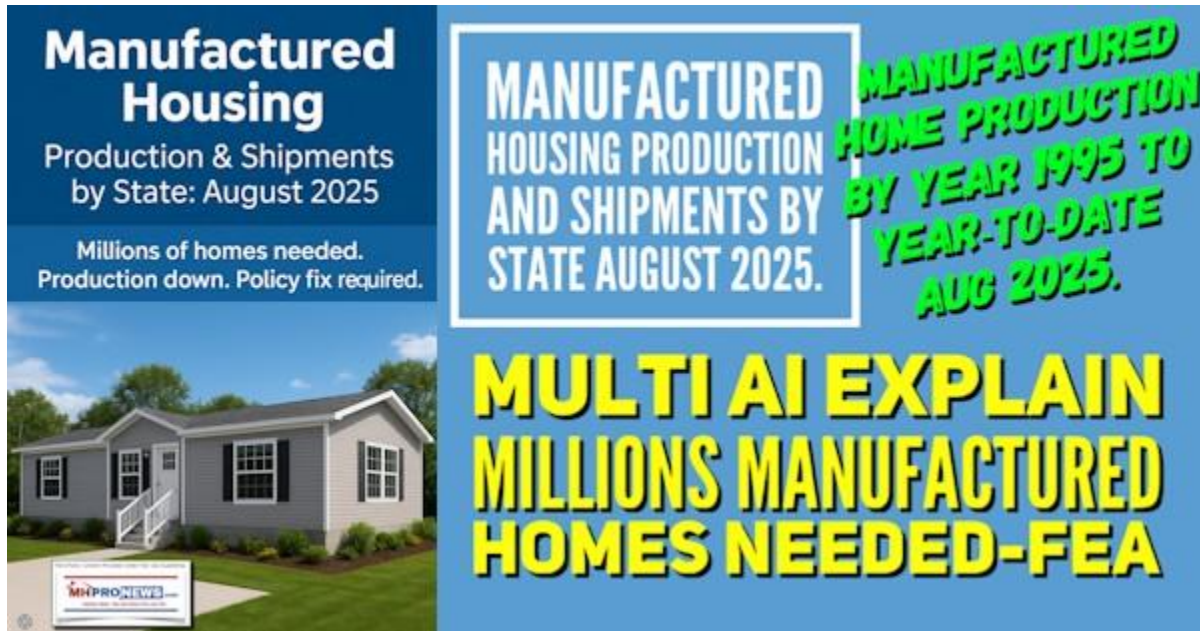
<https://www.manufacturedhomepronews.com/caution-flag-mharr-says-manufactured-housing-production-falls-slightly-in-may-2025-but-over-half-of-top-10-shipment-states-lag-2024-mhis-statement-sunday-weekly-mhville-h/> MHPProNews Note: depending on your browser or device, many images in this report and others on MHPProNews can be clicked to expand. Click the image and follow the prompts. For example, in some browsers/devices you click the image and select 'open in a new window.' After clicking that selection you click the image in the open window to expand the image to a larger size. To return to this page, use your back key, escape or follow the prompts. [/caption]

[caption id="attachment_222857" align="aligncenter" width="600"]



<https://manufacturedhousingassociationregulatoryreform.org/manufactured-housing-production-declines-in-august-2025-per-manufactured-housing-association-for-regulatory-reform-mharr/> [/caption]

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Manufactured Housing
Production & Shipments by State: August 2025

Millions of homes needed.
Production down. Policy fix required.

MANUFACTURED HOUSING PRODUCTION AND SHIPMENTS BY STATE AUGUST 2025.

MANUFACTURED HOME PRODUCTION BY YEAR 1995 TO YEAR-TO-DATE AUG 2025.

MULTI AI EXPLAIN MILLIONS MANUFACTURED HOMES NEEDED-FEA

<https://www.manufacturedhomepronews.com/manufactured-housing-production-and-shipments-by-state-august-2025-manufactured-home-production-by-year-1995-to-year-to-date-aug-2025-multi-ai-explain-millions-manufactured-homes-needed-fea/>[/caption]

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How an obsession of home ownership can ruin economy

WHAT IS CURIOUS IS THE Economist video at the 12:10/stamp mark, is SHOWING what appears to be HUD Code

RENTER'S MONEY = LANDLORD'S EQUITY

RESPONSIBLE BUYER = FAMILY EQUITY + WEALTH BUILDING

NIMBYISM

THE BIG PICTURE: RENTING VS. OWNING

MHPRONews EXPOSES THE DECEPTION

AUGUST 2025
MANUFACTURED HOUSING PRODUCTION
YEAR-OVER-YEAR
DROP.

MHARR DATA REVEAL
8 OF TOP 10
SHIPMENT STATES
TRAIL 2024
TOTALS.
MHARR-MANUFACTURED
HOUSING INSTITUTE
HITS-MISSES. MHVILLE
FEA

MHI 50 Years of Partnership with HUD
MACHIAVELLIAN HOUSING INSTITUTE
THE NATIONAL ASSOCIATION
SERVING CONSOLIDATORS OF THE
MANUFACTURED HOUSING INDUSTRY

<https://www.manufacturedhomepronews.com/august-2025-manufactured-housing-production-year-over-year-drop-mharr-data-reveal-8-of-top-10-shipment-states-trail-2024-totals-mharr-manufactured-housing-institute-hits-misses-mhville-fea/>[/caption]

3) What might be next for Doerr and Fuster in terms of such research into manufactured housing is not entirely clear. But given their phrasing of footnote #30, perhaps they are mulling related research?

[30] Both lenders and Clayton Homes are wholly owned subsidiary of Warren Buffett's Berkshire Hathaway. While beyond the scope of this paper, there have been reports of Berkshire Hathaway abusing its market dominance, especially among non-landowners.

4) Be it they or others, Samuel Strommen for Knudson Law noted that Berkshire owned and [Clayton sister-brand 21st Mortgage arguably engaged in a documented case of tying, which is a potential antitrust violation.](#)

[caption id="attachment_172694" align="aligncenter" width="649"]



1. Antitrust Allegations

"In the American manufactured housing industry, a single company stands alone at the apogee of manufacturing, retail, and finance. Warren Buffett's Berkshire Hathaway maintains a commanding position over its competitors, the symbol of triumphant capital: arching, malevolent, resplendent. While there is competition in both the manufacturing and financing sectors, such competition is nominal, as through its principal subsidiary Clayton Homes, Berkshire Hathaway maintains an impressive filigree of smaller, subordinate institutions that account for exorbitantly high market share percentages of both sectors."

- Samuel Strommen
- Knudson Law research on
- **The Monopolization of the American Manufactured Home Industry and the Formation of REITs: a Rube Goldberg Machine of Human Suffering"**



<https://www.manufacturedhomeprnews.com/masthead/true-tale-of-four-attorneys-research-into-manufactured-housing-what-they-reveal-about-why-manufactured-homes-are-underperforming-during-an-affordable-housing-crisis-facts-and-analysis> [/caption]

Related to some of the research findings by Doerr, Fuster and their colleagues is this.

[caption id="attachment_168369" align="aligncenter" width="498"]



U.S. House of Representatives Maxine Waters (D-CA), Emanuel Cleaver (D-MO), Keith Ellison (D-MN), Mike Capuano (D-MA). Image credits, Twitter, Wikipedia.

"Clayton is the nation's largest manufactured housing company and has a "near monopolistic" grip on lending to minority borrowers seeking financing for manufactured housing reaching nearly 72% of African-American borrowers, 56% of Latino borrowers, and 53% of Native American borrowers."

 - Letter to Consumer Financial Protection Bureau, Department of Justice.



Warren Buffett

has said he has no apologies for what others have called predatory lending practices. Those practices, and the lack of robust lending in manufactured housing in general, all tends to constrain sales, which leads to consolidation at discounted valuations. See the related report linked here. Waters and her colleagues filed complaints with the DOJ and CFPB, per their letter. <https://www.manufacturedhomelivingnews.com/coming-epic-affordable-housing-finance-clash-chair-maxine-waters-vs-warren-buffett-clayton-homes-historic-challenges-ahead/> [/caption]

Donna Feir, Ph.D., for the Minneapolis Federal Reserve also made similar remarks to what the BIS.org working paper indicated.

[caption id="attachment_168370" align="aligncenter" width="576"]



minneapolisfed.org

"We believe further investigation around the manufactured home financing market structure might be necessary if home loans are going to be made equally affordable for AIAN borrowers."

- Donna Feir, Ph.D.,
Research Economist



Minneapolis Federal Reserve Researcher cited the Seattle Times, which named Clayton Homes and their lending, in pointing out the inequities that plague minority borrowers in manufactured housing. <https://www.manufacturedhomelivingnews.com/coming-epic-affordable-housing-finance-clash-chair-maxine-waters-vs-warren-buffett-clayton-homes-historic-challenges-ahead/>

5) Fannie Mae and Freddie Mac are mentioned as is the Duty to Serve (DTS) manufactured housing in the BIS working document. Aptly so. The Manufactured Housing Association for Regulatory Reform (MHARR), Doug Ryan for CFED/Prosperity Now, and an array of nonprofits have attempted to shine a public light on the failure of the Federal Housing Finance Agency (FHFA) to enforce the DTS mandated under the Housing and Economic Recovery Act of 2008 (HERA).

[caption id="attachment_202472" align="aligncenter" width="607"]



Mark Weiss, J.D.,
President & CEO of MHARR.



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"While there are multiple factors having a negative impact on the affordable, mainstream manufactured housing market, there are two in particular that, over the long-term, have prevented the industry from reaching its full potential as the nation's premiere source of affordable, non-subsidized homeownership. These post-production bottlenecks, specifically addressed in MHARR's May 1, 2024 communications are: (1) the failure of FHFA and the FHFA-regulated Government Sponsored Enterprises (GSEs) (i.e., Fannie Mae and Freddie Mac), to provide any type of securitization or secondary market support for the dominant personal property consumer financing sector of the manufactured housing market under the statutory Duty to Serve Underserved Markets (DTS) mandate; and (2) HUD's failure to utilize the enhanced federal preemption of the Manufactured Housing Improvement Act of 2000 (2000 Reform Law) (i.e., existing law) to invalidate – or even challenge – discriminatory and exclusionary zoning laws targeting manufactured housing and manufactured housing residents." - [Per MHARR report on 5.2.2024]

MHProNews Notes: MHI is an umbrella style trade group that includes collecting dues from the "post-production" sector of the manufactured housing industry. MHARR is a producer's

trade group. So, when Weiss or others associated with MHARR stress that something is "a post-production" issue that is akin to saying that MHI is responsible for addressing that woe or challenge.

<https://manufacturedhousingassociationregulatoryreform.org/bottlenecks-suppressing-manufactured-housing-industry-continue-unabated/>[/caption]

6) While at first blush it may not seem related, the new article linked below on [MHLivingNews specifically mentions this BIS.org report](#) and was cross checked by multiple AI systems for its relevance and insights.

[caption id="attachment_223153" align="aligncenter" width="600"]

MHLIVINGNEWS
Was Vox's Rachel Cohen Booth Misled by MHI CEO Lesli Gooch?

Removable Chassis, ROAD to Housing Act2025, and Unpacking Apparent 'Deception and Misdirection' in Manufactured Housing Institute Communications

"WAS VOX RACHEL COHEN BOOTH MISLED BY MHI CEO LESLI GOOCH?"

REMOVABLE CHASSIS,
ROAD TO HOUSING ACT
2025, UNPACKING
EVIDENCE OF DECEPTION
AND MISDIRECTION BY
MANUFACTURED HOUSING
INSTITUTE. FEA

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MANUFACTURED HOUSING INDUSTRY

<https://www.manufacturedhomelivingnews.com/was-vox-rachel-cohen-booth-misled-by-mhi-ceo-lesli-gooch-removable-chassis-road-to-housing-act-2025-unpacking-evidence-of-deception-and-misdirection-by-manufactured-housing-institute-fea/> [/caption]

7)