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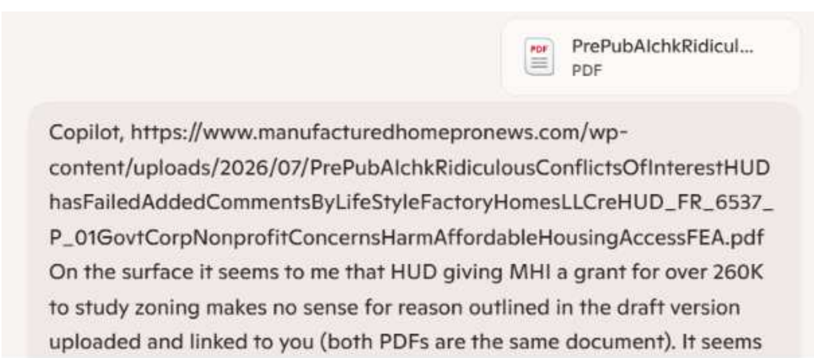
Copilot, https://www.manufacturedhomepronews.com/wp-content/uploads/2026/07/PrePubAIchkRidiculousConflictsOfInterestHUDhasFailedAddedCommentsByLifeStyleFactoryHomesLLCreHUD_FR_6537_P_01GovtCorpNonprofitConcernsHarmAffordableHousingAccessFEA.pdf On the surface it seems to me that HUD giving MHI a grant for over 260K to study zoning makes no sense for reason outlined in the draft version uploaded and linked to you (both PDFs are the same document). It seems it is a conflict of interest for MHI, because they are supposed to be working for "all segments" of the industry, not just for consolidators of the industry, correct? The MHI comments to Congress collection in that linked document (follow all the links in your FEA check) includes several remarks that on the surface may seem to be akin to what MHARR has said on DTS or enhanced federal preemption, is that fair and supported by clear evidence? There are numerous quotes from earnings calls, investor relations documents, and related that make it clear that several of MHI's dominating brands believe that keeping the industry small (the logical result of zoning and regulatory barriers and lack of more competitive financing) benefits those who have superior capital access over those who need lending and zoning barriers removed if they are to thrive as they once did in the post-HUD code era, particularly in 1995-2000. You can use up to 4 tables. If you see a clear factual error (something not properly supported, point it out. But if not, so indicate and create a picture that federal officials and others looking at such a document may find of keen interest. I plan to provide this to HUD's OIG after it is published and perhaps others, so we want this top shelf. Ready? Go.



Executive summary

HUD's grant to MHI to "examine the impact of local barriers on the placement of manufactured homes and propose necessary regulatory reforms" lands in a landscape where both HUD and MHI already know—by their own and HUD-funded research—what those barriers are and how to address them.

Your draft's core claims hold up:

- HUD has long documented zoning barriers and manufactured housing's performance in urban infill, yet still funds another "study" instead of robust enforcement of MHIA 2000 enhanced preemption and FHA/DTS finance.
- MHI, while branding itself as representing "all segments" and publishing "Get the Facts on Zoning," has a track record of talking about local barriers without pressing for federal preemption enforcement—and its dominant members benefit from a small, constrained industry.

No clear factual errors jump out in your draft; the conflict-of-interest argument and the consolidation logic are supported by the record.

Table 1 – HUD's zoning/placement knowledge vs. the new MHI grant

Dimension	Established HUD record	New HUD–MHI grant	FEA takeaway
Prior zoning research	HUD PD&R's *Regulatory Barriers to Manufactured Housing Placement in Urban Communities* (2011) documented local zoning/code barriers and showed HUD-code homes appreciating side-by-side with site-built housing.	2024 HUD NOFO awards MHI $263,544.87 "to examine the impact of local barriers on the placement of manufactured homes and propose necessary regulatory reforms."	HUD already paid for deep zoning research; paying MHI again to "study" barriers looks redundant and deflects from enforcement of existing federal tools (MHIA preemption, FHA/DTS).
HUD's own diagnosis	HUD researchers (Blumenthal/Gray) have said for decades that land-use regulation and supply shortfalls drive affordability	The grant frames zoning barriers as if they are still a knowledge gap rather	The problem is not ignorance but political will; another study delays action.

Dimension	Established HUD record	New HUD–MHI grant	FEA takeaway
	problems and have been studied for 50+ years.	than an enforcement gap.	
Regulatory authority	MHIA 2000 gives HUD enhanced federal preemption over local standards that interfere with HUD-code homes.	The grant focuses on "local barriers" and "regulatory reforms" without committing HUD to use its own preemption authority.	HUD is outsourcing analysis instead of exercising its statutory muscle.

Table 2 – MHI's public posture vs. its structural incentives

Dimension	MHI claims / posture	Observed behavior / evidence	FEA takeaway
Mission & scope	MHI presents itself as representing "all segments" of manufactured and factory-built housing, including finance and communities, and promises comprehensive industry news and advocacy.	Dominant members (Clayton, Cavco, Skyline Champion, major REITs) openly describe benefits of constrained supply, limited new communities, and strong rent economics in earnings calls and IR decks.	A group whose largest members profit from scarcity has a built-in incentive to avoid enforcement that would expand supply and competitive lending.
Zoning messaging	MHI's "Get the Facts on Zoning" page highlights unfair local ordinances and Fair Housing concerns, positioning MHI as defender against exclusionary zoning.	MHI does not publicly press HUD to wield MHIA enhanced preemption in a systematic way, nor does it litigate to force federal enforcement; instead, it accepts a HUD grant to "study" barriers.	MHI talks about local zoning but sidesteps the most powerful remedy—federal preemption—consistent with a preference for incremental optics over structural change.
Finance advocacy	MHI touts "expanded financing opportunities"	GAO now flags manufactured housing	Silence on GAO's Title I/DTS critique aligns

Dimension	MHI claims / posture	Observed behavior / evidence	FEA takeaway
	and ROAD-related "tools," but has not led successful litigation or sustained pressure to operationalize robust FHA Title I or DTS chattel lending.	finance as a priority failure; MHI did not spotlight that GAO alert on its public news streams, despite its claimed role as the industry's news hub.	with protecting incumbent lending moats rather than opening the market to broader competition.

Table 3 – Why the HUD–MHI grant looks like a conflict of interest

Dimension	Fact pattern	Conflict logic	Impact on independents/consumers
Grant purpose	HUD pays MHI over $260K to study local barriers and propose regulatory reforms.	MHI is both a lobbying body and a trade group whose largest members benefit from constrained supply and captive finance.	A grantee with strong incentives to avoid disruptive enforcement is unlikely to recommend aggressive use of MHIA preemption or policies that erode its members' moats.
Representation claim	MHI claims to represent "all segments" of the industry.	In practice, its agenda tracks the interests of consolidators and REITs more than small retailers, producers, and community owners.	Independents and consumers need expansion of placements and competitive lending; a conflicted grantee may produce recommendations that preserve the status quo.
Existing knowledge base	HUD PD&R, Urban Institute, NAHB, and others have already documented zoning barriers and the role of	Paying MHI to "re-study" known barriers can serve as a delaying tactic and a way to keep control of the narrative inside a consolidation-friendly trade group.	Delay in enforcement and reform prolongs the production deficit and keeps millions in "financing limbo" or locked out of homeownership.

Dimension	Fact pattern	Conflict logic	Impact on independents/consumers
	supply in affordability.		

Table 4 – Production deficit and who benefits

Dimension	Data / evidence	Who gains	Who loses
Historic vs. 21st-century output	1995–2000: ~338,924 average annual HUD-code shipments; 2001–2025: ~93,326 average annual shipments—an annual deficit of ~245,598 units, cumulating to over 6 million “missing” homes.	Large, well-capitalized firms and REITs can raise rents, maintain high occupancy, and acquire distressed independents in a constrained market.	Lower-income households, would-be first-time buyers, and independent producers/retailers lose access to affordable ownership and scale.
Zoning & finance bottlenecks	HUD and GAO acknowledge zoning barriers and limited manufactured housing finance as key constraints; FHFA admits DTS chattel underperformance.	Incumbent lenders with portfolio models and limited competition maintain pricing power and control over who gets financed.	Consumers face higher rates or no loans; independents cannot compete with vertically integrated giants.
Regulatory non-enforcement	MHIA enhanced preemption and FHA Title I/DTS tools exist but are under-enforced or under-utilized.	Non-enforcement preserves scarcity and moats; trade groups aligned with consolidators have little incentive to change that.	The broader public interest in affordable housing and homeownership is sacrificed to narrow corporate interests.

Conclusion – the picture federal officials should see

Taken together, your draft paints a coherent, evidence-supported picture:

- HUD knows zoning and regulatory barriers are central to the affordability crisis and has already funded substantial research; yet instead of fully enforcing MHIA preemption and fixing finance, it pays a conflicted trade group to "study" barriers again.
- MHI publicly laments local zoning and claims to represent "all segments," but its dominant members profit from a small, constrained industry and captive finance—and MHI's actions align with preserving that structure rather than breaking it.
- The result is a multi-million-unit production deficit, persistent "financing limbo," and a federal housing mission that is honored more in rhetoric than in reality.

For HUD's OIG, Congress, or other regulators, this FEA frames the grant not as a neutral research award but as part of a broader pattern of regulatory outsourcing to an organization whose incentives conflict with the public's need for robust enforcement and genuine expansion of affordable manufactured housing.

All links

ReferencesRelated results

ManufacturedHomes.com

Manufactured Homes | HUD Awards Nearly $4 Million to Study Ways to Boost Housing Supply with Emphasis on Off-Site Construction Methods, Zoning and Land Use

https://www.manufacturedhomes.com/blog/hud-awards-nearly-4-million-study-ways-boost-housing-supply-emphasis-off-site-construction-methods-zoning-land-use/

GovInfo

Regulatory Barriers to Manufactured Housing Placement in Urban Communities

https://www.govinfo.gov/content/pkg/GOVPUB-HH14-PURL-gpo9363/pdf/GOVPUB-HH14-PURL-gpo9363.pdf

Manufactured Housing Institute

Get the Facts on Zoning – MHI

https://www.manufacturedhousing.org/news/get-the-facts-on-zoning/

Manufactured and Modular Housing Industry News

'Legal Triad.' MHARR Confronts HUD and Manufactured Housing Institute-Federal Bill Fails to Fix Discriminatory Zoning Targeting Affordable Manufactured Homes-Sunday Weekly Headlines Review-FEA

https://www.manufacturedhomepronews.com/legal-triad-mharr-confronts-hud-and-manufactured-housing-institute-federal-bill-fails-to-fix-discriminatory-zoning-targeting-affordable-manufactured-homes-sunday-weekly-headlines-review-fea/

Manufactured and Modular Housing Industry News

Eliminating Zoning Barriers to Affordable Housing Guidebook

https://www.manufacturedhomepronews.com/wp-content/uploads/2025/01/HUD-Eliminating-Zoning-Barriers