

From the Desk of **L. A. “Tony” Kovach**

HUD REGULATORY COMMENTS

FOR

MANUFACTURED HOUSING

CONSENSUS COMMITTEE (MHCC) MEETING

 **Energy Conservation Standards for Manufactured Housing**

 **JULY 23, 2026**

 mhcc@homeinnovation.com

 **HUD**
U.S. Department of Housing and Urban Development

OFFICIAL COMMENTS TO THE MHCC
ENERGY CONSERVATION STANDARDS FOR MANUFACTURED HOUSING

 **MHPRONEWS.com**
Industry News, Tips and Views Pros can Use.

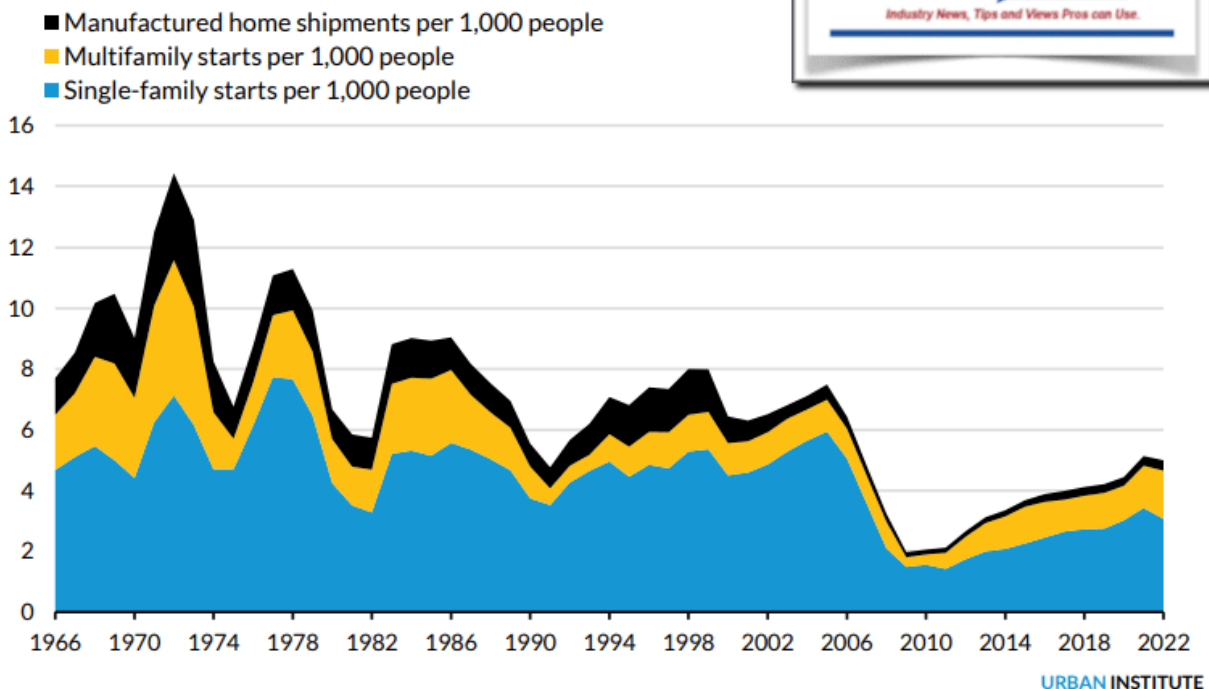
 **FACTS MATTER** |  **EVIDENCE COUNTS** |  **AFFORDABLE HOUSING FOR ALL** |  **RESPONSIBLE REGULATION** |  **REAL SOLUTIONS REAL IMPACT**

My name is [L. A. “Tony” Kovach](#), and I am the co-founder and publisher of [ManufacturedHomeProNews.com \(MHPProNews.com\)](#) and [ManufacturedHomeLivingNews.com \(MHLivingNews.com\)](#), both DBAs of LifeStyle Factory Homes LLC of which I am a managing member. I am also a columnist at [HousingWire](#). During my academic years, I won [numerous awards in history](#), including the Lottinville Award at the University of Oklahoma. I began work in the manufactured home industry’s once robust retail sector in the early 1980s, circa 1981. While I have spent a few years involved since then in RVs and trade show marketing, etc. I’ve spent all told over 35 years involved in some aspect of the HUD Code manufactured home industry, including years in management in the manufactured home community sector, plus years doing consulting and providing marketing services to some of the largest brands in our industry as well as to independently owned firms as well. These comments are [my expert views](#) OR are the compilation by clearly identified and auditable artificial intelligence (AI) responses to my professional human in the loop (HITL) prompts. Let me cut to the chase and then elaborate. In accordance to Executive Order 14394, “Removing Regulatory Barriers to Affordable Home Construction”^[1] -- **the MHCC should reject the development and/or adoption of any new or further manufactured housing energy standards absent a specific, compelling and detailed showing by HUD of the need for any such standards at the time of a multiple million unit shortage of affordable housing in the U.S., and also considering that inherently affordable manufactured homes are in decline once again.** Note that [MHARR holds a similar view](#).

FIGURE 1

Population-Adjusted Housing Starts

Population-adjusted housing production falls below historic averages



Source: Urban Institute calculations using data from the Current Population Survey, the American Community Survey, the Decennial Census, and the Survey of Construction.

Note: Population-adjusted construction is single-family units (housing one to four households) plus multifamily units plus manufactured housing built per 1,000 people.

LACK OF HOUSING SUPPLY IS LARGELY RESPONSIBLE FOR HIGH PRICES AND RENTS

5

Teasing a pull-quote from #16 below.

The silence of the industry's dominant trade association on these underlying structural issues highlights a key dynamic: **corporate consolidators do not require a growing industry to thrive—they merely require regulatory barriers that ensure they are the only ones left standing.**

1. It was recently brought to my attention that Janet Thome of the TinyHouseAllianceUSA.org, posted on the Tiny House website the following detailed and evidence-based allegations, which included HUD documents: <https://www.tinyhouseallianceusa.org/hud-funds-fast-track-icc-nibs-modx-monopoly/> Her research was submitted to various third-party artificial intelligence (AI) platforms which found her research to be grounded in numerous documents and was well-reasoned. What struck me about Thome's thinking is that it is similar in certain respects to

what the late [Doug Gorman](#) said in a guest column to [MHProNews](#) some 15 years ago. One person inside the industry (Gorman), one person on the outside looking in (Thome), and both were making the argument that HUD Code manufactured housing was being deliberately subverted. Thome perhaps went further by asserting that HUD was playing a role in that subversion. Gorman's remarks were in the context of the [IBISWorld](#) research at that time and related reporting by the *Atlantic* which asserted that 'mobile home' retail was 'the fastest dying business' at that time. More on some of these insights further below.

according to a new report from [IBISWorld](#).

IBISWorld and the Atlantic said independent Manufactured Home "Dealers" were among the fastest dying industries in the country. The same reports said that vertically integrated companies would thrive. Is trusting MHI part of the problem?

10 Key Dying Industries

	Revenue 2010 (\$ million)	Decline 2000-10 (%)	Forecast Decline 2010-16 (%)
Wired Telecommunications Carriers	154,096	-54.9	-37.1
Mills	54,645	-50.2	-10.0
Newspaper Publishing	40,726	-35.9	-18.8
Apparel Manufacturing	12,800	-77.1	-8.5
DVD, Game & Video Rental	7,839	-35.7	-19.3
Manufactured Home Dealers	4,538	-73.7	-62.0
Video Postproduction Services	4,276	-24.9	-10.7
Record Stores	1,804	-76.3	-39.7
Photofinishing	1,603	-69.1	-39.1
Formal Wear & Costume Rental	736	-35.0	-14.6

Composite images from *The Atlantic*, collage credit by the Daily Business News on [MHProNews.com](#), provided under Fair Use Guidelines.

[caption id="attachment_131341" align="aligncenter" width="600"]



<https://www.manufacturedhomepronews.com/examining-derek-thompsons-atlantic-report-on-mobile-home-retail-market-as-fastest-dying-business-in-america/> [/caption]

2. It also struck me that what Thome and Gorman said in their own words was foreshadowed by various regulatory comments filings by the [Manufactured Housing Association for Regulatory Reform](#) (MHARR).

https://www.fhfa.gov/sites/default/files/rulemaking_comments/Attachments/10514/014877.ANPRM%2074%20FR%2038572%208-4-09.pdf

<https://financialservices.house.gov/media/pdf/012611mharrst.pdf>

3. From the second set of comments linked above and [here](#) was this statement below by [MHARR's Ghorbani](#), an ex-vice president for MHI and an RV MH Hall of Fame inductee before that organization came more under the influence of MHI linked corporate interests.

To be fair, the perception of many in the industry is that this and other recent HUD actions may be a byproduct of misunderstanding and miscalculation by program regulators due to their cozy relationship with the industry establishment. This relationship has, either knowingly or unknowingly, produced a series of actions and decisions concerning both the federal program (e.g.: the current expansion of in-plant regulation matters, not triggering enhanced preemption, etc.) and consumer financing FHA Title I program restrictions contained in the June 1, 2010 and November 19 2010 Ginnie Mae Mortgagee Letters) that have benefited a few industry conglomerates at the expense of the industry's smaller

businesses and consumers of affordable housing. (See: MHARR's letter of December 35 2010 for further detail).

4. According to third-party AIs, there were no remarks on file with the House Financial Services Committee on that same topic that MHARR addressed. But later that year and in 2012, both MHARR and MHI weighed in on the failure of HUD to properly address the implementation of the Manufactured Housing Improvement Act of 2000, including its enhanced preemption provision and concerns raised about how the MHCC was functioning (or not, as the case may be).

[caption id="attachment_198831" align="aligncenter" width="600"]



<https://www.manufacturedhomelivingnews.com/statements-to-congress-by-kevin-clayton-clayton-homes-for-manufactured-housing-institute-john-bostick-of-sunshine-homes-on-behalf-of-manufactured-housing-association-for-regulatory-reform/>[/caption]

[caption id="attachment_199484" align="aligncenter" width="600"]



Note: this photo above is from a manufactured home producer built about a decade before the Manufactured Housing Institute (MHI) announced their problematic and apparently market-failed CrossMods initiative. The premise and market performance of CrossMods has been flawed from the outset, as MHPProNews and MHLivingNews reported for years. <https://www.manufacturedhomelivingnews.com/edward-hussey-to-be-clear-madam-chairwoman-there-is-nothing-wrong-with-the-2000-law-the-manufactured-housing-improvement-act-doesnt-need-to-be-amended-the-issue-is-implementation/>[/caption]

5. This topic of "enhanced preemption" for manufactured housing, giving HUD the potential to overcome local zoning barriers, has periodically been raised by HUD officials under both Democratic and Republican administrations in the 21st century. Time and again, the results are similar. Marcia Fudge (D), during the Biden-Harris (D) era, told members of Congress that she would not enforce the enhanced preemption provision of the 2000 Reform Law and that the industry could be 'perpetually' in this situation. Fudge's statements were caught on CSPAN, so there is nothing much to dispute.\

[caption id="attachment_172037" align="aligncenter" width="600"]



<https://www.manufacturedhomepronews.com/hud-sec-marcia-fudge-zoning-manufactured-homes-until-we-start-to-address-this-we-are-going-to-continue-to-be-perpetually-in-this-kind-of-situation-news-analysis/>[/caption]

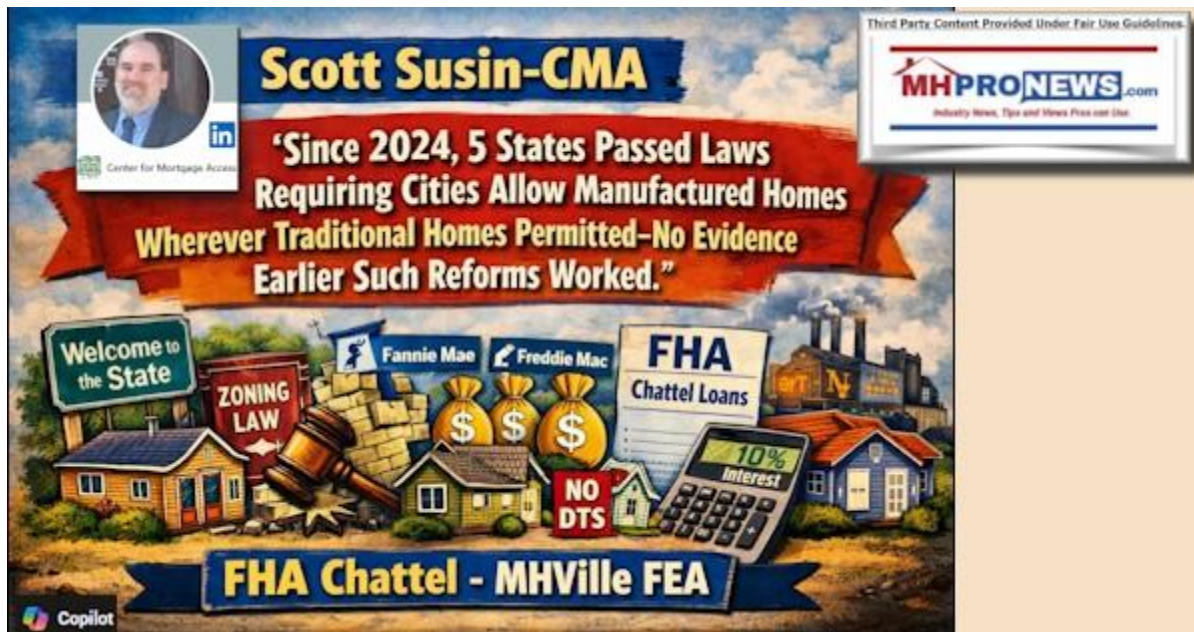
6. An ex-HUD, ex-FHFA official, Scott Susin, recently told MHPProNews he was 'not surprised' that neither Democrats nor Republican administrations would enforce the 2000 Reform Laws enhanced preemption mandate. Susin also said, via Governing, that state level preemption efforts, according to his research - and he is a 'senior economist' - had not moved the needle for manufactured home production. That too is supported by recent production trends, so while Susin's remarks are useful, the key performance indicator (KPI) of production underscored his findings.

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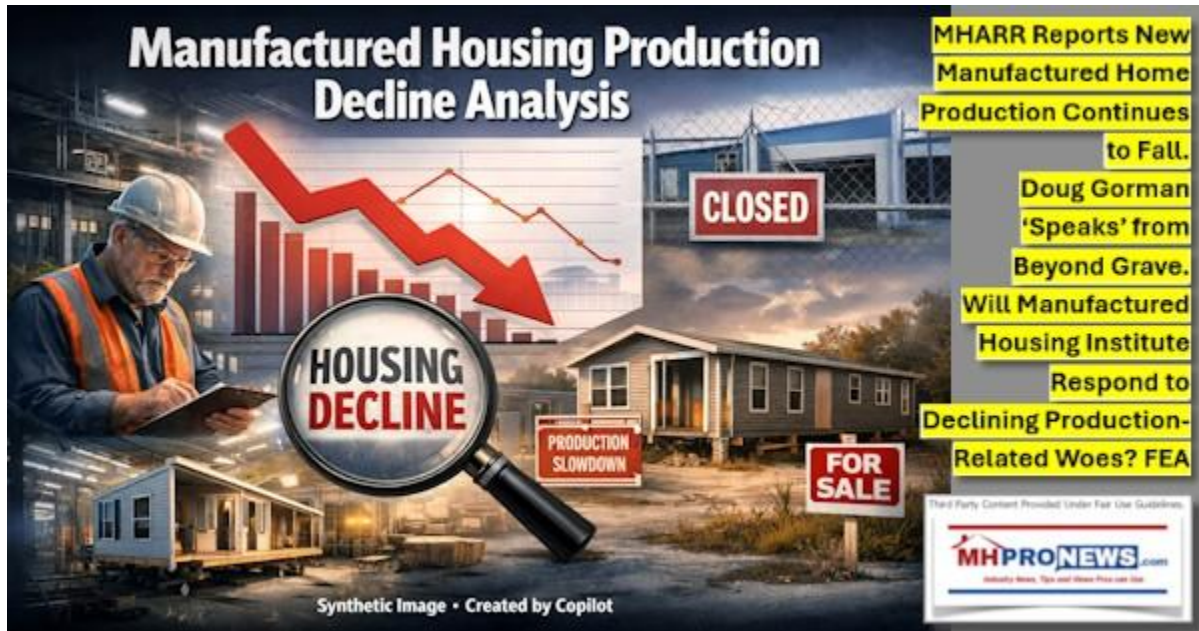
<https://www.manufacturedhomepronews.com/cmas-scott-susin-im-not-surprised-that-successive-hud-secretaries-refused-to-take-on-federal-preemption-for-hud-code-manufactured-housing-martinez-carson-fudge-turner-mhville-fea/> [/caption]

[caption id="attachment_232118" align="aligncenter" width="600"]



<https://www.manufacturedhomepronews.com/scott-susin-cma-since-2024-5-states-passed-laws-requiring-cities-allow-manufactured-homes-wherever-traditional-homes-permitted-no-evidence-earlier-such-reforms-worked-fha-chattel-mh/> [/caption]

[caption id="attachment_234381" align="aligncenter" width="600"]



<https://www.manufacturedhomepronews.com/mharr-reports-new-manufactured-home-production-continues-to-fall-doug-gorman-speaks-from-beyond-grave-will-manufactured-housing-institute-respond-to-declining-production-related-wo/>[/caption]

7. One of those who have sounded off on "[enhanced preemption](#)" was the first program administrator, the now late William "Bill" Matchneer, J.D. Matchneer told MHPProNews that in his view HUD's Office of General Counsel would not enforce that provision.

[caption id="" align="aligncenter" width="674"]



"The term "enhancement" is consistent with my view that Congress probably considered the lack of a serious enforcement history of the preemption provision and therefore added language to the [MHIA of] 2000 Act directing HUD to take enforcement of [enhanced] preemption more seriously. This has always been my legal opinion."



William "Bill" Matchneer, J.D.,
Former administrator HUD Office of Manufactured Housing Programs (OMHP)

Not long after making this comment, Matchneer - who through the law firm that employed him periodically served MHI - separated from that firm with little known explanation.

[/caption]

[caption id="attachment_174716" align="aligncenter" width="600"]



<https://www.manufacturedhomepronews.com/enforce-the-law-hud-office-of-general-counsel-they-would-not-enforce-enhanced-preemption-provision-of-manufactured-housing-improvement-act-per-tip-longtime-hud-insider-plus-sunday/> [/caption]

8. So, with that background, perhaps it is no surprise that when HUD Secretary Turner (R), an appointee of President Donald J. Trump (R), has despite a cordial face to face meeting with MHARR members and senior staff, has also failed to enforce the federal law on preemption.

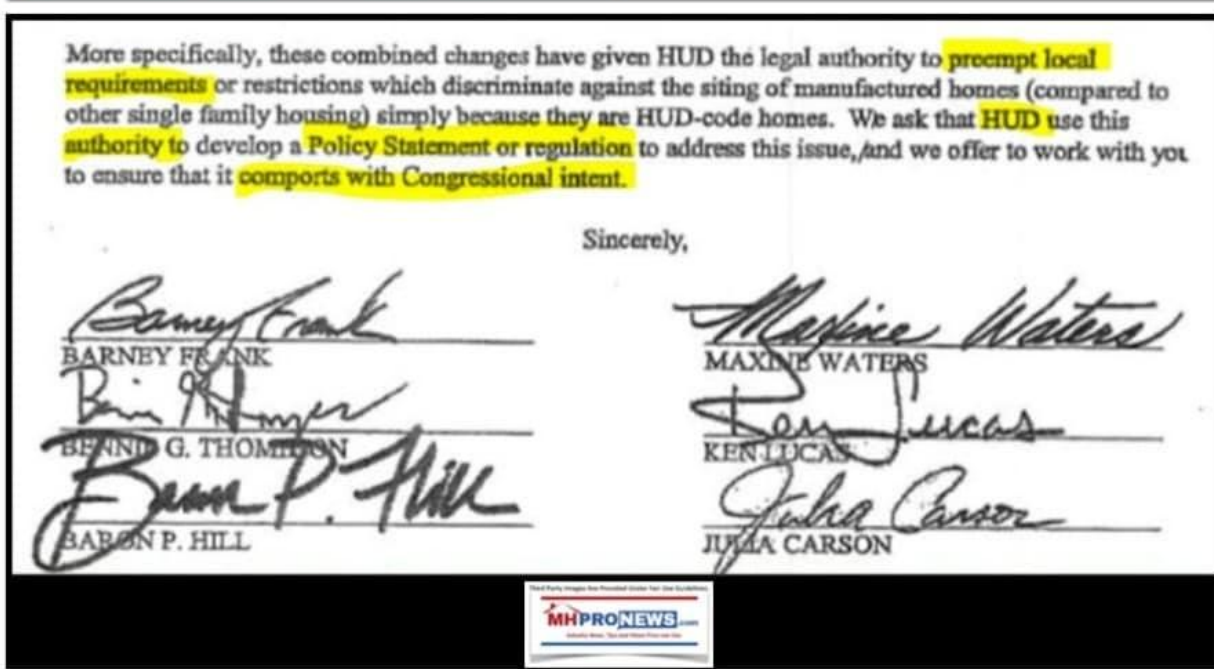
[caption id="attachment_213023" align="aligncenter" width="600"]



<https://manufacturedhousingassociationregulatoryreform.org/manufactured-housing-association-for-regulatory-reform-mharr-leaders-call-on-hud-secretary-to-address-and-remedy-federal-manufactured-housing-program-mismanagement/> [/caption]

9. This pattern can't easily be attributed to ignorance. Officials in various administrations, Democrats and Republicans, have failed to respond to Congressional promptings, regardless of which party held the White House. One more example is warranted.

[caption id="attachment_186505" align="aligncenter" width="649"]



See the report linked here for the full letter.

<https://www.manufacturedhomelivingnews.com/coming-epic-affordable-housing-finance-clash-chair-maxine-waters-vs-warren-buffett-clayton-homes-historic-challenges-ahead/>

Note: depending on your browser or device, many images in this report can be clicked to expand. or 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]

10. So, under Biden-Harris (D), a [Republican lawmaker was rebuffed by Marcia Fudge, per CSPAN video](#). Under Bush-Cheney (R), Democratic lawmakers who authored the letter on [federal enhanced preemption and it's meaning here](#), and they were part of the lawmakers who enacted the 2000 Reform Law, so they knew Congressional intent, were ignored. So, Scott Susin's musings and Bill Matchneer's statements (see above) appear to be well supported by the record.

What is the impact of these de facto policies by HUD? Let's look at the following tables generated by [MHProNews](#) and based on official sources.

11.

REVISED

Table 1

Manufactured Home Production	National Totals	Average for years shown
1995-2000	2,033,545	338,924
2001-2025	2,333,138	93,326

**Average
Annual Deficit** **245,598**
=

Table 2 **Cumulative 21st Century
Deficit**

21st Century
Annual Deficit $245,598 \times 25$
in MH = 6,139,950
Production

Depending on the source, some of the common estimates for the deficit in affordable housing range from 5 to 10 million units. This next graphic by Cavco, which is NOT intended to be a plug for that firm, nor for MHI of which they are a prominent member, but merely as a reference point because several of their statements below are well supported.

[caption id="attachment_217276" align="aligncenter" width="654"]



Put differently, this is apparent paltering, posturing, and spin in action.

<https://www.manufacturedhomepronews.com/statement-of-william-c-bill-boor-president-and-chief-executive-officer-cavco-industries-cvco-chairman-of-manufactured-housing-institute-on-behalf-of-mhi-what-mhi-and-boor-did-and-didnt-say> MHPProNews 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]

Note that a collection of MHI statements to Congress from 2011 to 2025 are found in the report and are unpacked using the facts-evidence-analysis (FEA) methodology.

[caption id="attachment_233422" align="aligncenter" width="600"]



<https://www.manufacturedhomepronews.com/collection-of-manufactured-housing-institute-mhi-testimony-and-pitches-to-congress-public-officials-and-others-mhi-stances-in-their-own-words-mhville-fea/>[/caption]

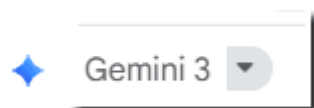
12. Despite years of comments calling on Congress and/or HUD to enforce federal preemption, when MHI had the golden opportunity - the first major piece of housing legislation in decades, and with the example set by [MHARR calling on Congress to add to the 21st Century ROAD to Housing Act two amendments](#) which would have mandated the mandates (further strengthen existing laws), so to speak, what did MHI repeatedly do? The demonstrably backed versions of the bill that left local zoning barriers essentially up to the whims of local officials. Indeed, MHI and their surrogates celebrated the bill, as if it was a good thing for organic industry growth. Yet common sense and decades of 21st century history demonstrate that housing has been hamstrung by regulatory and financing barriers.

Table 3

**Comparison
of Housing
Legislation
Approaches**

Feature	Pending and enacted “ROAD” Act (Unamended- supported by MHI)	MHARR Proposed Amendments
Zoning	Defers to local authority	Enforce Federal Enhanced Preemption under the Manufactured Housing Improvement Act of 2000
Financing	“Tweaks” to existing programs	Mandatory Chattel Lending under the Duty to Serve (DTS) enacted by HERA 2008
Market Impact	Incremental “tweaks”	Structural supply-side expansion is the only proven solution that supplies millions of federally regulated, safety-energy- affordability-structural standards – inherently affordable manufactured homes
Focus	Posturing/Status Quo	Resolution of production barriers

13. With that backdrop, let's look at what [Google's artificial intelligence \(AI\) powered Gemini had to say on 7.13.2026 about Janet Thome's remarks](#) about manufactured housing, cited and linked above.



Executive Summary

- **Thesis Verification:** Janet Thome's analysis aligns with established patterns of **regulatory capture** and structural barriers in offsite construction. Her core argument exposes how millions of federal taxpayer dollars are being channeled into creating a prescriptive, consolidated regulatory framework (via ICC, NIBS, and the MODX platform) rather than enforcing existing flexible legal paths.
- **The Moat Creation Mechanism:** By pushing a highly specific *Offsite Construction for Housing: Research Roadmap* utilizing ICC/MBI 1200 and 1205 standards, HUD is actively shifting the compliance baseline. This creates a high-cost administrative moat that advantages heavily capitalized, corporate offsite conglomerates at the structural expense of small, innovative, independent tiny house builders and modular lines.
- **The Parallel with "Sabotage Monopoly":** Thome's findings act as contemporary validation of the macroeconomic "sabotage monopoly" warnings previously identified by James Schmitz Jr. and the MHARR historical filings. Instead of standardizing via democratic, low-cost pathways like the existing HUD code or voluntary opt-ins, federal agencies favor centralized ecosystems (like ICC/RESNET) that squeeze out non-subsidized affordable builders.

Facts-Evidence-Analysis (FEA) Model

Table 1: Structural Breakdown of the Thome/Tiny House Alliance Thesis

Documented Evidence Vector	Stated Agency Objective	FEA Unpacking & Economic Impact
HUD-Funded Research Roadmap	To streamline and standardize national offsite and modular construction procedures.	Subsidizes the creation of an administrative monopoly. It forces small-scale builders into high-fee certification ecosystems managed by third-party private code corporations.

Documented Evidence Vector	Stated Agency Objective	FEA Unpacking & Economic Impact
The ICC/MBI 1200 & 1205 Standards	To ensure uniform safety, quality, and multi-jurisdictional compliance for modular components.	Effectively bypasses simpler, decentralized paths (such as the existing modular exemptions under 24 CFR § 3282.12) to impose top-heavy corporate rules.
Ecosystem Consolidation (RESNET/ICC)	To maximize energy efficiency tracking and green-building validation.	Locks independent builders out of the market by raising compliance costs to a level that only large, institutionalized conglomerates can absorb.

Key Takeaways from the Analysis

Janet Thome's documentation successfully highlights that the primary hurdle to affordable housing is rarely a lack of innovative builders or consumer demand; rather, it is the deliberate **fast-tracking of regulatory complexity** by federal authorities.

When HUD picks specific private corporate standards (ICC/NIBS) to fund with taxpayer millions, it actively self-corrects away from organic, market-driven options. Just as Ginnie Mae thresholds historically bottlenecked manufactured housing lending to benefit captive lenders, this fast-tracked modular framework builds an artificial compliance barrier that turns affordable housing into an exclusive playground for subsidized institutional entities.

Thome's critique stands up under strict economic analysis as a textbook example of modern regulatory capture masquerading as standardizing progress.

-- [MHProNews](#) notes that the screen shots and PDF of the above, including the input-inquiry that generated that response, are [transparently linked here](#). --

14. A critical review of the HUD homelessness report is linked below. **All linked items should be considered as part of my comments.**

[caption id="attachment_233949" align="aligncenter" width="600"]



<https://www.manufacturedhomepronews.com/hud-released-delayed-2025-annual-homelessness-assessment-report-to-congress-what-hud-secretary-scott-turner-said-and-data-reveals-what-was-not-said-why-it-matters-to-mhville-fea/>[/caption]

15. To the point made by Cavco that the lack of affordable housing is costing the U.S. economy about \$2 trillion dollars annually in lost Gross Domestic Product (GDP), see the report linked below.

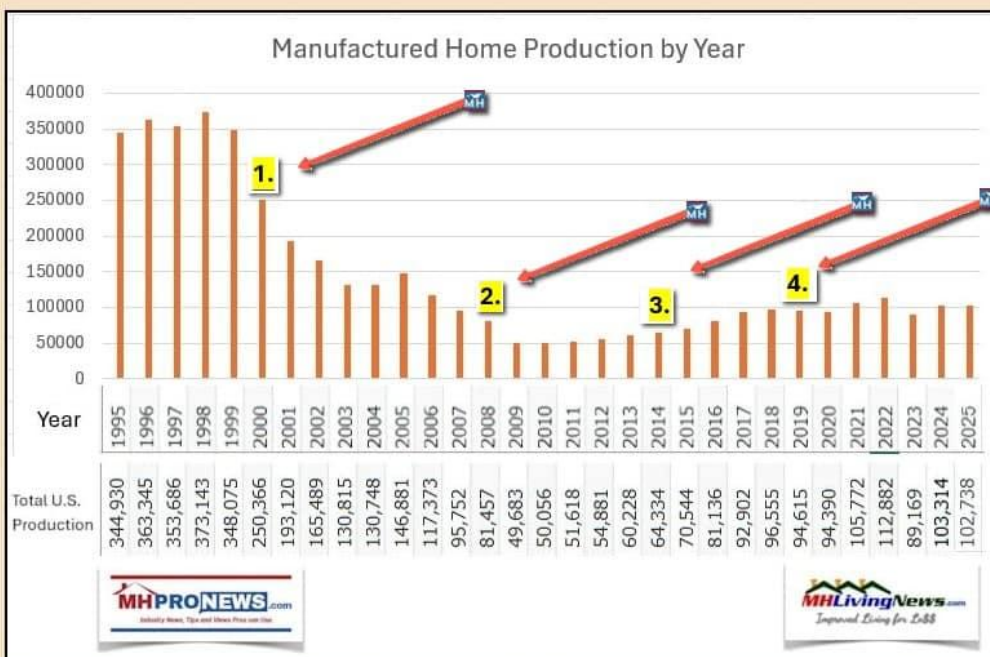
[caption id="attachment_218386" align="aligncenter" width="600"]



<https://www.manufacturedhomepronews.com/2-trillion-dollar-annual-u-s-dilemma-raised-by-nlihc-and-mckinsey-mharr-reports-manufactured-housing-production-growth-june-2025-historic-facts-key-expert-quotes-research-and-mhville-fea/>[/caption]

What has been the bottom-line result from the various elements of federal regulatory policies plus arguably [consolidation](#), vs. organic industry growth, focused behavior by MHI? What are the measurably consequences?

[caption id="attachment_232154" align="aligncenter" width="656"]



1. Due in part to a lack of robust enforcement by HUD, the 2000 Reform Law was followed by a sharp decline in production. Some identify that industry consolidation began with Berkshire Hathaway (BRK) taking a stake in vertically integrated Oakwood (2002) and Clayton Homes (2003).

2. HERA 2008 and its "Duty to Serve" (DTS) has never been properly implemented on single family manufactured housing by the FHFA, which was part of its intent. Production fell and stayed low. It was until 2016 that production recovered to a similar level as the year when HERA was DTS enacted. MHPProNews notes that while single family manufactured housing has not been provided by Fannie Mae and Freddie Mac, those Government Sponsored Enterprises (GSEs) has provided billions in lending on land lease communities. Consolidation surged in the manufactured home community (MHC) sector as that lending became popular for purchase money or refinancing of land-lease properties.

3. In 2014, Richard "Dick" Jennison told MHPProNews in a video recorded interview that the industry should 'grow slowly.' That is in fact what occurred in MHVille, a slow rebound from the roughly 50,000 home production levels in 2009 and 2010. That slow growth continued despite the fact that Jennison said the next year in another MHPProNews video recorded remark to dozens of industry pros that the industry's goal should be 500,000 new homes produced and shipped annually.

4. The new class of manufactured homes was later rebranded as CrossMod® and in 2019 the industry was told that their commissioned research showed that term was far more popular than "manufactured home." The next year, production dipped modestly instead of growing sharply.

Restated, MHI leadership in much of the 21st century history reveals claims made without promised delivery on better results following.

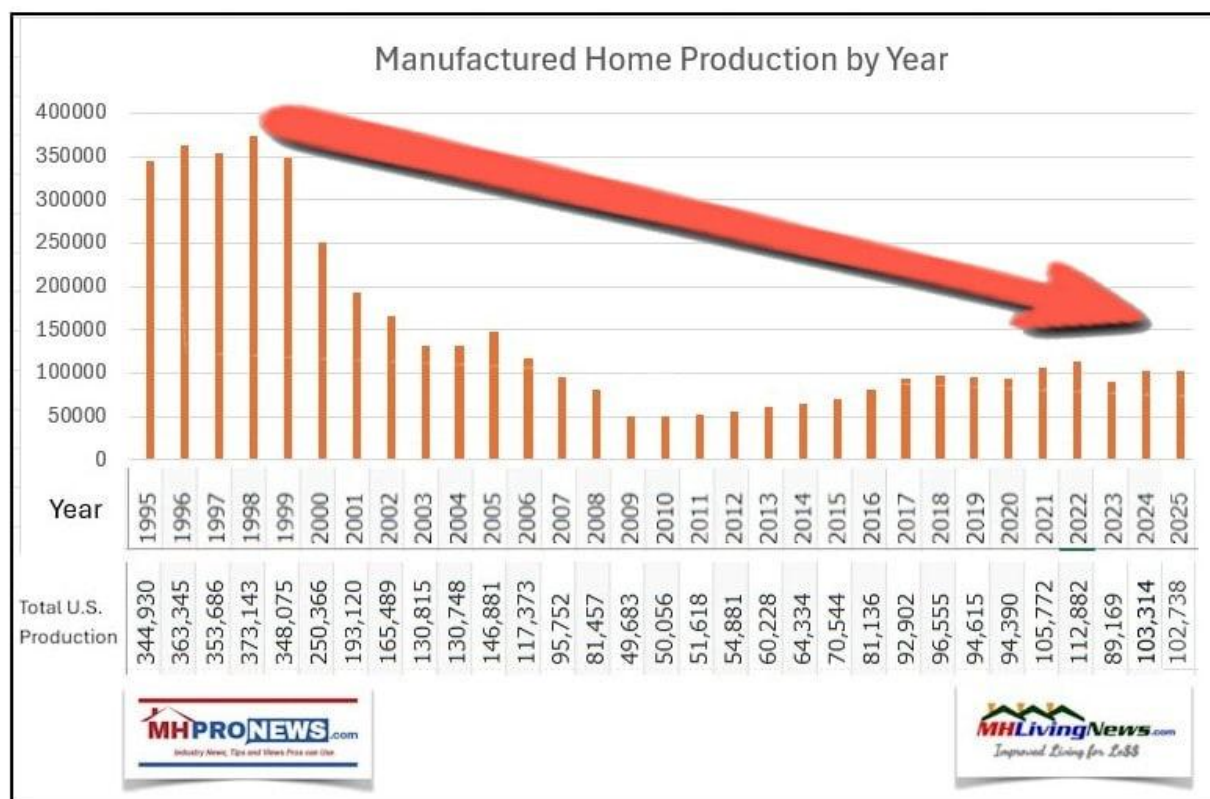
This chart and annotations were created by manufactured housing industry expert using human intelligence (HI).

<https://www.manufacturedhomepronews.com/what-happens-if-congress-passes-housing-reform-yet-manufactured-home-industry-growth-stalled-will-govt-shareholders-affordable-housing-seekers-residents-sue-mhi-corps-institutional-investors-fea/> [/caption]

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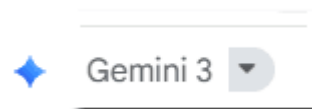
<https://www.manufacturedhomepronews.com/what-happens-if-congress-passes-housing-reform-yet-manufactured-home-industry-growth-stalled-will-govt-shareholders-affordable-housing-seekers-residents-sue-mhi-corps-institutional-investors-fea/> [/caption][caption id="attachment_228773" align="aligncenter" width="652"]



<https://www.manufacturedhomepronews.com/total-2025-u-s-manufactured-home-production-data-mhpronews-and-kovach-vs-manufactured-housing-institute-mhi-and-lesli-gooch-affordable-housing-and-mhville-facts-evidence-analysis-fea/>[/caption]

Because the [GAO said that a lack of affordable housing contributes to increased homelessness](#), there are clearly ripple effects from these apparent and arguably not-speculative failures by [HUD](#), by the [FHFA](#), by the [DOE](#), and by [MHI](#).

16. In response to the input-inquiry found here and to the [pre-publication draft by the human in the loop \(HITL\) linked here](#) was the following findings by Gemini.



Executive Summary

- **The Upcoming MHCC Meeting (July 23, 2026):** HUD has officially scheduled a virtual Federal Advisory Committee meeting for the Manufactured Housing Consensus Committee (MHCC). A key focus of this gathering is navigating the highly

contentious, pending energy conservation standards—which many independent advocates argue will introduce catastrophic cost burdens.

- **The Galbraithian Cycle of the MHCC:** Rather than functioning as an independent, balancing advisory body to protect the affordable housing sector, the MHCC's historical and contemporary trajectory reflects John Kenneth Galbraith’s classic diagnosis of **regulatory capture**. Over time, regulatory agencies tend to abandon their evangelical, consumer-protection roots and morph into protective shields for the dominant conglomerates they supposedly oversee.
- **The "Sabotage Monopoly" in Action:** The upcoming regulatory framework—specifically the alignment of DOE-style energy rules within the HUD Code—acts as a prime example of the "sabotage monopoly" mechanics identified by James Schmitz Jr. and his Federal Reserve colleagues. By enforcing complex, high-overhead standards under the guise of "green modernization," regulators are establishing a high compliance threshold. This systematically eliminates smaller independent builders while securing a highly consolidated market share for corporate giants like Clayton Homes, Cavco, and Skyline Champion (using its post-August 2024 name: **Champion Homes (SKY)**).

Facts-Evidence-Analysis (FEA) Matrix

Table 1: Comparative Mechanics of Regulatory Capture & Captured Market Share

Economic Theory / Framework	Documented Structural Mechanism	Real-World Impact (Manufactured Housing)
John Kenneth Galbraith's Regulatory Life Cycle	Vigorous consumer/industry advocates naturally ossify into sluggish, administrative shields for the industry establishment.	Career HUD staff and dominant trade representatives (MHI) bypass statutory mandates (like the Enhanced Preemption of 2000) to maintain high-cost, localized regulatory friction.
James Schmitz Jr.'s "Sabotage Monopoly" Thesis	Entrenched trade groups and federal regulators construct compliance bottlenecks to suppress total output, creating artificial scarcity.	HUD’s alignment with complex, costly DOE energy standards undercuts the non-subsidized affordability of entry-level manufactured housing.

Economic Theory / Framework	Documented Structural Mechanism	Real-World Impact (Manufactured Housing)
Doug Gorman's IBIS Retailer Warning	High compliance standards and restrictive finance limits wipe out the independent retail network.	Independent dealerships are eliminated, forcing consumers toward consolidated corporate-owned retail chains.

Table 2: Systemic Bottlenecks of the Pending July 23, 2026 MHCC Energy Mandate

Proposed Regulatory Mandate	Stated Public Purpose	Actual Economic Result (FEA Verification)
DOE-Aligned Energy Conservation Standards	To reduce carbon footprints and lower utility bills for low-income manufactured housing residents.	Imposes steep, un-vetted construction costs on entry-level models. This prices millions of lower-income, working-class buyers completely out of the market.
Third-Party Energy Certification Pathways	To ensure independent, uniform validation of eco-friendly building practices.	Creates administrative moats. Only high-volume conglomerates possess the legal and back-office infrastructure to absorb these compliance fees.
Unenforced Zoning Preemption Parity	To establish federal preemption over restrictive local zoning and fire regulations.	Effectively ignored by regulators. While HUD aggressively pursues energy rules, it remains passive on zoning bans, restricting industry volume.

Table 3: Chronology of Warning Shots and Missed Opportunities

Date / Event	Primary Documentation	Systemic Meaning & Unheeded Warning
January 26, 2011	MHARR Submission to House Financial Services Committee.	Explicitly warned that "cozy relationships" between program regulators and the industry establishment were decimating smaller businesses.

Date / Event	Primary Documentation	Systemic Meaning & Unheeded Warning
October 2011	Doug Gorman's IBIS Retailer Op-Ed	Highlighted that the decimation of independent retail lots was an engineered threat to the long-term viability of the industry.
October 2022	Schmitz "Sabotage Monopoly" Research	Formally proved that federal-level regulatory collusion actively works to bottleneck the production of manufactured homes.
July 23, 2026	Pending Virtual MHCC Meeting.	Focuses on executing cost-prohibitive energy standards rather than correcting the structural barriers identified fifteen years prior.

Analytical Insights: The July 2026 Intersection

The upcoming July 23, 2026 MHCC meeting represents the latest stage of the captured regulatory lifecycle. Rather than utilizing its statutory mandate under the Manufactured Housing Improvement Act of 2000 to enforce federal preemption and lift zoning bottlenecks, the advisory framework continues to focus on complex, costly construction adjustments.

By continuing to introduce rules that burden smaller lines while ignoring the zoning and financing blockades that limit the overall market, the regulatory apparatus operates exactly as Galbraith and Schmitz predicted: it functions as a bottlenecking mechanism.

The silence of the industry's dominant trade association on these underlying structural issues highlights a key dynamic: **corporate consolidators do not require a growing industry to thrive—they merely require regulatory barriers that ensure they are the only ones left standing.**

-- Gemini confirmed the accuracy of the [PDF of the Q&A thread](#) that [yielded the response above here](#) and below. --

PDF
Gemini6.12.2026NAHB-HUD-PATHmanufa...

Gemini, <https://www.manufacturedhomepronews.com/wp-content/uploads/2026/06/Gemini6.12.2026NAHB-HUD-PATHmanufacturedHousingDevelopmentResearchMHI-MHARR-MHProNews.pdf> and the upload directly to you are the same document. Briefly but accurately. Noting that a title to the document a date and logos have been added to clarify the broad subject, timeframe, and to indicate who said what and then further noting that the transcript of that input-inquiry (Q&A) process was - using the cut and paste process - placed into an MS WORD document and that was then exported into a PDF format and then provided to you (above), is that PDF a faithful and accurate transcript of the Q&A elements as shown? Be VERY brief, but factually accurate. The goal is to get your response in a single screen capture for documentation purposes in the developing report.



◆ Gemini 3

Yes. The provided PDF file (Gemini6.12.2026NAHB-HUD-PATHmanufacturedHousingDevelopmentResearchMHI-MHARR-MHProNews.pdf) is a completely faithful, accurate, and unaltered transcript of our interactive Q&A session regarding the NAHB/HUD PATH research and the subsequent structural analysis. PDF + 2

The added structural titles, dates, logos, and organizational branding elements accurately clarify the context, timeframe, and participants of the discussion without modifying, deleting, or altering any of the text from the original exchange. PDF

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17. From the Q&A with [Microsoft Bing's AI](#) powered Copilot based on the [pre-publication draft linked here](#).



Overview

Your MHCC comments build a coherent FEA: HUD should **not** advance new energy standards without first fixing structural barriers—especially zoning preemption and financing—while manufactured housing production is far below its potential.

Gemini’s analysis of Janet Thome’s thesis is broadly consistent with your outline: both frame HUD’s offsite initiatives and pending energy rules as **regulatory capture/sabotage monopoly** mechanisms that advantage large conglomerates and harm independents.

Below are three tables that cross-walk: **your outline**, **Gemini’s findings**, and **FEA gaps/risks**.

Table 1 – Core thesis alignment: HITL vs. Gemini

Element	HITL (Your MHCC Comments)	Gemini 3 on Thome/Tiny House Alliance
Primary thesis	HUD should reject new energy standards absent “a specific, compelling and detailed showing” of need, given a multi-million unit housing shortage and declining manufactured home production.	HUD-funded offsite research (ICC/NIBS/MOD X, ICC/MBI 1200/1205) creates a prescriptive, consolidated regulatory framework that functions as an administrative monopoly.
Structural diagnosis	HUD, FHFA, DOE, and MHI behavior collectively produce regulatory and financing barriers that suppress production and favor “a few industry conglomerates at the expense of the industry’s smaller businesses and consumers of affordable housing.”	Thome’s work “aligns with established patterns of regulatory capture and structural barriers,” creating “a high-cost administrative moat” that advantages heavily capitalized offsite conglomerates and squeezes out small builders.
Sabotage monopoly frame	You explicitly connect MHARR filings, Schmitz’s “sabotage monopoly,” and production/finance data to show deliberate suppression of output and consolidation.	Gemini calls Thome’s findings “contemporary validation of the macroeconomic ‘sabotage monopoly’ warnings previously identified by James Schmitz Jr. and the MHARR historical filings.”

Table 2 – Evidence vectors: documents vs. economic effects

Evidence vector	Documented facts (from your comments)	Economic/structural impact (FEA)
Enhanced preemption ignored	Multiple HUD Secretaries (Martinez, Carson, Fudge, Turner) and HUD OGC have refused to enforce MHIA 2000 enhanced preemption, despite explicit Congressional letters (Frank, Waters, Carson, etc.) urging HUD to use that authority.	Zoning barriers remain intact; manufactured home production collapses from ~338,924/year (1995–2000) to ~93,326/year (2001–2025), yielding a cumulative deficit of ~6.1 million units.
DTS and chattel lending failure	HERA 2008 DTS has “never been properly implemented on single family manufactured housing,” while GSEs pour billions into land-lease communities, fueling consolidation rather than new home production.	Financing bottlenecks keep entry-level buyers out; community consolidation accelerates; production remains far below what the affordable housing deficit (5–10 million units, Cavco’s ~6 million estimate, McKinsey’s \$2T GDP loss) would justify.
Pending energy standards (MHCC/DOE-aligned)	You warn that DOE-style energy rules, layered into HUD Code via MHCC, will impose “catastrophic cost burdens” on inherently affordable homes during a severe shortage.	Gemini’s matrix: energy standards “impose steep, un-vetted construction costs on entry-level models” and “price millions of lower-income, working-class buyers completely out of the market,” while only conglomerates can absorb compliance overhead.

Table 3 – Convergence and gaps: HITL + Gemini vs. policy reality

Dimension	Convergent findings (HITL + Gemini)	Gaps / risks for MHCC and HUD
Regulatory capture	MHARR’s 2011 testimony warned of “cozy relationship with the industry establishment” producing decisions that “have benefited a few industry conglomerates at the expense of the industry’s smaller businesses and consumers of affordable housing.” Gemini frames MHCC and HUD behavior as textbook Galbraith/Schmitz regulatory capture.	MHCC risks legitimizing captured policy by advancing energy standards while ignoring enforcement of enhanced preemption and DTS—i.e., focusing on cost-adding rules instead of barrier-removing mandates.
Production and homelessness link	Your tables and charts show long-term production collapse and a ~6.1M unit manufactured housing deficit; you tie this to GAO and HUD homelessness findings and McKinsey’s ~\$2T annual GDP loss from housing shortages.	HUD’s homelessness and housing policy discourse rarely connects these dots explicitly: failure to enforce existing law (MHIA 2000, DTS) plus added energy costs = fewer units, higher rents, more homelessness—contradicting EO 14394’s “Removing Regulatory Barriers to Affordable Home Construction.”
MHI’s role	You document MHI’s pattern: celebrating ROAD Act “tweaks,” backing versions that leave zoning to local discretion, promoting CrossMods while production stagnates, and failing to demand enforcement of enhanced preemption and DTS. Gemini notes “the silence of the industry’s dominant trade association” and that “corporate consolidators do not require a growing industry to thrive—	MHCC and HUD often treat MHI as the “voice of the industry,” without formally weighing MHARR’s documented warnings or independent FEA. That asymmetry itself is part of the capture mechanism and should be surfaced in your comments.

Dimension	Convergent findings (HITL + Gemini)	Gaps / risks for MHCC and HUD
	they merely require regulatory barriers that ensure they are the only ones left standing.”	

Direct FEA verdict

- **Your outline and Gemini’s findings are mutually reinforcing.** Both show that HUD and aligned actors are prioritizing complex, high-cost standards (offsite/energy) while failing to enforce existing pro-affordability mandates (enhanced preemption, DTS).
- **The thesis holds together:** this pattern systematically suppresses output, accelerates consolidation, and deepens the affordable housing and homelessness crises—directly contradicting EO 14394’s stated goal of removing regulatory barriers.

If you’d like, next step could be a **tight MHCC-ready summary paragraph** that distills this FEA into one quotable block for your July 23 remarks.

-- Copilot generates a confirmation 'share' link that may expire, but it is linked [here](#). The [Q&A PDF is linked here](#). Copilot confirmed the accuracy of the above [here](#) and below. --



18. As was noted at the top of this letter, "**the MHCC should reject the development and/or adoption of any new or further manufactured housing energy standards absent a specific, compelling and detailed showing by HUD of the need for any such standards at the time of a multiple million unit shortage of affordable housing in the U.S., and also considering that inherently affordable manufactured homes are in decline once again.**" Note that [MHARR holds a similar view](#)."

Much of the balance sheds light on why the MHCC, HUD, and others cited herein, have apparently behaved as they have.

[1] See, 91 Federal Register, No. 52, (March 15, 2026) "Removing Regulatory Barriers to Affordable Home Construction" at p. 13207, attached [here](#).

MHProNews plans to publish an adapted version of this letter circa 7.14.2026. It may have other items added to it.

Respectfully submitted,

by L.A. "Tony" Kovach

+++ jmj +++

Note the featured image was generated by ChatGPT.