



Preserving the American Dream of Home  
Ownership Through Regulatory Reform

**MHARR**

**NEWS**

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**FOCUS RETURNS TO CONGRESS ON MAJOR ISSUES**

**Washington, D.C., December 14, 2010** -- Ten years after the enactment of the landmark Manufactured Housing Improvement Act of 2000 -- watershed legislation passed unanimously by both houses of Congress in order to complete the transition of manufactured housing from the “trailers” of yesteryear to legitimate “housing” and ensure its parity with all other types of homes -- the promise of that law, for both the industry and consumers, remains unfilled.

Instead, the past decade has seen the Department of Housing and Urban Development (HUD) and its manufactured housing program either ignore, evade or circumvent both the broad transformative purposes of that law, as well as the specific reforms mandated by Congress in order to achieve those purposes. This failure by HUD to fully and properly implement the 2000 law and its vision has had a devastating impact on the industry and American consumers of affordable housing, as consumer financing has virtually disappeared and production of HUD-regulated manufactured homes since 2000 has declined by nearly 90%, with a 40% drop just between 2008 and 2009.

Now, with even further declines in production forecast for 2010 despite the end of the recession, and with consumers of affordable housing continuing to suffer, Congress needs to be fully engaged in this matter and must intervene to positively alter the course of the HUD program. Accordingly, the Manufactured Housing Association for Regulatory Reform (MHARR), as it did in the 1990’s in the lead-up to the 2000 law, has once again taken the lead to alert Congress to the need for significant remedial action. To jump-start this effort, MHARR has identified and catalogued specific HUD failures to fully and properly implement the 2000 law, together with their cumulative impact on the availability of consumer financing, in a letter to the Department (see, copy attached). This letter will serve as the foundation and basis for MHARR’s drive to fully engage Congress and seek appropriate intervention.

As MHARR’s letter makes clear, the disastrous consequences of HUD’s failure to implement and follow the 2000 law extend far beyond the HUD regulatory program. Because HUD itself continues to view and regulate manufactured homes as “trailers” rather than “homes,” it legitimates ongoing discrimination against manufactured homes

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and manufactured home buyers in critical areas such as placement, zoning and, most importantly, financing. Thus, following HUD's lead, finance securitization providers for both the public (i.e., Ginnie Mae) and private consumer financing markets (i.e., Fannie Mae, Freddie Mac and their regulator, the Federal Housing Finance Agency) subject manufactured home loans to requirements that far exceed those for other types of homes, making such financing virtually unavailable for the lower and moderate-income families that the industry primarily serves. And, as HUD continues to ignore both the letter and intent of the 2000 law, making such financing discrimination possible, the industry's largest businesses benefit from reduced competition, at the expense of smaller industry businesses and consumers.

MHARR, therefore, recognizing the inevitable linkage between the failure of the HUD program to fully and properly implement the 2000 law, the continuing discrimination against manufactured homes in the arena of consumer financing and the decline of the industry, is looking to Congress for the necessary leadership to resolve these critical problems that are devastating the industry and, at the same time, denying affordable, non-subsidized home ownership to lower and moderate-income American families.

The Manufactured Housing Association for Regulatory Reform is a Washington, D.C.-based national trade association representing the views and interests of producers of federally-regulated manufactured housing.