

# **2023 Manufactured Housing Advocacy Week: Federal Manufactured Housing Legislation Briefing**



# Overview of the Meeting

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1. Welcome & Introductions 2:00 ET
2. Description of the Advocacy Week 2:05 ET
3. Overview of the Four Primary Federal Proposals 2:10 ET
  - Manufactured Housing Tenant's Bill of Rights Act
  - PRICE Program Funding
  - Fair Manufactured Housing Lending Act
  - Frank Adelman Manufactured Housing Community Sustainability Act
4. Tips for Meeting with Congressional Offices 2:30 ET
5. Questions from Home Owners 2:40 ET
6. Conclusion 3:00 ET

# Speakers

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**Carol Wayman** currently serves as a Legislative Assistant to Senator Catherine Cortez Masto (D-NV) where she staffs the Senator on her banking and housing portfolio. In the 116th Congress, Carol served as Minority Staff Director for the Economic Policy Subcommittee of the Senate Committee on Banking, Housing and Urban Affairs. Previous positions include Legislative Director for Congressman Keith Ellison, Federal Policy Director for CFED and the Director of Policy at the National Congress for Community Economic Development.



**Andrew Dunn**, *Legislative Assistant*, U.S. Representative Suzanne Bonamici (D-OR01). Andrew has handled housing and consumer protection policy for the Congresswoman since March 2021. Before serving in his current role, Andrew was Legislative Correspondent and Staff Assistant for the Congresswoman from 2018 to 2020. He attended the University of Oregon.

# Federal Manufactured Housing Legislation

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## Proposed Legislation:

- Manufactured Housing Tenant's Bill of Rights Act
- PRICE Program Funding
- Fair Manufactured Housing Lending Act
- Frank Adelman Manufactured Housing Community Sustainability Act



# Manufactured Housing Tenant's Bill of Rights

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It would establish a set of minimum standards for tenants in MHCs that receive federal financing through Fannie Mae, Freddie Mac, or the Federal Housing Administration, modeled off of the Fannie Mae and Freddie Mac TSLPs. The protections included in the House bill last Congress include:

- The right to a one-year renewable lease absent good cause for nonrenewal.
- A 5-day grace period for late rent payments.
- A minimum 60-day written notice of rent increases or new added charges like water or sewer of up to 5% of the prior rent, with longer notice for larger rent increases (an additional 30 days required for each 2.5% rent increase above 5%).
- Rights for the tenant to:
  - Sell the manufactured home without having to relocate it.
  - Sublet the home or assign the lease to a buyer of the home provided the buyer meets the MHC's rules and regulations.
  - Post "for sale" signs on the home.
  - Sell the manufactured home in place within 45 days after eviction, to prevent the homeowner from losing their equity.
  - Receive at least 60 days advanced notice of the MHC's planned sale or closure

# PRICE Program Funding

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- In 2022, Congress created a new program, the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program. PRICE will provide \$225 million to preserve and revitalize some manufactured homes and communities (MHCs).
- The primary purpose is to bring community infrastructure up to code. Infrastructure improvements could upgrade water, sewer, septic and electric systems. Investments can repair roads, storm water drainage and sidewalks too.
- Funds can also support home improvements such as removing abandoned and blighted homes, improving foundations and upgrading or adding storm shelters. Funds can also be used for eviction prevention and relocation assistance.
- It is important for the PRICE Program to become a permanent program with ongoing funding. The 2024 federal budget has not yet been approved and, currently, the U.S. House has only \$20 million in its draft budget and the U.S. Senate does not have anything.

# Fair Manufactured Housing Lending Act

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- In response to the last housing crisis, Congress decided to protect consumers, including manufactured home buyers, from expensive and predatory home loans through the Truth in Lending Act. Mortgage originators were prohibited from steering home buyers to their own expensive, affiliated lenders. Manufactured housing retailers were defined as mortgage originators.
- In 2018, manufactured housing retailers were exempted from the Truth in Lending Act and the strong consumer protections were replaced with ineffective disclosure requirements.
- Removing this exemption would mean retailers were once again covered and consumers would be protected from unscrupulous retailers who might want to take advantage of home buyers through their own more expensive lenders.

# Frank Adelman Manufactured Housing Community Sustainability Act

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- Nationwide, there are more than 1,000 manufactured home communities owned by residents or nonprofit organizations. However, this represents only 2% of the MHC's in the country.
- Rather than sell to residents or nonprofits, property owners are often more inclined to pass the property on to their heirs, avoiding capital gains taxes.
- Modeled on policies adopted in several states, the act provides a tax incentive for community owners to sell to their residents. It creates a 75 percent federal tax credit on the sale of the property. So for example, if the owner sells the land to a resident cooperative, instead of paying \$150,000 on a \$1 million gain, the owner will only pay \$37,500.



# Tips on (Virtual) Congressional Meetings

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1. Come prepared
2. Identify everyone on the call
3. Make a personal connection
4. Say what you know
5. Know your legislation
6. Be specific and direct about what you want
7. Stay focused
8. Don't argue
9. Maintain control of the meeting
10. Briefing materials should be "brief"
11. Anticipate the arguments of your opponents
12. Follow up

# Questions & Answers

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# Thank you!

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