



# NATIONAL MANUFACTURED HOME OWNERS ASSOCIATION

2380 Wycliff Street, Suite 200, St. Paul, MN 55114 • 202-800-9795

[www.nmhoa.org](http://www.nmhoa.org) • [david.r.anderson.nmhoa@gmail.com](mailto:david.r.anderson.nmhoa@gmail.com)

April 20, 2022

## **Executive Director**

David R. Anderson

## **Board of Directors**

**Gary Miller, President & CEO**  
Delaware

**Sandy Overlock, First Vice President.**  
Massachusetts

**Marjory Gilsrud, VP Resident-Owned Communities**  
Minnesota

**Patricia McHugh, Treasurer / Secretary**  
Nevada

**Trevor Nelson, VP Midwestern Region**  
Minnesota

**Joseph Sullivan, VP Northeastern Region**  
New Jersey

**Russell Watson, VP, Southern Region**  
Florida

**Rita Loberger, VP Western Region**  
Oregon

**Linda Edelman, At-Large**  
New Jersey

**Nancy Inglehart, At-Large**  
Oregon

**David Kruczek, At-Large**  
New Jersey

**Gary Lunde, At-Large**  
Washington

**Mark Manendo, At-Large**  
Nevada

**Michael Peirce, At-Large**  
Colorado

**Frank Pojman, At-Large**  
Ohio

**Anne Sadler, At-Large**  
Washington

**Tim Sheahan, At-Large**  
California

White House Council on Environmental Quality  
Manufactured Housing Task Force  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20500

ATTN: Steve Dunn, U.S. Department of Energy, [steve.dunn@ee.doe.gov](mailto:steve.dunn@ee.doe.gov)  
Nathan Schultz, U.S. Department of Housing and Urban Development,  
[nathan.shultz@hud.gov](mailto:nathan.shultz@hud.gov)

Dear Task Force Members:

I write to submit comments on behalf of the National Manufactured Home Owners Association. NMHOA exists to promote, represent, preserve and enhance the rights and interests of people living in manufactured homes. We are a member-led organization that focuses on enhancing human dignity by supporting the development of leadership for change in low-income manufactured home park communities through strategies based in community education, economic development, and public policy change.

Manufactured housing is a significant source of unsubsidized affordable housing for those living on modest incomes, and an accessible opportunity for home ownership. There are 22 million people living in manufactured homes, including those placed in the nation's estimated 50,000 park communities. Since 1989, manufactured housing has accounted for 21% of all new single-family homes sold; in 2009, manufactured housing accounted for 43% of all new homes sold under \$150,000 and 23% of all new homes sold under \$200,000. In part, this is because of their extreme affordability. In fact, as of 2020, the median income served by manufactured home ownership was \$38,087 and by manufactured home rental was \$28,280, which both fall below the Multifamily Tax Subsidy Income Limit.

Manufactured homeowners, unfortunately, face a range of challenges in making use of what should be a valuable resource for both affordable housing as well as sustainable homeownership. Those challenges extend from buying and maintaining a manufactured home, to paying manufactured home community site rent, to ensuring the safety and security of their manufactured home community. Fortunately, several states have developed policies and programs that provide highly-effective options for addressing these challenges.

## **Manufactured Home Purchase and Maintenance**

Since 1976, the construction standards for manufactured homes have been determined at a federal level, through the National Manufactured Housing

*The mission of NMHOA is to promote, represent, preserve, and enhance the rights and interests of manufactured home-owners throughout the United States.*

Construction and Safety Standards Act of 1974 (the HUD code), in recognition that the homes are built off-site and therefore may be constructed in one state, sold in a second, and sited in a third. The Manufactured Housing Improvement Act (MHIA) of 2000 made significant changes, expanded HUD's authority to include installation standards, and created the Manufactured Housing Consensus Committee (MHCC) – which includes producers, consumers, and public officials – to review and recommend changes to the construction and safety code, and installation standards. The ongoing evolution of these regulations have led to significant improvements in design, construction, and installation.

However, many consumers face the problem of only being able to buy older model manufactured homes. Because the homes are classified as “personal property” rather than “real property,” buyers are most often only able to receive high-cost, poor-quality chattel loans; despite presenting the same collateral assets as a site-built home buyer. In fact, 88% of new manufactured homes are titled as chattel even though 66% are located on privately-owned land and only 34% in manufactured home communities. In 2015, two-thirds of manufactured home loans were classified as “high cost” (having a substantially high interest rate) with rates as high as 9-10% and terms as short as 7-18 years; which makes high-cost loans for manufactured homes 7 times more likely than for site-built homes.

This leads many consumers to buy cheaper, older model homes built before the HUD Code established national design, performance, and installation standards; in part, because the lower cost may allow them to buy the home for cash. Manufactured home owners are more likely than single-family home owners to purchase their homes for cash, rather than through financing, 33% to 12%, respectively. “Mobile homes” built prior to 1976 are considered by many to be the “worst housing stock” in America. These homes suffer from leaking roofs, dangerous or inefficient heating sources, lack of insulation, and deteriorating foundations. Some residents of these homes even experience a housing cost burden from utilities alone, with average monthly utilities costs requiring more than 30% of their household income; according to research done by Virginia Center for Housing Research (VCHR) at Virginia Tech. In addition, there were nearly 20,000 cold-weather related deaths in the United States between 1979 and 2016, and a 2018 study suggested even a 15% increase in home energy efficiency could prevent 30,000 asthma attacks each year.

While it is important to encourage higher levels of manufactured home energy efficiency, the primary challenge is not producing manufactured homes that are more energy efficient, but enabling consumers to either make improvements to their existing homes or replace them with more energy efficient homes. There are already manufactured homes being produced based on more efficient standards. In 2020, the manufactured housing industry shipped 94,401 homes and 30% of them (29,686) were certified as Energy Star. The DOE, HUD, and others should focus on providing home buyers and home owners with more tools. Doing so would mean providing more and better financing strategies for purchasing and improving manufactured homes, either in general or tied to the purchase of homes meeting certain energy efficiency standards. It might mean supporting home replacement programs, such as those being conducted or piloted in states, such as Maine, Minnesota, Montana, Oregon, Tennessee, Vermont, and Washington. These tools might also include more resources for rehabilitating, retrofitting, or weatherizing existing homes.

### Manufactured Home Community Site Rent and Eviction Protection

When the pandemic began, households earning less than \$40,000 were the most severely impacted by the economic consequences, which means those impacts fell disproportionately on manufactured home owners. At both the state and federal levels, emergency rental assistance programs made funds available to

cushion the fallout, ensure families were securely housed, and keep people safe. Unfortunately, people who owned manufactured homes but rented the land underneath it found themselves in a grey area. Many states had existing rental assistance programs that did not view “home owners” as eligible recipients, or “site rent” as an eligible expense. Fortunately, some states reevaluated their existing policies and practices and explicitly identified their eligibility, including Minnesota when it used federal funds to launch the COVID Housing Assistance Program (CHAP) and later RentHelpMN. However, with the end of eviction moratoriums and rental assistance programs, eviction rates have risen to above pre-pandemic levels.

Even in traditional times, though, manufactured home owners suffered from a severe imbalance between protections for their rights as home owners and the manufactured home community owners’ rights as land owners. Often, a resident home owner’s only viable response to an eviction may be the sale of the home to the community owner for a fraction of its worth and probably a fraction of what the resident still owes the institution that financed the home. The resident will leave the community with no equity or even owing a sizeable debt to the manufactured home financier. Often community owners even have a financial incentive to follow this draconian path. It opens up a home site the community owner can then use to sell the existing home or a new home to another resident. Thirty states have some prohibition against community owners arbitrarily denying a resident the right to sell the home on-site. Many of these laws also provide a right to post “for sale” signs and the right to sell the home without engaging the community owner as the sales agent.

Many states recognize the unfairness of allowing a community owner to evict a resident who has paid the rent and followed the community rules. Thirty-three states currently have some statutory provision regarding grounds for eviction of a resident from a manufactured housing community. Some are full-fledged good cause statutes, prohibiting the community owner from terminating the lease or refusing to renew it except for good cause such as failure to pay rent or violation of community rules. However, the allowable grounds for eviction vary greatly from state to state. In some states, the law is not completely clear that the listed grounds are the only grounds allowed, and some states include a catch-all such as “any legitimate business reason” as permissible grounds for eviction.

In addition, some states still allow community owners to evict homeowners without showing any reason at all. Many states are unclear as to whether the community owner can evade the good cause requirement by simply declining to offer the resident a renewal lease once the existing lease expires, and only 16 states require that manufactured housing community leases be of at least a certain length; most commonly one year. States can, as Minnesota did, require leases continue month-to-month after their fixed term has expired, which then preserves protections provided by good cause eviction standards.

### Manufactured Home Community Safety and Security

Manufactured housing is well-positioned to be an increasingly important affordable housing resource. New model homes are as well-constructed as their site-built counterparts, with similar longevity and deterioration rates, and are more affordable than site-built homes. Unfortunately, park residents are in a vulnerable housing situation arising from an arrangement in which they own their homes, but not the underlying land. As a result, they face the threat of a park being closed, needed park improvements not being made, unfair or inconsistently applied park rules, capricious rent increases, and an inability to accumulate equity. The closure of a park often leaves the effected homeowners with few other housing options, and in many cases, results in the loss of their homes. When a park closes, usually only a small fraction of the homes

are relocated due to moving costs, the shortage of available lots, and restrictions other communities place on older homes.

States have taken steps to protect owners of manufactured homes in land-lease communities by enacting policies that give homeowners an opportunity to purchase the land. Long term control over the land on which the home sits can also have a significant impact on its financing and appreciation as an asset. In order for low-income homeowners to benefit from lower cost financing and build wealth through asset appreciation, they must have long-term control over the land. Nineteen states have policies in place that either encourage or require community owners to give the resident home owners an opportunity to purchase the land. State laws include advance notice prior to sale, a duty to consider any offer the residents make and negotiate in good faith, a right of first refusal when the community is sold, and/or a tax incentive for community owners to sell to the resident home owners. As a result of policies such as these, over a thousand communities nationwide are now owned by homeowners or nonprofit organizations.

In addition, states have taken steps to ensure the health and safety of manufactured home communities regardless of their ownership model. For example, Minnesota established the Manufactured Home Community Redevelopment (MHCR) program to provide grants to either purchase communities or improve community infrastructure. The program was launched in 2020 and, since then, each round of funding has been significantly over-subscribed. In 2022 alone, the program approved proposals from 12 park communities provide with 1,247 home sites dealing with water and sewer systems, electrical systems, storm shelters, and road projects. The program is producing multiple benefits, not only addressing significant health and safety problems, but, as requirements of the program, guaranteeing continued operation as a manufactured home park community for at least 25 years and limiting rent increases to 5% or less, unless justified by actual costs.

Thank you for the opportunity to provide comments on manufactured housing policies and programs. I welcome any questions you may have about these comments.

Sincerely,

Dave Anderson, MPA, Ed.D.  
Executive Director