TOI ROBERTS: Hello and welcome to the Federal Housing Finance Agency's 2023 Duty to Serve Markets Public Listening Sessions. I am Toi Roberts, a member of the Duty to Serve Markets team, and I will be emceeing today's listening session, and the session is being recorded. Thank you all for joining us here today. We are excited to be hosting another series of public listening sessions this year that focuses on all three Duty to Serve underserved markets. This year's listening sessions we are particularly interested in getting your feedback on the Enterprise's next Duty to Serve plan cycle activities for 2025 to 2027. We will be hosting three listening sessions, one for each Duty to Serve underserved market, and for today's session we will be focusing on the manufactured housing market. But, before we get started, I'd like to first introduce you to our Senior Policy Analyst on a Duty to Serve Markets team specializing in manufactured housing, Mr. Mike Price.

MIKE PRICE: Hey, thank you Toi. I am Mike Price, I serve as Senior Policy Analyst for the Duty to Serve program, really since its inception. I also serve on the Federal Home Loan Bank Affordable Housing program at FHFA. It is my pleasure to welcome all of you again to this virtual Duty to Serve Listening Session on the manufactured housing market, and it is also my distinct pleasure to introduce Ted Wartell, who will be providing our opening remarks. Ted is the Associate Director of the Office of Housing and Community Investment in the Division of Housing Mission and Goals at FHFA, and since the creation of the Office of the Housing Community Investment, he has coordinated oversight of the Enterprise's affordable housing goals, the Duty to Serve and the Federal Home Loan Bank affordable programs, and that's quite a bit to be supervising I can tell you. Now prior to coming to FHFA, Ted served as a Director of Regulatory Affairs at the Office of the Comptroller of the Currency. He also served as Chief of Staff for Community Lending at Fannie Mae, and prior to that, served as Director of the Office of Policy at the U.S. Small Business Administration. Furthermore, he served as a budget analyst for affordable housing programs at the U.S. Office of Management and Budget, Ted.

TED WARTELL: Oh, thanks Mike, and good afternoon and welcome everyone. Thanks also to Toi and to Mike for getting us started, and thank you to all of you, especially for your participation today and your participation and interest all week. You know, the Enterprises' work in the three Duty to Serve markets really are among their most important responsibilities that they have, and input from stakeholders like all of you is an extremely important element of that work. As Toi said, this week we're having three listening sessions on the Duty to Serve markets. Yesterday was a great session on rural housing and tomorrow we will focus on affordable housing preservation, and today we are talking about manufactured housing. Manufactured housing has the potential to address the limited supply of affordable options available to U.S. home buyers without government subsidy. The availability of mortgage funding for manufactured homeowners and homeowners and renters living in manufactured housing communities with protections are a particular focus and a particular, of Duty to Serve, a particular concern in this market. The Enterprises currently support manufactured housing titled as real estate, manufactured housing communities with tenant pad lease protections, and communities owned by residents, non-profits or government entities. In a few minutes Fannie Mae and Freddie Mac will tell you themselves a little bit more about what they've done and what they are doing to address the needs of the manufactured housing market and what they plan, what they're thinking about doing, I should say, in the future. Here at FHFA, we are already gearing up for submissions of the Duty to Serve plans for 2025 through 2027 and that's where this week's listening sessions play really such an important role. Fannie, Freddie and FHFA need to hear from stakeholders like all of you about what current activities they should continue in their next plans, what new activities they should undertake, and which critical activities should be eligible for Duty to Serve extra credit. So, on behalf of all of us and the entire Duty to Serve team thank you again for joining us. I encourage you to attend tomorrow's session where we'll talk about preservation. Please take a look at FHFA.gov in the coming days and weeks for recordings and transcripts of all these listening sessions. And, let me turn it back now to Toi.

TOI ROBERTS: All right, so before we move forward with the remainder of the agenda I do have a few important housekeeping remarks. As you know, we have organized this webinar in order to obtain your input on the Enterprises' next Duty to Serve plan activities this fall, that fall under each of the three Duty to Serve underserved markets. During today's session, FHFA will not discuss the status or timing of any potential rulemaking. If FHFA does decide to engage in a rulemaking on any matters discussed at this meeting, this meeting would not take the place of a public comment process. The rulemaking document would establish the public comment process and you would need to submit your comments if any, in accordance with the submission instructions in that document. FHFA may summarize the feedback gathered at today's session in a future rulemaking document if we determine that a summary would be useful to explain the basis of a rulemaking. Also, please keep in mind that nothing said in today's session should be construed or binding on or a final decision by the FHFA Director or FHFA staff. Any questions we may have are focused on understanding your views and do not indicate a position of FHFA staff or the agency. We have a great lineup of speakers today and we will hear from 18 guest speakers and midway through we will have a short 10-minute break. Each speaker will have up to five minutes to speak and we will try our best to stay on schedule and ask that everyone speaking help us do so as well. I will be chiming in to give each speaker a one minute warning as their time draws to a close. If someone does go over their time unfortunately I will have to interrupt in order to help keep us on schedule. However, if that does happen, speakers are welcome to submit written testimony and their full testimony will be included in the public comments record. Each speaker will have the ability to mute and unmute their microphones throughout the session, but we ask that you keep your microphones muted until it is time for you to speak. We also ask that all speakers be prepared to turn on your video cameras during your speaking segments. Finally, as we mentioned earlier, today's listening session will be recorded. FHFA will also prepare a transcript of today's session which will include the names of all speakers and the organizations they represent. We will post a recording and transcript on FHFA's website and YouTube channel along with any materials being presented today. All right, so now before we begin to hear from our guest speakers each Enterprise will speak briefly about today's listening session on the manufacture housing market. First up, we will hear from Fannie Mae and speaking from Fannie Mae’s Duty to Serve team is, Mr. William Stoker.

WILLIAM STOKER: Great, thank you Toi. I think we were going to have a slide to help orient the folks here, would you mind pulling that up? Great, thank you. Thank you to Mike Price, to Ted Wartell and his team and certainly to Director Thompson for convening today's session. My name is Will Stoker and I'm here representing Fannie Mae. As a member of Fannie Mae's Engagement and Impact team, I partner with members of our single-family and multi-family business to define and advance strategies for serving over 20 million people in this country who choose to live in a manufactured home. What excites me about this session is, as I look at the roster of participants, it's very clear to me that folks are thinking about opportunities to incorporate manufactured housing into the broader affordable housing landscape in this country. So, as Ted mentioned, there was a session yesterday on Rural Housing one of our first speakers for today participated in that session and also will participate tomorrow on the topic of affordable housing preservation. So as we think about the opportunity and the promise of manufactured housing as an affordable supply option, that opportunity is multifaceted and we intend to use the Duty to Serve plan writing cycle to recognize that and to develop new strategies that draw upon the capacity and expertise of others working in the affordable housing domain. It's no secret that we are in a challenging housing environment right now. As lenders and borrowers respond to these challenges, our efforts to develop new products and educate market participants on our programs for manufactured housing have become all the more important and we've described some of those efforts here on the screen. Last year on the single-family side of our business, we worked with 73 lenders who delivered their very first manufactured housing mortgage loans to Fannie Mae, including some of our largest single-family customers by loan origination volume. And the loans that they delivered were largely made to first-time homebuyers and low and moderate income households. On the multi-family side, we successfully implemented the tenant site lease protections for all new loan acquisitions and financed over 47,000 units through that program. And we enrolled over 20,000 units in a relatively new program designed to improve access to credit for renters living in a multi-family property. These types of outreach efforts are absolutely necessary and they have a real impact on the lives of the homeowners and renters that we serve, and we intend to continue those proactive efforts heading into the next plan cycle. We recognize that there are many national legislative and policy making efforts taking place right now which have the potential to change the manufactured housing ecosystem in a meaningful way. So efforts to promote energy efficiency and to update the HUD code are two examples of this. And as those efforts progress, we intend to partner with the industry to develop research and loan product development strategies which respond to these new market opportunities. Similar to the approach that we have taken for our Equitable Housing Finance plan, we will take a consumer oriented approach to our Duty to Serve plan writing by considering the major consumer barriers and pain points experienced by consumers living in manufactured housing, and developing from there a robust solution set which incorporates loan purchases, targeted loan product development efforts and outreach, and partnerships with key market stakeholders, to develop common strategies for serving the market. And we are looking forward to hearing your thoughts today on what those common strategies should be. Again, thank you for the opportunity to participate in today's listening session and to learn from you all. And with that, I'll conclude my remarks. Thank you for your time.

TOI ROBERTS: Thank you William. Now we will hear from Freddie Mac, and speaking from the Freddie Mac Duty to Serve team is, Mr. Dennis Smith.

DENNIS SMITH: Thank you Toi, and thank you everyone for participating in today's session and for your continuing support for Freddie Mac's efforts to serve the manufactured housing market. We feel fortunate to be joined today by the thought leaders, market participants and others with deep expertise in manufactured housing and we appreciate your feedback, ideas, collaboration and efforts aimed at making a positive difference to people and communities across the country. We also appreciate the team at FHFA, which continues to offer not just oversight, but a thought partnership and strategic insights that help guide our work. Thank you for hosting today's forum. Over the course of the Duty to Serve, we've increased our presence in certain areas and expanded into others. We've had important successes largely because of your willingness to share your insights and experience with us and to work in a spirit of partnership. Through this work we've also deepened our knowledge of what it takes to better serve underserved markets. First, we've always known the importance of collaborating across the ecosystem to help move housing forward. But, our work under Duty to Serve has put an exclamation point on it. Progress requires strong relationships, deep expertise and patience. Related to that, no single solution can transform the market, instead it comes about through incremental change plus outreach and education to help maximize the benefits. This certainly is true in the manufactured housing market which has the potential to play an even bigger role in filling the housing affordability gap than it does today. For example, based on industry feedback, creativity and collaboration we've introduced more than 20 policy updates through Duty to Serve to increase affordable lending and access to credit to buy and refinance single-family manufactured homes. Among them, we've more closely aligned financing for manufactured and site-built homes and expanded eligibility to single section homes and cross mod homes. We're also helping to advance the use of manufactured homes in new neighborhood developments and infill opportunities and much more. Through 2022, Freddie Mac provided well over $5 billion in financing to help people nationwide attain and sustain home ownership with manufactured homes. About 3/4 of those borrowers earn low in moderate incomes and more than half of home purchase loans went to first-time home buyers. To further affordability and in collaboration with FHFA, we recently eliminated upfront fees on Duty to Serve qualified loans, including on manufactured home loans. 2022 also represented the first full year in which we required tenant pad lease protections for all future manufactured housing community transactions. Our financing through year-end 2022, has supported more than 36,000 pads with Duty to Serve tenant protections nationwide. Resident owned communities are another important part of the market. Our offering has been in place for several years and through this offering we provided ROC financing and continue to work with our lender network to find additional opportunities to support resident owned communities. Recently though, unfavorable market conditions have caused headwinds that have slowed loan originations and therefore our loan purchases across the board. We're working through this difficult environment with our partners throughout the market in fulfilling our mission to support market stability and affordability in all economic conditions. On the other hand, a long time challenge has been misperceptions that keep manufactured housing from realizing its potential. We're working across the ecosystem to help clear them away and see positive results, but it takes patience and persistence. I described several the ways we've been doing that. In addition, the thought leadership we've produced highlights the benefits and growth opportunities of manufactured homes. Overall we've made good progress in the manufactured housing market together but, there's more to do. We appreciate the opportunity to learn from you today and look forward to your constructive feedback which we'll consider as we develop our next Duty to Serve plan. Your input and your support are critical to ensuring that we build on that progress during the next plan cycle. Thank you so much for allowing us time today, and I'll give it back to you Toi.

TOI ROBERTS: Thank you Dennis. Okay, so now without further to do we will now begin hearing from our guest speakers, and we're a little ahead of schedule so we'll just go ahead and get started now. Our first speaker today is Mr. Dave Anderson of the National Manufactured Home Owners Association.

DAVE ANDERSON: Thank you very much. I offer these comments as you said on behalf of the National Manufactured Home Owners Association. NMHOA exists to promote the rights and interests of the 22 million people living in 7 million manufactured homes around the country, including nearly 3 million families who live on rented land in manufactured home communities. We appreciate FHFA providing this opportunity to comment on the Enterprise's manufactured housing activities as they begin preparing for the upcoming 2025 through 2027 Duty to Serve plan cycle. Manufactured housing obviously is a significant source of unsubsidized affordable housing for those living on modest incomes and an accessible opportunity for home ownership. As I said, there are 22 million people living in manufactured homes including those placed in the nation's estimated 50,000 park communities. In part this is because of their extreme affordability. In fact, as of 2020 the median income served by manufactured home ownership was $38,000 and by manufactured home rental was approximately $28,000. Since

1976, the construction standards have obviously been regulated at the federal level through what's commonly referred to as the HUD code and NMHOA provided input and support for the most recent round of updates to the HUD code which are the largest set of changes in over two decades and should further improve the quality and safety of manufactured home construction. In addition, the U.S. Department of Energy published the final rule for manufactured housing energy standards which should provide the first ever energy conservation standards for manufactured homes. The most significant barrier at this point facing consumers in accessing high quality, deeply affordable housing and home ownership is adequate financing options at both the individual home buyer and the manufactured home community levels. 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. In fact 88% of the 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 as a result were classified as high cost with rates as high as 9 to 10 % in terms as short as 7 to 18 years, which is a bit like buying on a credit card with only the length of time of a student loan to pay it off. This leads many consumers to buy cheaper older model homes built before the HUD code and in part because the lower cost may allow them to purchase the homes for cash. Roughly a third of home buyers do exactly that. On nearly 3 million families, as I mentioned, access manufactured housing through manufactured home communities and despite their limited incomes they're primarily homeowners. Unfortunately, leasing land underneath their homes puts them in an extremely vulnerable position as a result of instability and lack of control over the housing costs. The problem unfortunately is only getting worse as these communities are being rapidly acquired by private equity firms, institutional investors and national chains. As widely reported, park rents are rising rapidly fueled in part by these purchases which have received Enterprise backing. As an example of how much this consolidation is occurring, in the state of Minnesota a year ago 70% of sales were to these types of buyers. The Duty to Serve was intended to provide options for addressing problems like these however the lack of securitization of manufactured home chattel loans and the limited lending...

TOI ROBERTS: One minute remaining.

DAVE ANDERSON: ...that has been eliminating thus far to support resident purchase of their communities has fallen short of expectations. The current framework of tenant protections provides important consumer protections for purchases of communities by private equity firms and others but unfortunately they don't go far enough to resolve issues that are better addressed through purchases by residents. I urge you to listen carefully to the comments provided today particularly by those assisting consumers to buy their homes and their communities and I thank you very much for your time and attention.

TOI ROBERTS: Thank you Mr. Anderson. Our next speaker is Ms. Lesli Gooch of the Manufactured Housing Institute.

LESLIE GOOCH: Thank you to the team at FHFA, Fannie Mae and Freddie Mac and everybody joining today. I'm Lesli Gooch the CEO of the Manufactured Housing Institute. MHI is the only national trade association that represents every segment of the factory built housing industry. Our members are responsible for close to 85% of all the manufactured homes produced every year. In 2022 our industry produced over a 112,000 homes accounting for over 11% of new single-family home starts and 7% of total housing starts. Duty to

Serve took a long time to stand up, but it is now beginning to kick in and I commend the teams at FHFA, Fannie Mae and Freddie Mac for their efforts. So far there are some bright spots, but overall Enterprise performance with respect to Duty to Serve in the manufactured home space is at best mixed. MHI believes that the volume of securitized real property manufactured home loans could be substantially increased. We commend both Fannie Mae and Freddie Mac for several policy changes and variances to its MH products to increase volume and we encourage continued strategies to support real property loans going forward. I also want to commend both Fannie Mae and Freddie Mac for the work they've done with respect to the MH Advantage and Choice Home Programs for cross mod homes. One area under Duty to Serve that we see room for improvement is with respect to loan level price adjustments. Fannie and Freddie charge a 50 basis point LLPA for manufactured home loans except when the borrower has an income below median income. We don't think there's a basis for that LLPA, unless there's clear historical evidence for higher risk we think this should be eliminated. With respect to commercial loans for the purchase of manufactured housing communities, these loans have been important, particularly for providing capital so that new owners can purchase aging communities in need of substantial infrastructure improvements. This preservation function of existing manufactured home communities is critical for both affordable housing and to preserve home values for homeowners living in those communities. As I will testify about in tomorrow's listening session, these loans have FHFA requirements for tenant lease protections which are substantive and cover all the essential land lease protections but they should not be expanded as this will undermine the critical role that these loans serve for manufactured housing. The one area that there is universal agreement on that Fannie and Freddie have failed with respect to manufactured housing Duty to Serve, is with respect to personal property loans. The Duty to Serve statute does not require Fannie and Freddie to purchase personal property loans, but it does say explicitly that they “may consider” such loans. Fannie and Freddie though cannot be considered to be fulfilling their Duty to Serve manufactured housing without purchasing such loans since personal property loans constitute the vast majority of all new manufactured homes. There's a robust and profitable market for manufactured home personal property loans but particularly in the era of rising long-term interest and mortgage rates, what is needed is a robust secondary market for such loans and Fannie and Freddie are uniquely qualified to play this role. I want to emphasize that the commitment MHI is calling on Fannie and Freddie to make with regard to personal property loans is not simply to buy a few one-off loans to test the waters so to speak. The objective of the Enterprise efforts to get back into the personal property loan sector is to create a flow model under which they agree to purchase all loans that meet underwriting requirements the way real property loans work, and to securitize them to gain the significant benefits of accessing secondary mortgage markets. I have much more to say on all three of these areas and we will be submitting written comments in that regard but, in closing I appreciate the opportunity to testify today and I appreciate the focus on manufactured housing as the nation's housing crisis continues, and we are a sort, the source of affordable homeownership for so many Americans. Thank you very much.

TOI ROBERTS: Thank you Ms. Gooch. All right, and our next speaker we have is, Ms. Rachel Siegel from The Pew Charitable Trust.

RACHEL SIEGEL: Thank you for the opportunity to speak today. I speak on behalf of the Pew Charitable Trusts, a global non-governmental research and public policy organization dedicated to serving the public. Since 2020 The Pew Charitable Trust housing policy initiative has been studying the financing challenges that buyers of lower cost homes confront. This includes difficulties in obtaining small mortgages of 150,000 or less, personal property also known as chattel loans, and largely unregulated alternative financing arrangements that people use to purchase homes such as lease purchase or contract for deed that are often used when other forms of financing aren't available, and we're just beginning to study housing supply and zoning issues as well. Manufactured housing represents an important source of lower cost home ownership and housing supply, but research shows that financing remains a serious challenge. More than 40% of manufactured home loans are not for small mortgages but rather for personal property loans. However at present there are a few lenders and extremely high denial rates for such loans. Neither of the government-sponsored Enterprises, Fannie Mae or Freddie Mac, which I'll refer to as GSEs, purchase personal property loans and no federal government program is currently operating to support lenders or borrowers of these loans. Although personal property loans have higher interest rates and fewer consumer protections compared with real estate mortgages, they are an important source of financing for many manufactured home buyers. Research shows that without access to personal property loans, buyers scrape together cash to purchase smaller older manufactured homes, turn to largely unregulated alternative financing arrangements or are simply shut out of home ownership. The GSEs have an opportunity to improve access to homebuyer education and improve standards for consumer protections required for these loans which could simultaneously improve outcomes for borrowers and reduce default risks. Pew's comments here will focus on current activities that should be continued and new steps that GSEs should undertake. Though I'm limiting our responses to topics we've examined we continue to research a host of related topics and we look forward to engaging with FHFA, Fannie Mae, Freddie Mac, lenders, advocates and other stakeholders on these issues in the future. So, specifically FHFA and GSEs as they implement Duty to Serve underserved mortgage markets plans, we urge them to continue to purchase manufactured home real estate mortgages and look for opportunities to expand borrower access to this form of financing. Certainly mortgages are the gold standard of home financing with low interest rates and the most robust consumer protections. Nevertheless, many manufactured home buyers cannot obtain mortgages due to the way that their land is owned or titled and nothing to do with their credit readiness. But secondly, GSEs should begin purchasing personal property loans to help stimulate a well-functioning competitive market that support access to safe and affordable loans for tens of thousands of buyers who cannot use real estate mortgage financing. Both Fannie Mae and Freddie Mac have noted that their work in Duty to Serve underserved markets plans have expanded the number of lenders making mortgages for manufactured homes and increased access to safe and affordable financing. This important work should be continued and whenever possible real estate mortgages are the best source of financing for homeowners and buyers. However, purchasing only mortgages leaves out more than four in ten manufactured home borrowers. Currently, personal property lending is contemplated by FHFA as merely extra credit for the GSEs. However, because these loans are used by such a large percentage of manufactured homeowners and buyers, personal property lending should be an activity undertaken by both GSEs. Specifically, people in the south are more likely to use personal property loans even when they own their land and so are black manufactured home buyers. Not surprisingly loans made under Duty to Serve plans are not very prevalent in southern states where more than 40% of manufactured homes are shipped yearly.

TOI ROBERTS: One minute remaining.

RACHEL SIEGEL: FHFA's 2017 request for input regarding personal property loan pilots received resounding support from nearly all stakeholders including lenders and advocates, manufactured housing industry and Freddie Mac has subsequently put into the place a pilot program. But we urge both to undertake this in the future. Federal lending supports play a critical role in creating a competitive mortgage market made up of thousands of lenders but nothing comparable exists for personal property loans. Specifically, one concern about personal property loans noted by federal policy makers has to do with the lack of stability of manufactured homeowners who pay rent rather than own their land. In truth, a quarter of personal property loan borrowers also own their land directly and less than half pay to rent their land. Other manufactured home buyers have stable access to their land, this includes home buyers on tribal lands, those in resident owned communities, and those residing on family land. Research has shown that when manufactured homeowners also own their land that their default risk is not significantly higher, regardless of whether they use the real estate mortgage or personal property loan to purchase it. So there are many opportunities to purchase either a mortgage or personal property loan made to credit ready home buyers with long-term rights and direct ownership of their land. FHFA and GSEs have an important opportunity to further expand access to safe and affordable financing for manufactured home buyers both GSEs should build on their significant experience expanding the mortgage market and should continue. The understanding gleaned from this work could be leveraged to find new ways to improve access for thousands of manufactured home buyers with land ownership, long-term stable land tenure, and robust land venture protections who need access to personal property loans. In the absence of such programs the market will continue with few lenders and many home buyers will remain unable to purchase a home or resort to risky and largely unregulated alternatives. Thank you again for the opportunity to comment on that Federal Housing Finance Agency's Duty to Serve underserved markets plans regarding manufactured housing.

TOI ROBERTS: Thank you Ms. Siegel. Okay, so our next speaker is Mr. Adam Rust from the National Community Reinvestment Coalition.

ADAM RUST: Thank you, thank you for the chance to speak today. I'm going to make high-level comments about three different components of the of the GSEs’ performance, obviously speaking specifically on real property on chattel, and then on questions related to how the agencies benefit the market for manufactured housing communities. And I think the overall story is that there has been some progress but there's still work left to do. It's a some good, some bad story to the extent that there was a gap before in some spaces, some have moved in the right direction but, the exception is clearly chattel, which it appears to be stalled. And I think a kind of a major context to all of this is something to remember is that FHFA has a lot of power in the market, that they can exert forces that will improve the space, and that's not just in the case with you know, better loans with more consumer protections, tenant pad lease protections, but also by encouraging more lenders to enter this market. I'm going to briefly talk about real property because I think that's a space where the agencies have improved. The goals that were set for this plan were higher. Freddie met the goals and Fannie, as far as I can tell, almost met them. This is a bright light and I think it underscores something about the market which is our research suggests that the average, at this point in time, in the gap between interest rates charged for real property manufactured housing and regular standard site-built housing have narrowed, I believe by approximately 80 basis points. So, that's progress. This is still a market where fewer than half of the loans are purchased by the GSEs and that's well below the site-built space. And I'm also going to second MHI's point about LLPAs, that is something that should be addressed that essentially is a decision to just add to the cost of housing for very low-income individuals. But chattel lending, let's jump to that, the story here is abysmal. Yes, yes, FHFA should be active in this space. Freddie says that they'll be involved in buying some loans by 2024, Fannie is still working through the process of research, that's not enough. This is an underwhelming set of commitments, and we need to we need to improve it. And, in that absence, it’s still the case that what's happening in chattel is much worse in the market. It's very difficult to get a chattel loan and, if you do, the interest rates are much higher. And this is again a market that's being, it's primarily going to lower income people, exactly the individuals that should be a part of a Duty to Serve plan. And that's the case even if it does involve some risk. And if there are doubts about the collateral, which data shows that actually prices of manufactured homes have been increasing, the values have been increasing. Many of the borrowers have good credit. The CFPB's report revealed that it was only about 15 points lower on average those who bought MH titled as real property were only a thousand dollars less and the ones that we're borrowing for chattel were still fairly close, we're talking about again basis point, percentage points of difference. So if the difference is de minimis why is the regulatory response so absolute. And again research is just not enough, outreach to communities in terms of industry, again not enough. The last part I want to talk about is Activity 3, investment in lending to buy manufactured housing communities owned by non-profits governments and resident owned communities. This is essential and important. Capital to provide, capital provided to these parks will make a big difference in creating housing stability for a form of housing that is largely unsubsidized and has remained affordable at a time when housing is becoming more and more expensive. The data shows that by purchasing these parks, by purchasing units in these communities, the overall cost is approximately $60,000 that's an incredible value in terms of how to meet our affordable housing goals in terms of the expense associated with doing that. And, if we don't without interventions, we know that park residents will face harms and you can see evidence of the strains now. The large publicly traded manufactured housing communities are all reporting that they're increasing rents. Many of these residents do live on fixed incomes so even if the GSEs do not buy parks without tenant pads site lease protections, the market still includes a lot of units that will not be inside that group. So we have needed stability, there's a need for this.

TOI ROBERTS: One minute remaining.

ADAM RUST: So, I think that in terms of how the market can be intervened in this space, I think the GSEs should consider what they can do to help residents at the point in time when their park is under a notice that it's going to be purchased, sold and closed, or purchased and sold. You know, ill intention investors have a lot of advantages in some states. They can put a notice up, the notice can be very close very, very short term. Residents don't have a time to respond quickly enough outside of certain places where there are established groups who can help them. The GSEs should be looking at ways that they can support the kinds of technical assistance that some of these non-profit groups are prepared to offer. We know that groups need assistance especially in places where the human capital of who lives in parks isn't quite there where the state laws don't have the same protections and where it's harder to get financing. Just to conclude, I think that I'm very worried and this is kind of an out of the box problem that I think the FHFA could address which is, how do you get more banks and credit unions involved in this space. Now this is a classic example of redlining, to use a strong term, but that's the case what you see in these communities is that getting capital is expensive and difficult. I have never seen a performance evaluation that referenced manufactured housing. This is the kind of thing that FHFA with its market power could work on speaking to the prudentials and making this a priority by including banks in this space. So, thank you for the opportunity. I appreciate it.

TOI ROBERTS: Thank you Mr. Rust. Thank you. Our next speaker is Mr. Mark Weiss of the Manufacturer Housing Association for Regulatory Reform.

MARK WEISS: Okay, I'm not seeing my video can you hear me?

TOI ROBERTS: Yes, we can hear you.

MARK WEISS: Okay. I'm trying to turn my video on, but it indicates that it's blocked by the host. In any event, my name is Mark Weiss and I'm President and CEO of the Manufactured Housing Association for Regulatory Reform. MHARR based here in Washington, uh… I will try to turn my video on. There we go. MHARR based here in Washington represents independent producers of manufactured housing. Our member companies are located in and produce homes that are sold in all regions of the United States. Unfortunately, this marks by my account at least the fifth time that I've addressed one of these Duty to Serve listening sessions. I say unfortunately because DTS should have already been fully implemented within the manufactured housing market by now. Instead of highlighting the glaring deficiencies and defiance of Congress and the law that's occurred within the HUD code market and the Enterprise's failure to serve at all the vast bulk of the consumers within that market, as I will in a moment, we should instead be here talking about the success of Duty to Serve within the manufactured housing market and talking about how DTS-based lending helped to ease the nation's affordable housing crisis. Fifteen years down the road however from DTS's enactment by Congress that's not the case and it appears potentially that things are at an impasse. Whether Fannie and Freddie or FHFA for that matter, like it or not, the vast bulk of new HUD code manufactured homes, close to 80% on an ongoing basis per Census Bureau data, are financed through chattel or personal property loans. Financing a manufactured home as chattel may not be the preferred choice of Fannie or Freddie but it is and has been the preferred choice of millions of American consumers. And the data is remarkably consistent over time going back 10 years or more the census data shows the percentage data of chattel loans to all new manufactured housing manufactured, manufactured home purchase loans fluctuating within a very narrow range of just under 80%. Why is that? Well chattel loans admittedly carry a higher interest rate than real estate mortgage loans. That's not news even though it's routinely treated as if somehow it is. But there's more involved than just the interest rate obviously. For one thing, adding the cost of real estate to the purchase transaction makes it far more costly in absolute dollar terms than a home-only chattel lone. That might not seem like a big deal to someone versed only in the site-built housing market, but in the highly price sensitive manufactured housing market it is. As the nation's premier source of affordable home ownership that is specifically recognized by federal law, manufactured housing serves a market that's largely comprised of lower and moderate-income Americans. At such marginal income levels small differences in the financed price of the home can exclude significant numbers of potential purchases from the market. As a result, home-only chattel loans that don't include financing for the cost of the land on which the home is sited are an attractive option for many purchasers. There's also the issue of loan duration which with chattel loans typically providing for a shorter payback period than most mortgages that may be more consistent with that situation, may be more consistent with the needs and wishes of younger singles and families, as well as, senior citizens who again tend to predominate within the market. In any event though the reality of the manufactured housing market, whether Fannie and Freddie like it or not, is the chattel lending predominates and has predominated for many years. That's the reality and Congress directed, Congress's directive to Fannie, Freddie and FHA through Duty to Serve was to serve that reality, to serve the HUD code market as it actually exists and not as they or some others would like to see it in some ideal world that has never in fact been known to exist. We're now 15 years down the road since the enactment of DTS and it’s still nearly 80% of the manufactured housing market that remains completely unserved. That's the key fact.

Everything else unfortunately is window dressing and distraction, and that key fact is unacceptable. It's also contrary to the clear objectives of Congress which expressly included chattel loans within the scope of Duty to Serve.

TOI ROBERTS: one minute remaining.

MARK WEISS: Thank you. Therefore, the time from our perspective, the time for excuses is over. The time for more research while the manufactured housing market precipitously declines over 30% since the third quarter of 2022 is over. The time for concrete action in the near term and not years from now to provide market significant levels of securitization and secondary market support for manufactured housing consumer loans is here and must be here now. Consumers are hurting, the industry is hurting, and the nation is hurting from a lack of truly affordable home ownership. So now is the time for bold leadership from FHFA to finally get DTS enacted as it should be within the manufactured housing market, otherwise this matter will need to go back to Congress for clarification that DTS means and intends support for manufactured housing chattel loans in market significant numbers. Thank you.

TOI ROBERTS: All right, thank you Mr. Weiss. For our next speaker, we will hear from Mary O'Hara from ROC USA.

MARY O'HARA: Good afternoon and thank you to the FHFA for the opportunity to provide comments on the upcoming Duty to Serve plan. I also thank the Enterprises for their past and current work to support the housing needs of all Americans under Duty to Serve. ROC USA is a national non-profit social enterprise that supports homeowners in manufactured home communities to achieve affordable and environmentally sustainable, self-governing cooperatives. ROC USA works with Partners across the country to provide the opportunity, the financing, and the education and training necessary for homeowners to acquire, own and operate the manufactured home communities they live. ROC USA is also a participating member of the Underserved Mortgage Markets Coalition, UMMC, a coalition of 29 affordable housing organizations seeking to work collaboratively with the Enterprises to bring housing finance opportunities to American families not traditionally served by the private market. We have been working closely with both Enterprises and we commend the efforts that have been made to increase mortgage lending in ROC in New Hampshire, where real estate titling for MH is available, and to expand the addressable market for MH simple and through Choice Home and MH Advantage programs. And the modest activity in commercial community loans for Resident Owned Communities, ROCs, in refinance. Inclusion in the Duty to Serve plan acknowledges both the crucial role and the potential role for MH and MHCs in the inventory of affordable home ownership, particularly in rural and ex-urban communities and for ordinary Americans, working families, seniors, veterans and for people with disabilities. It is essential for both Enterprises to continue and to expand their active participation in the manufactured housing and the MH community markets. Now is the time, as has been said before. They're noted, the president's Housing Supply Action Plan highlights MH as a solution to the country's housing crisis. It calls for eliminating barriers for the development of manufacture housing and for innovating with MH finance, so that homeowners have an opportunity to build wealth like every other American homeowner and home buyers can access the same kind of mortgage money every other American home buyer has access to. Of note for the first time this year, Congress has appropriated $225 million in the price initiative to preserve and improve permanently affordable manufactured housing communities through resident home ownership, infrastructure repair, and replacement and infill with new energy efficient homes. ROC USA has helped 312 resident owned homeowner cooperatives acquire their communities in 20 states and secure more than 22,000 home sites. Not a single ROC has been foreclosed on or chosen to resell to the speculative real estate market in over 40 years. Increasingly, since 2014 when Freddie Mac joined Fannie Mae in financing commercial manufactured home communities, these aspiring resident owned communities have competed with investors who are financed with lower cost debt provided by the Enterprises. Furthermore the New Hampshire Community Loan Fund has been originating home mortgages in ROCs in New Hampshire for over 20 years. There is adequate data indicating the impact and performance of home loans in ROCs. To that end, ROC USA has specific recommendations for FHFA and the Enterprises as they begin developing their 2025-2027 plans. First and foremost, targeted equity investments in CDFIs. In the past these investments were available. The FHFA could permit Enterprises to make equity investments or grants in high impact Duty to Serve activities such as resident owned community commercial finance. To level the playing field for homeowners living in MHCs at a minimum government-sponsored financing ought to be equally accessible to ROCs. Both Fannie Mae and Freddie Mac should commit to equity investments or grants in unsecured subordinate lending CDFI special purpose vehicles and raise their annual MHC ROC production to a minimum of 10 per year in the plan years of 2025 through 2027. Both Fannie Mae and Freddie Mac should be allowed to pilot a portfolio-based lending program for low-cost financing for acquisition of non-profit resident owned communities. Many folks here have spoken about the home only mortgage personal property loans available. The plan isn't on target in calling for new financing mechanisms. Our recommendation would be for the GSEs through FHFA to develop an approved lease for all homeowners living in in manufactured home communities. The difference, the only things separating home only personal property product from a home only real estate mortgage product is secure tenure. It makes little sense that GSEs will finance manufactured home communities but not the homes in those same communities. We recommend asking the single-family team to define what they need to begin lending on homes in MHCs and to implement a standard lease that can be used in all manufactured home communities, and resident owned communities have such a lease that would certainly make that possible. I want to say, thank you for the opportunity to speak today and we'll be submitting written testimony.

TOI ROBERTS: Thank you Ms. O'Hara. All right, so our next speaker is Ms. Kaitlyn Garfield from the Housing Land Trust of Sonoma County. Do we have that presentation slide?

KAITLYN GARFIELD: Thank you Toi. Hello and thank you for having me today. My name is Kaitlyn Garfield and I am Housing Director at Housing Land Trust, an affordable homeownership non-profit based in Sonoma County California. I'm going to talk about a novel approach to the housing crisis made possible thanks to Duty to Serve. Next slide. Housing Land Trust was established in 2002. We partner with cities and developers to create affordable housing that is a fully integrated into neighborhoods and that remains affordable in perpetuity through the use of the community land trust model. We currently have 142 homes in our program and these homes have served 173 families so far. Next slide please. In a community land trust, the land under each home is set aside for the purpose of affordable housing and stewarded by the trust. Homes on this land are therefore removed from the market and prices are then set based on income levels. The benefits of using a community land trust for home ownership are many. Since prices are based on a household income, homeowners are not cost burdened and can enjoy economic stability. Our homes have conventional financing and zero down payment. All of our homes are affordable in perpetuity. A one-time investment into the unit creates sort of generations of households with no additional subsidies. We steward our homeowners through the entire home ownership process and help them if they decide to sell and the homes remain just as affordable to subsequent households as to the initial one and homeowners also build equity because resale prices are determined by the change in area incomes. However, sorry next slide. However, there have recently been new challenges and the assumption that land subsidizes a house enough to make it affordable is not a given. Sonoma County is both a high cost of living area and a disaster prone area. Housing costs have increased, and San Francisco residents moved to Sonoma County in the wake of the pandemic and as natural disasters hit the area. In 2020, after successive years of fires, Sonoma County had a deficit of 13,000 affordable homes and today half of the county's jurisdictions have five low-income workers competing for every affordable unit. Sonoma County also has a shortage of construction labor stemming from the Great Recession. Disasters also create more labor shortages, as the workers themselves are also displaced. Insurance rates are also rising due to the county's designation as a disaster prone area. A couple major insurance providers recently withdrew from the state. Next slide please. All these issues are not just a problem in Sonoma County or California; much of the U.S. is facing similar issues in large populist areas are designated as disaster risk zones. We need innovative and community-based solutions to the twin crises of a housing affordability and increasing disasters. Next slide please. Introducing the Jamie Lane model pilot, a five-unit development of affordable manufactured homes Community Land Trust Land. This project utilized multiple levels of government as well as the local community. Next slide please. So, first off, we needed land for this project. One of the key challenges that realty space is acquiring sites particularly in high cost areas. The Jamie Lane project instead took advantage of City donated land, showing how cities can work in partnership with a community land trust to develop underutilized parcels. This land was a previously unused unbuilt site across from the Cotati train station. Next for entitlements, this project was 100% affordable and transit oriented housing, therefore it was able to benefit from some streamlining through environmental exemptions. We received funding for entitlements from the County of Sonoma's Transit Occupancy Tax, and the City of Cotati's Housing Trust Fund, and for the site work the California Housing Finance Agency purchased an affordability covenant for the unit, subsidizing through a permanent loan. The spending approach was a first for CalHFA. Next. And for our homes we utilized Fannie Mae's MH Advantage Program. Fannie Mae's MH Advantage applies to manufactured housing that is built to meet construction, design and energy efficiency standards that are consistent with site-built homes. MH Advantage Homes are often indistinguishable from site-built homes once completed. Homes that do qualify for MH Advantage are able to use conventional financing, so all of our homeowners at the Jamie Lane Project have a standard 30-year fixed mortgage, same as any other type of homeowner. Right, so the end result of all this is affordable and quickly built homes that will remain affordable in perpetuity and allow our homeowners to build equity, thanks to the combination of manufactured housing and a community land trust. This model was the first in the nation to be completed this way with this combination of manufactured housing and a Community Land Trust holding the land. So this land will be stewardship, sorry, stewarded in perpetuity, so these homes will remain affordable forever. And then also that combination with the manufactured housing was able to make these homes be built within a year from the day that they were started. So from first shovel to close up escrow these homes were completed in a year which is very important for high cost and disaster areas and also helps to deal with supply chain issues, and also this Community Land Trust will steward these homes in perpetuity and also doing those same tasks of making sure our homeowners are able to be not cost burdened and stay in these homes. So, FHFA should support Community Land Trust and this goal and should replicate this project across the country, especially in high cost and disaster areas. Thank you.

TOI ROBERTS: Thank you Ms. Garfield. Okay, so our next speaker is, Ms. Amy Bliss from Wisconsin Housing Alliance.

AMY BLISS: Good afternoon everyone. I just wanted to give a little perspective from a state perspective. In Wisconsin we have 53,800 manufactured home community sites in 1,050 communities. However, we only have between 600 and 700 sales of manufactured homes that get placed in our state per year, which is extremely low. Considering the fact that in 57 out of our 72 counties in Wisconsin, entry-level housing has declined as and as unaffordable for most residents in those counties. We have a 158,000 apartment renters in Wisconsin that pay more than 50% of their income on rent. So it's not just manufactured housing costs going up or building costs, the costs of apartment rent is skyrocketing compared to wages. We've had some studies done here in Wisconsin and we need about 42,000 units of housing just to keep up, just to keep pace. We call it the missing middle housing that needs to be attainable and we need incentives for entities to build entry-level homes and we definitely need manufactured home financing that competes with the rates that are available to any other site-built homes. Mortgage rates in land lease communities are high and there really is no need for it. There's been several speakers who have already talked with that so I'll kind of skim over that, but that is what we need from Fannie Mae and Freddie Mac to fulfill their Duty to Serve, is individual home buyers financing in land lease communities at normal rates. I think there's a huge advantage here for Fannie Mae and Freddie Mac because if they fulfill their Duty to Serve for manufactured housing in Wisconsin which is a very rural state, it would also fill their Duty to Serve rural communities and their Duty to Serve tribal communities because Wisconsin all also has a very high number of tribal communities. So, it could be somewhat of a triple benefit to serve the manufactured housing industry a little better.

We've had some serious challenges with financing. USDA Rural Development has very strict regulations on financing manufactured homes in which the builder has to take on all the costs up front and so that makes that program not usable. Our Wisconsin Housing and Economic Development Authority also does not participate in any chattel lending in manufactured home communities, and Fannie and Freddie have also not been lending in manufactured home communities. So, it makes it extremely challenging and that also causes the cost of rents on sites to rise because there aren't enough sites in the state to meet the need for our missing middle housing. And I would just like to also say that the land lease protections under the GSEs pretty much mimic what our state law protections are and they've worked well for years, and I don't see any need to change them or increase them. So, those are my comments and thank you for listening.

TOI ROBERTS: Thank you Ms. Bliss. All right, so our next speaker is, Ms. Stacy Epperson from Next Step. Ms. Epperson.

STACY EPPERSON: Hey, thank you Toi. Good afternoon and thank you to FHFA for the opportunity to comment on the

Enterprise's housing activities as they plan their next cycle. We also thank the Enterprises for their hard work to support the housing needs of all Americans under the Duty to Serve. Next Step is a national non-profit that promotes the expanded use of factory-built housing as a viable solution for housing affordability. Our organization works with partners to provide a pathway to sustainable home ownership for lower income families through homebuyer education and leveraging new Energy Star homes. We're a part of the Underserved Mortgage Markets Coalition, a coalition of leading housing advocates seeking to work collaboratively with the Enterprises to bring housing finance opportunities to American families not traditionally served by the private Market. We remain firmly rooted in the belief that manufactured housing is a primary solution to address both the supply and affordability gaps. The work the Enterprises have done to create a comparable mortgage to site-built housing is nothing short of transformational. Okay, and Next Step commends the Enterprises’ existing efforts to conduct outreach to key housing stakeholders that traditionally have not been a part of the manufactured housing space, such as housing developers, realtors and appraisers. We also recognize that the volume of new homes meeting the Choice Home and MH Advantage standards concerns the Enterprise. However, these types of housing projects take time even those leveraging the efficiencies of off-site construction. Developing with manufactured homes either as a part of a new single-family subdivision or infill housing in existing urban neighborhoods that's an emerging market and we know new markets do not mature and grow overnight. Manufactured homes remain one of the viable options for attainable home ownership in this country, with the cost of a new site built home now topping 416,000. Traditional home builders have abandoned the construction for entry-level starter homes. As FHFA and the Enterprises begin planning for the Duty to Serve cycle the Enterprises need to expand their active participation in the market. Allowing the Enterprises to reduce or lessen their market participation in their next cycle plan will undo years of dedicated work and collaboration by housing advocates. To that end, Next Step has specific recommendations for the FHFA and the Enterprises as you begin your plans. Currently the Enterprises have set target goals on real property purchases and have committed to activities that expand the market for homes titled as real property. Despite recommendations from the Underserved Mortgage Market Coalitions, these targets are inadequate to really affect a shift in the market. The Enterprises should significantly increase their target loan volumes in the new plans. Additionally, the Enterprises should seek to underwrite mortgage loans on single section homes that meet the requirements for the MH Advantage and Choice Home Mortgage Loan programs. A more affordable single section home design will not sacrifice quality and energy efficiency, these designs will allow for greater urban density and address narrow infill lots. Finally, we greatly appreciate Freddie Mac's willingness to conduct a risk management assessment to develop a product before entering the home only loan market. We ask that they consider consumer protections for borrowers and explore the impact of requiring certified housing counseling services. Prospective home buyers who receive education are empowered to make the best finance and purchase decisions for themselves and their families. We look forward to continuing our work with FHFA and the Enterprises to grow the manufactured housing market. Thank you for the opportunity to speak today.

TOI ROBERTS: Thank you Ms. Epperson. Okay, so we are halfway through hearing from our guest speakers and it's now 2:12. We'll take the 10 minute break right now and um and we'll resume back here at 2:22.

TOI ROBERTS: Thank you. All right, it is now 2:22. We can get back started with hearing the remainder of the speakers for today's session. We just heard from Stacy Epperson and picking up where she left off, our next speaker is, Ms. Deb Campbell from MH Action.

DEB CAMPBELL: Good afternoon everyone. I'm Deb Campbell, representing MH Action. MH Action is the nation's largest resident-led community organization. We've built and won numerous campaigns designed to protect and promote the affordability and viability of manufactured home communities. I live in a senior citizen manufactured home community in rural Michigan. After my husband passed away and I retired, I knew I needed to sell my farm and downsize to something more affordable. A year ago I purchased a new manufactured home for about 60% of the cost of a stick built home. It was the perfect home for aging in place. A quiet, safe, beautiful location with affordable lot rent or so I thought. During my purchase, my community was sold to a corporation and unfortunately, I was caught in the crosshairs. The addition of new pet and garbage fees, plus a lot rent increase, resulted in me paying about 15% more than I expected. Residents in other communities are facing even larger increases. In a park in Hastings, rural

Michigan, some residents are facing a 95% lot rent increase in less than two years and the maintenance is going down even faster than the rents are going up. Bad actors are being fueled by GSE loans. After researching my options, I quickly learned that there are little or no protections for residents of manufactured housing communities. Even worse for tenants like me who own their home but rent the lot, we're held hostage to the fact that we cannot afford to move our homes. In the interest of time, MH Action would like to present recommendations for increases or additions to the DTS plans, all worthy of extra credit. First, we recommend that the business partner code of conduct is expanded to specifically include all GSE borrowers who operate MHCs. Expand the pad protections to limit rent increases to CPI in order to protect the affordability of our communities. Establish clear requirements for maintenance and community improvement plans and make these plans public for us to review. Require fair treatment of all residents. Second, put more scrutiny on background checks used by lenders to vet their borrowers. Provide better more user-friendly tools for us to determine if Freddie or Fannie have a mortgage interest in the park. Let us review or view the suspended list and provide a means for us to report bad actors and upload supporting photos or documentation.

Third, for every dollar lent to a for-profit corporation, lend an equal amount for community friendly models. Fourth, we've seen co-ops propositioned by and sold to predatory equity companies. They use GSE loans as a land speculation scheme to drive up the share prices. We must protect against this by requiring that if a community-friendly model is sold for profit, then the owners are only provided a refund on their initial share price plus inflation, any other increase in value should be placed in trust and used to promote affordable housing in that geographic area. Community friendly models should not be a temporary vehicle for future land speculation and profit taking. Fifth proactively evaluate and create programs to fund community-friendly models in BIPOC communities. Some would argue that if we push forward with these changes then borrowers will go elsewhere for their financing or leave the market entirely, but making an argument for not trying surrenders us to rampant land speculation leaving a path of destruction for families in its wake. We are the poor, the elderly, the disabled, veterans and families living on lower fixed incomes trying to make it without subsidized housing. We can't keep waking up every day wondering what's going to happen to us. We appreciate the incremental changes that have been put in place by the GSEs but we can and we must do better. Thank you for listening.

TOI ROBERTS: Thank you Ms. Campbell. Okay, our next speaker is, Ms. Kathleen Paradis from the New Hampshire Community Loan Fund.

KATHLEEN PARADIS: Thank you to FHFA for holding this listening session and the invitation to offer comments today. I'm Kathy Paradise speaking on behalf of the New Hampshire Community Loan Fund. The New Hampshire Community Loan Fund is a non-profit community development financial institution. We provide loans in education for low-income individuals in a number of ways, by partnering with lenders agencies and others who share our mission and values. For almost 40 years the New Hampshire Community Loan Fund has advocated for the manufactured housing sector by supporting financing, technical assistance and encouragement to resident-owned communities and those individuals looking for home mortgages. Manufactured housing has been a big part of the New Hampshire Community Loan Fund’s lending because there are so few options available to those living in these homes. This type of housing is among the most affordable housing available but is frequently shut out of the conventional lending markets. Manufactured housing is a solution to the workforce and affordable housing shortages. New Hampshire continues to see home prices out of reach of many essential workers. The current median home price in New Hampshire is over $475,000 but the median price for a manufactured home is around a $100,000. The demographics of those needing workforce housing are individuals who work in health care, food service, first responders, education and retail. They're reluctant to take jobs in locations where housing isn't available or affordable. In addition, manufactured housing stock also fits the needs of military families, veterans, as well as, persons with disabilities and very low incomes. Frequently, the total housing cost for principal interest property tax and insurance escrow plus park rent is comparable to or less than renting an apartment with the same bedroom count. Homeownership stabilizes not only living situations but also contributes to a stable workforce. We encourage re-evaluating the barriers that limit the availability of conventional financing for manufactured housing. Credit score models and strict property characteristic criteria unfairly restrict access to credit. Single-wide homes and double-wide homes carry many of the same features and amenities so they should be financed the same. The age of a home doesn't speak to the degree of home maintenance that is done. Borrowers who have credit scores under 620 or don't show credit scores at all are frequently left out of the financing markets. The New Hampshire Community Loan Fund has financed over 1,600 manufactured homes in the past 20 years. Over half of those borrowers wouldn't meet conventional underwriting credit score requirements but they've been really good borrowers for us. Our loan loss rate is 2.4%, that speaks to the high level of performance for those loans that individuals who don’t need conventional guidelines demonstrate. In addition, restricting access to equity the borrowers have in their homes keeps many borrowers from consolidating high interest credit card debt or being able to make those home improvements that their counterparts in stick-build homes are able to do. This perpetuates the stigma that manufactured housing is not as stable or as much of an appreciable asset as other types of housing. Barriers to tenant protections in manufactured housing communities continue to be of concern. In order to be protected against park closures failure to maintain the parks and excessive park rent increases, residents need the opportunity to purchase the parks where their homes are located. To date, New Hampshire's opportunity to purchase law has enabled a 148 resident-owned communities to preserve almost 9,000 households. Many of these residents are low income or considered workforce employees. The Duty to Serve mandate that the GSEs help very low, low and moderate income households necessitates that the same federal low interest rate loans to acquire manufactured home communities that investors have access to, be available to residents wanting to acquire their communities as limited equity cooperatives or to non-profits that agree to preserve the communities and their affordability. We're pleased that the GSEs have taken steps to work on resident protections but there's still more to be done. Finally, there are some good conversations being held with stakeholders interested in manufactured housing. We urge everyone to keep up the dialogue and continue to be transparent on the progress made on this important topic. Thank you for the opportunity to comment and we look forward to seeing the progress in manufactured housing advocacy.

TOI ROBERTS: Thank you Ms. Paradis. Our next speaker is, Mr. Kyle Lucas from the Resident Action at Western Plaza MHP.

KYLE LUCAS: Good morning and thank you [Salish language]in my Salish language for having me. My name is Kyle Lucas and I co-chair Resident Action at Western Plaza mobile home park here in Tumwater, Washington State. We formed our tenants group last January, out of sheer fear and dread after our senior mobile home park was secretly sold to an out-of-state investor, Legacy Communities LLC. Ours is a 55 plus mobile home community and many of our vulnerable tenants are in their 70s, 80s and even 90 years old and many are disabled as well, and they thought this was to be their final home. Yet most now live in absolute fear of losing their home due to inability to pay our new investor owners' astronomically raised rents. We all know that rents have skyrocketed across the Nation and especially here in Washington state. And while some good landlords have noted the need to slightly raise rents due to rising costs of materials and management, the reality is that the rental industry has taken advantage of the moment to gouge renters especially those living on the margins. In fact, two class action suits were filed against Real Page for rental price fixing here in Washington state. There would be more but the landlords are, have included language and leases that preclude class action suits. Moreover, the landlord lobby effectively remove rentals from the state's consumer protection authority in the Attorney General's office. So, you see how vulnerable renters are here in Washington. None of our vulnerable elder tenants could even imagine the nightmare that has unfolded in the past year since our out-of-state investor owner landlord legacy acquired our community. In Washington state, the legislature formally found that manufactured and mobile home parks provide essential affordable housing, yet as we've tragically discovered there are few protections in state law. When our tenants bought their modest homes in this 50 year old park, it was with the understanding that it was and always had been affordable lot rents for 50 years, with annual rent increases of only $10 to $15 per month, they believed they were buying their forever home, their final or last home. Yet, when investor Legacy Communities bought our park, they raised the rents 18% to $100 per month on current tenants and $380 on new tenants. None of are modest to mostly low-income elder tenants could have imagined that, and they came to me with tears in their eyes saying, Kyle I now fear homelessness. That fear is now even more amplified as Legacy has started issuing out their second round of $100 per month increases. Certainly, none of our tenants could have dreamed voracious private equity and investor groups would be swooping in on vulnerable elders and mobile home parks, yet it has been reported in major news outlets such as the Washington Post, The New York Times, NBC News and NPR, among others as well as countless local outlets. There is a nationwide predatory targeting senior mobile home parks as cash cows where elderly tenants on retirement and social security are viewed as solid, stable source of income because such older tenants are unlikely to relocate or to skip out on a lease. Why, because we've lived our lives, we've paid our dues, and are responsibly settled into what we can afford as our forever homes. Many of us are first-time home buyers. Even Senator Sherrod Brown of Ohio, who chairs the U.S. Senate Committee on Banking Housing and Urban Affairs has demanded answers from the out-of-state investor Legacy Communities who bought our park and he's demanded answers from the banking industry, in particular Fannie Mae and Freddie Mac who have a Duty to Serve, to ensure that they protect manufactured housing as affordable housing. Yet, that said, the reality is that in this economy...

TOI ROBERTS: One minute remaining.

KYLE LUCAS: As we saw $6 to $7 for a dozen eggs this year, a majority of our tenants are already barely surviving on low fixed incomes. Many are on social security incomes of a $1000 to $1100 per month. We recently hosted a Town Hall with our 22nd legislative district and so, we are really trying but we are old. We ask you to please be responsible. Many of our folks are also enduring $200 per month cuts in their food stamps. We would like the Enterprises to please provide the care that they ought to in Duty to Serve, limit park owners to annual, monthly rent increases of no more than CPI and also limit the new lot rents as well. We need these protections and we ask that you not renew our extend loans where the owner investor has it astronomically raised rents. Create opportunities for tenants to buy their parks and we asked for a bare minimum transparency by the Enterprises. We want to be able to review the number of loans that have been made to these investors and the rates that they are enjoying. Please protect us. We thank you for the opportunity to comment and we will be watching. Thank you.

TOI ROBERTS: Thank you Ms. Lucas. All right, so now our next speaker is, Mr. Thomas Heinemann from MH Advisors.

THOMAS HEINEMANN: Good afternoon, it's a pleasure to be speaking with you. Name is Tom Heinemann. I am part of a development group that has over 400 MH Advantage Choice Homes either planned or under construct or under development over the next five years, including a number of homes that will be used in a LIHTC developments and most of them are in in the for sale moderate income homebuyer class. All of the homes that that we are developing are predicated on the notion of the conventional affordable financing provided by Fannie and Freddie Mac through their MH Advantage and Choice programs. It's critical that Fannie and Freddie remain committed to this market. Not just in their purchase work but in their outreach, research and other ancillary activities. As a developer with 240 unit development under construction, a 140 unit development that we just got zoning approval for and, another 60 unit infill project that we have, you know, I wanted to share what mattered in in this development process. In the zoning fights, and we had one in uh rural Virginia, we had numerous zoning hearings that one of them went to about 3 o'clock in the morning and I thought it would be important to share the items that really resonated with the Planning Commission and the City Council with which we worked. First and foremost, the availability of the MH Advantage and Choice Mortgage products. The notion that manufactured homes could receive 30-year fixed-rate mortgages was critical for them to understand that these homes were just like any other site-built homes if not better. The collateral standards that Fannie and Freddie have, the MH Advantage and Choice building criteria were also critically important to allay concerns that the build quality of the homes were not as good or up to par as site-built, demonstrating the drywall, the energy efficiency, constructions, the permanent foundation, etc. was critically important to developing and bringing comfort to our elected officials. Inevitably whenever we went through the zoning arguments with folks the comparisons to residential building codes always comes up. Especially now the, as states like Virginia and others moved to the IECC 2018 standards, it is important that the MH Advantage and Choice products are able to show energy efficiency just on par or close to par as that. It's not only important for the development work that we do but also in the LIHTC work that we've done. In Petersburg, Virginia, the LIHTC work we've done, we've got 45 homes there and underwriting requires and the State requires that we do energy efficiency studies on that. So, incredibly important that the MH Advantage and Choice Home standards remain on par with what's happening at the state level. And finally, one of the key lessons that we got in the zoning fights is showing the appreciation of manufactured homes over time. In 2018, FHFA did a great study incorporating I think, for just one quarter, the price trends for manufactured homes compared to a site-built. That needs to continue because that's a compelling story, especially now that we're five years in. Either FHFA should do that with their housing price index updates every quarter or the GSE should do it but it was incredibly important.

TOI ROBERTS: One minute remaining.

THOMAS HEINEMANN: Thank you. And then finally, as we developed the projects, there are a couple of things I wanted to pass along. One, is Fannie and Freddie need to continue to work with their lender partners to ensure there are up-to-date on all of the um MH advantage and Choice lending guidelines and programs to make sure that all of the lending offices and mortgage brokers have access to the incredible important information that Fannie and Freddie offer. That is important to us because we want to put home buyers into sustainable mortgages and we want to make sure that they're able to get that favorable financing that's the core of our business. The second is to continue to work through with the appraisal industry to make sure that appraisers are up to speed on the guidelines to make sure that they are able to compare MH Advantage and Choice Homes to site-built. And then finally, the GSEs should include single section homes for their Choice and MH Advantage programs because that's an incredible resource for infill development. With that, thank you very much for the opportunity to speak.

TOI ROBERTS: Thank you Mr. Heinemann. Okay, so our next speaker we have Ms. Lori Noble on our agenda to be the next speaker, however we don't have Ms. Lori Noble on the call. So we'll move on to our next speaker and that is, Ms. Jill Borders on the Borders Family.

JILL BORDERS: Hi, I'm caught off guard just a second due to the jump in here. Okay, sorry, I'm a little emotional. I wasn't expecting that, sorry. Okay, in fact, maybe let me go off script for just a second. Last night, after eight years of working hard to have the parcel where I live, the Imperial Mobile Home Estates in San Jose, California, removed from a priority development area. I got the news that we were successful and so it's extraordinary and I want to encourage every one of you on this call that is feeling the pressures of it being outdone by Harvard men and investors and REITs and all sorts of evils that befall us as we try just to stay sheltered. I would encourage you to know that it's possible to stay housed. It's possible to look your kid in the eye and say you can stay. I'll try to speak to what I was going to say from here. It doesn't mean we won't be kicked out eventually, it just means that we won one which is exciting. Thomas Paine wrote, it is only by tracing things to their origin that we can gain rightful ideas of them, and it is gaining such ideas that we discovered the boundary that divides right from wrong and teaches every man to know his own. There is so much wrong in the United States today when it comes to housing our people. My name is Jill Borders and once again I am speaking to you from my beautiful Energy Star manufactured home in San Jose, California, and this month marks 10 years that I have been here and 11 years since my 9-year-old daughter, then 9-year-old daughter now 20 but then 9, looked me in the eye and said, how can I be born and not have a place to live. Sorry, she said that after we had gotten an eviction notice to leave. Our landlord wanted to sell the rental that we had been in five years while we were squirreling away to save the money to buy a place of our own, only we couldn't find one and we were indeed going to become homeless. So how can I be born and not have a place to live? That question, her question, drives my focus to find out why. I have spent my life trying to stay housed. Can you imagine waking up 56 years old and you think, oh, my goodness I've literally just spent my life trying to stay housed. That is what I think about every day, it's bizarre, it is bizarre, it's ridiculous. I've had to work to outsmart men from Harvard and many investors that have no morals whatsoever. My sanity rests in Thomas Paine. In his words in Agrarian Justice, a pamphlet written by him in 1795. Literally, I read it at night just to stay calm because in it he assures us, and I know it, his reasoning is so sound it cannot be, it cannot be argued, that the creator of the universe created earth for us to be born onto right, and we live here. Whether you believe, in whatever you believe, we are land animals, and we are born to live here on the land. And so, any financial instruments we're here to talk about today, any of those, those are all inventions by men, all inventions, and we can invent better ones. Our laws now are insufficient to protect us from predators, They care not one bit if there is suffering due to homelessness. Our laws have not caught up to these evils that only see money and land as their ultimate goal, how pathetic they are. I had different comments yesterday but then I found out that news that we had that incredible win and, and now with all of this emotion, with all of these people that are suffering, I'm just sick to my stomach, I don't know how else to act. I spent yesterday reading this guy Don Layton the CEO Freddie Mac from 2012 to 2019, formally with JP Morgan Chase, 73 years old. I'm sure some of you probably know him, I don't. But, after reading this 30 pages, and research is my field, I love research, oh, my gosh, what I would do to debate this man. Call me, find me, Mr. Layton, you are so wrong on so many things. I don't know if I'll have time for this but one of the things that just, I'll have to say, is basically, he basically, his argument is that, you know, the reason that we have home ownership is because we can, you know, have wealth creation. That is not at all why I bought this mobile home. Do you know why, in San Jose, California if somebody wants to sell their mobile home park you are given 180 days notice. Do you know why I pay 3% or 4% more interest points, do you know why I bought something that all of you think will depreciate? Blah, blah, blah some of you, not all of you. I bought it because out there we got 30 days and my kid was homeless, we got 60 days and my kids homeless. Here I get 180, 180 days to figure out what I'm going to do next. That's why I did it. I could lose every single penny. You could bulldoze this down, but you know what, from the moment that those people, those nice men, usually they are men, want to kick me out so that my daughter doesn't have a place, I'll have 180 days, and that is far better than I had in the rental world. So, I'm getting a little sick and tired of people saying that you know the reason that Duty to

Serve and Fannie Mae and all these people can't do it is because there's not going to be wealth creation, you don't own the land underneath. I don't care. I bought this place so we would have a roof over our heads. Being able to paint it the color I want, what a bonus but, as being a lifelong renter, let me tell you the real injustices. Manufactured home in the fact that you rent land and the fact that you pay you know for your home those two factors there that separate them out that actually illuminates what's wrong with housing today. So, if we were smart all the economists that study things at Fannie Mae and Freddie Mac and FHFA, what I would say to FHFA is, take your economist and have them do a study on exactly why, why it is that renters are completely discriminated against and get 30 days notice to get out thinking, oh, it's okay they have nothing. Yeah, exactly they have nothing. They have nothing and so I'm telling you right here manufactured housing and the separation of land and the unit that it's on, it's actually what is going to create the awareness of what is wrong in the entire United States, entire housing system. We have to fix it. There's a lot of things that have to happen. I'm paying a lot more money. I don't get a multi-unit discount from AAA, right. Even though they underwrite American modern insurance, right. I don't get a multi policy discount because it's a manufactured home. There's so much discrimination, so much and so much unjustice, injustice. What we're talking about just scratches at the service. So, in closing, I am being dramatic. What would you be willing to die for, I figured it out. I always thought I was a pacifist, oh, I would never do this or that. No, I'm not leaving this home and someday in the history books maybe, maybe the next civil war will literally be called there was a, you know, seeds of rebellion, yeah, they're being planted right now. Trust me, we have homeless everywhere in San Jose. We have tent cities everywhere and I know I could be next. I was homeless. So, I am telling you right now in housing in the United States the seeds of rebellion have already been planted. And I will tell you what I will die for, I will die for shelter. I'm not going to go to some other country and try to get this and that and the other. I'm not even going to die right now for our Constitution which doesn't even protect me, it protects a landlord, doesn't protect me for shelter. So, we have work to do in the United States. And, if the next civil war in the U.S. that goes down in the history books, may it'll be called it started with the Imperial Estate's rebellion. One woman who was willing to be shot, die, killed, whatever it takes to just stay housed. So sorry, I completely went off script and I'm quite shocked at myself and will most likely be mortified tomorrow. Thank you all for the hard work that you do, and I do, am very grateful for that. I know many of you are working hard. Thank you.

TOI ROBERTS: Thank you Ms. Borders we appreciate your candid remarks here today. And we will now hear from our next speaker Mr. Willie Fleming from the Chicago Anti-Eviction Campaign NFP.

WILLIE FLEMING: Hello there. Thank you for having me, I won't be long. My name is Willie Jr Fleming. First of all, I want to thank FHFA for a lot of the great work you guys are doing. Just full disclosure, I'm a Neighborhood Stabilization Initiative participant, so I do a lot of work with Fannie and Freddie already. I'm thankful for the opportunities around some of the foreclosed homes that you guys give the community, donated and discounted. Today, I wanted to ask a favor of FHFA again as I did with Mrs. Thompson when she worked under Mr. Watt. I want to make a recommendation. As an alternative housing solution to not only the homeless Americans in this country but for the migrant crisis. Can we encourage our local government that have seen an influx of migrants and an influx of people coming home from prison, we call them returning citizens, right, or they're formally incarcerated. We believe that mobile or manufactured homes are a way of getting people back to where they need to be, right. And if we can encourage the development of these manufactured homes by local governments, I believe we will have a rapid housing, a rapid re-housing solution, a rapid housing solution. I think we will begin to present more solutions to this current rise in rents that this nation is seeing. We've been working with this Administration around tenant protection and rental affordability. Again, I would like to encourage FHFA to take use of new alternative ways and make better use of the inventory that you're financing meaning, foreclosed properties and begin a disposition that can begin to address some of this housing crisis, human rights crisis that we're seeing, not just with the current homeless population, the migrant population but those coming home from prison. Again, I don't want to take a lot of your time but I just wanted it emphasized that we have to begin to use manufactured housing as an alternative solution to our current housing crisis, thank you.

TOI ROBERTS: Thank you Mr. Fleming. Okay, so our next speaker we have on our agenda is Ms. Victoria Loonstyn-

Baron. However, I don't believe we have her on the call so we will be moving on to our final speaker of today. And our last speaker could not be here with us today but we have someone from our team, our lead Duty to Serve Manager Marcea Barringer, she will read the remarks of our next speaker, Mr. Tony Kovach from MH Pro News.

MARCEA BARRINGER ON BEHALF OF TONY KOVACH: Good afternoon everyone. I'm going to read Tony Kovach's remarks in their entirety, although I may use a bleep on some words. So, were Abe Lincoln and Frank Wolf collect, what's changed since a pimple on an elephant's bleep was proclaimed in the March 25th 2021 FHFA listening session? Niskanen Center housing policy analyst attorney Andrew Justus' op-ed that for The Hill pointed to zoning barriers and unequal financing options as factors holding back manufactured homes. Harvard's Joint Center for Housing studies State of the Nation’s Housing 2023 made similar observations. Without mentioning the Manufactured Housing Institute zoning expert and apparently pro-manufactured home law professor Daniel R Mandelker said in a working paper for the Lincoln Institute that an organization is needed in manufactured housing for litigation and legislative support, ouch. Mandelker echoed the Manufactured Housing Association for

Regulatory Reform decade plus call for a new post-production manufactured housing trade group. During an earnings call with Cavco Industries CEO and MHI Vice Chairman William Boor, analyst Gregory Palm bluntly asked, why is manufactured housing production so weak? MHARR’s warnings on the problematic trend of declining manufactured home production challenge Biden era assurances pre-bunked by HUD researchers. MHARR said for decades that near the heart of issues restraining more affordable manufactured housing are zoning barriers that could be relieved by an application of the Manufactured Housing Improvement Act of 2000 and it's enhanced preemption provision. Despite LendingTree’s research, the uneven playing field in the manufactured housing lending persists. The Duty to Serve remains unenforced on manufactured home chattel lending for approaching 15 years. On paper, MHI leaders Kevin Clayton and Leslie Gooch seemingly agreed. In Congressional testimony under oath, Kevin spoke for MHI saying a lack of liquidity hurt manufactured housing. Warren Buffett said, DTS would benefit manufactured housing but, in practice, why didn't MHI sue to get DTS and the MHIA's enhanced preemption enforced over a decade ago, as MHI belatedly sued to temporary halt the harmful DOE energy rule? Unlike MHARR, MHI leaders arguably palter and posture. MHI suggests manufactured housing production dropped due to retailer inventory overstocking in 2022 and rising interest rates. Pardon me, but in my expert view as a long time and successful former retailer manufactured housing that's demonstratively nonsense. Chattel interest rates in the 1980s hit 20.5% over double current rates, yet manufactured home production then was roughly three times the annualized rate of production in manufactured housing per year-to-date for 2023. MHI knows that during the same timeframe manufactured housing production was falling, more costly conventional housing was increasing their production in 2023. A well-placed MHI member told MH Pro News that Tim Williams, CEO of 21st Mortgage Corporation said, he was happy that the previously announced chattel pilots failed. When a coalition of non-profits asked FHFA Director Sandra Thompson to compel Fannie Mae and Freddie Mac to enforce DTS chattel lending, MHI was oddly missing. Neither MHI, 21st, nor their attorneys deny these observations when recently and repeatedly asked by MH PRO News. Triad Financial Services is an MHI member with a multi-decade example that chattel lending can be done sustainably at more competitive rates than 21st or Vanderbilt Mortgage and Finance generally offer. Several smaller lenders provided proved their ability to do what the law mandates that FHFA should have

Fannie and Freddie do. Is it any wonder that Doug Ryan with Prosperity Now accused MHI of working on Clayton and their affiliated lending’s behalf to tacitly allow Berkshire Hathaway owned brands to dominate manufactured home lending? FHFA has a mandate. Mandate means a compulsory duty. Obviously not everyone involved at MHI, Fannie, Freddie or FHFA are inept or corrupt. That said, CrossMods are but one example of how obviously regulated entities have apparently colluded to keep DTS for all HUD code manufactured homes from becoming a reality. Lincoln Institute's George McCarthy claimed DTS for communities made manufactured housing less affordable. Paul Bradley for ROC USA echoed McCarthy's concern. MHI member Andy Gedo said, Clayton's finance capability is a barrier to entry what you like to call a moat that limits competition. The Biden Administration and MHI claim they want more minority homeownership. Then why is affordable home buying failing? Frank Rolfe and Amy Bliss cried hypocrisy. Wasn't Abe Lincoln right? Sam Strommen’s research asserted MHI and key members violated antitrust laws to limit and consolidate manufactured housing. I'm L.A. Tony Kovach. My thanks to the FHFA for reading and posting my hot-linked facts and observations. These hot-linked documented views will be posted on manufacturedhomepronews.com and are on manufacturedhomelivingnews.com. The remarks have ended.

TOI ROBERTS: Thank you Marcea for graciously reading out the remarks of Mr. Tony Kovach and also, thank you Mr. Kovach for your remarks. And that is the last speaker of today's session on manufactured housing market. Thank you, thank you to all the speakers. Now, and giving closing remarks I'd like to hand it back over to Marcea Barringer.

MARCeA BARRINGER: Hi everyone. I just want to echo Toi’s thanks. Thank you to all of you for speaking and participating today. I really want to thank all of our presenters for sharing their comments and their experiences as well as to you who are still joining us and listening. FHFA appreciates the diversity of views expressed on the manufactured housing market today. We will take all of the remarks that we heard today, as well as, comments posted on FHFA.gov into consideration. For those of you who wish to submit written comments, Toi Roberts will give some more detail about that but, we are taking written comments to anyone in the audience who wishes also to weigh in or to speakers as well. We look forward to continued collaboration with all of you, thanks again. Toi.

TOI ROBERTS: Thanks again Marcea. Now that concludes today's session. Thank you all again. Thank you to all of our guest speakers and to all of you who joined us today. All comments will be posted on our website soon, as Marcia said, and remember you can also submit written comments about the Enterprises manufacture housing market activities on our Duty to Serve website at www.fhfa.gov/dts and we will be accepting written comments through July 31st. So, thank you. We really appreciate getting your remarks here today. Thank you.