



**GEORGIA MANUFACTURED HOUSING ASSOCIATION**

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March 20, 2017

Mr. Jim Gray  
Director, Duty to Serve Program  
Federal Housing Finance Agency  
400 7<sup>th</sup> St. SW  
Washington, DC 20024

Via email: [DutytoServeStakeholders@fhfa.gov](mailto:DutytoServeStakeholders@fhfa.gov)

Request for Input (RFI): Support for Chattel Financing of Manufactured Homes

Dear Mr. Gray:

The Georgia Manufactured Housing Association is pleased to submit comments in response to FHFA's January 2017 Request for Input (RFI) on Enterprise purchases of chattel manufactured home loans.

We represent the Retailers, Service Companies, Community Owners, Manufacturers, and Suppliers to Georgia's manufactured housing industry and have approximately 100 member companies across the state.

It is often said at our State Capital that there are two Georgia's. The geographical area that includes metropolitan Atlanta and North is one Georgia and everything south of Atlanta is the other Georgia. Both regions are dependent on chattel lending when it comes to financing manufactured housing. In the Atlanta region, most manufactured housing is confined to manufactured housing communities due to the limited availability and cost of private land parcels. Therefore, the home remains as personal property versus real estate. The only option is for Chattel loan products because land is separated from the home as far as ownership is concerned. In the geographical region, south of metro Atlanta, land is abundant, especially in rural counties. This has been family owned land for generations and made available to all family members who would like to utilize. However, re-titling, or transferring ownership is not always an alternative and so most manufactured housing remains as personal property. Based on this our industry has become very dependent over the years on the Chattel lending industry which is made up of smaller regional lenders whom are then unable to resell these loans in the Bond Market. They must hold most of these loans on their books. We have patiently waited for many years to have a secondary market for these homes. Not having a consistent secondary market leads to higher interest rates. We have long needed your assistance.

As an industry, we don't feel like our consumers are being provided fair treatment when FHFA does not give relative weight to the scoring of Enterprises' Underserved Markets Plans as it pertains to manufactured housing. They should not receive passing marks for underserved markets without including the success of our product. We need a full finance program like any other housing alternative. To refer to it as a "Pilot Program" indicates this is temporary and not deserving of your Associates full attention.

Manufactured homes are a critical source of affordable housing for more than 22 million working Americans. Close to 60 percent of new manufactured homes sell for less than \$70,000. Manufactured housing can offer this value to consumers because of technological advancements and cost savings associated with the factory-built process. The affordability of manufactured homes has long made these homes the preferred choice for many families, including first-time homebuyers, retirees and families in rural areas. However, compared to site-built homes, consumers do not share the same financing options. These limitations put consumers at a disadvantage in a number of areas including the ability to: purchase new and existing homes; reduce interest rates through refinancing, and sell homes to the broad range of interested buyers.

Manufactured housing is one of three “underserved markets” identified in the 2008 HERA provision which creates a Duty to Serve (DTS) for Fannie Mae and Freddie Mac (the “Enterprises”). We believe that the Enterprises cannot meet this obligation without supporting chattel financing.

We have been attempting to include Fannie Mae and Freddie Mac personnel (the Enterprises’) for many years in our educational symposiums and our annual meetings so we can share our needs. On occasion, they have attended and shown interest in our ability to provide affordable housing efficiently and at a tremendous value. At the end of the day, the best they have ever been able to give us are comments such as “we are looking at your situation”, “we may be developing a pilot program for your product” , etc. These regional associates have always been sincere but at the end of the day, they simply did not have enough support at the higher levels to follow through.

Financing and re-marketing manufactured housing in today’s world should be no different than financing and re-marketing sight built housing products. Both products have similar lifespans, fire ratings, safety standards and customer satisfaction rates.

Thank you for the opportunity to offer this important feedback to you. We look forward to our continued engagement with the Enterprises and FHFA on this important initiative.

Sincerely,

***Jay Hamilton***

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