Manufactured Housing Association for Regulatory Reform

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October 28, 2024

VIA ELECTRONIC SUBMISSION

Hon. Clinton Jones
General Counsel
Attn.: Comments/RIN 2590-AB34
Federal Housing Finance Agency
400 Seventh Street, S.W.
Washington, D.C. 20219

Re: Proposed Rule – 2025-2027 Enterprise Housing Goals

Dear Mr. Jones:

The following comments are submitted on behalf of the Manufactured Housing Association for Regulatory Reform (MHARR). MHARR is a Washington, D.C.-based national trade organization representing the views and interests of producers of manufactured housing regulated by the U.S. Department of Housing and Urban Development (HUD) pursuant to the National Manufactured Housing Construction and Safety Standards Act of 1974 (1974 Act), as amended by the Manufactured Housing Improvement Act of 2000 (42 U.S.C. 5401, et seq.). MHARR was founded in 1985. Its members include independent producers of manufactured housing from all regions of the United States.

On August 29, 2024, the Federal Housing Finance Agency (FHFA) published a proposed rule in the Federal Register to establish 2025-2027 Enterprise Housing Goals pursuant to the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. [1] For the reasons set forth herein and in MHARR's attached comments opposing the Government Sponsored Enterprises' (GSEs/Enterprises) proposed 2025-2027 Duty to Serve Underserved Markets Plans, MHARR objects to the Enterprise Housing Goals as proposed.

In its Notice of Proposed Rulemaking (NPR), FHFA states, inter alia:

> "The supply of affordable housing has not kept pace with the growth of demand. This has led to a shortage of homes, which became more acute during the [Covid] pandemic. According to the Urban Institute, listings have fallen 44.7 percent since 2019, with the supply of homes under $200,000 (representing lower priced homes that are likely to be more affordable to low- and very low-income families) falling 74.5 percent.

[1] See, 89 Federal Register, No. 168 (August 29, 2024) "2025-2027 Enterprise Housing Goals," p. 70127, et seq.

(Emphasis added).[2]

While thus correctly diagnosing a crucial ongoing shortfall in the nation's housing supply and the availability of affordable homeownership for millions of lower and moderate-income Americans, FHFA, in its August 29, 2024 NPR, proposes a low-income single-family home purchase affordable housing goal that would fall below the comparable benchmark level for 2022-2024. In relevant part, the NPR thus states:

> "Considering current and foreseeable market conditions, FHFA is proposing a benchmark level for the low-income housing goal of 25 percent. This proposed benchmark level is below the benchmark level for 2022-2024...."

(Emphasis added).[3] This goal represents a significant reduction of 3 percent from the 28 percent goal in effect from 2022-2024. Similarly, the NPR proposes a 2025-2027 very low-income (i.e., families with incomes less than or equal to 50 percent of Area Median Income) home purchase goal that again falls below the comparable benchmark for the period 2022-2024.[4]

Consequently, while acknowledging and admitting that the nation's supply of affordable housing has not kept pace with demand and with the needs of American families, resulting in a severe shortage of affordable homes, FHFA, through the rule proposed in the NPR, would further reduce and undermine policy incentives for the Enterprises to support such loans and such home purchases. Such a reduction in the single-family Enterprise Housing Goals for low and very low-income households, rather than encouraging and promoting the availability of a greater number of such loans and homes, would instead further undermine the availability and sources of competitive financing for such homes, directly contrary to the mission and objectives of both FHFA and the Enterprises themselves. Put differently, such a reduction in the affordable housing goals, rather than encouraging further effort by the GSEs to engage in responsible support for much-needed affordable home lending, will instead validate and effectively endorse further reductions in such lending and in the availability of affordable homeownership, while increasing hardships for lower and moderate-income Americans and exacerbating the already significant gap between affordable housing supply and affordable housing demand.

This misguided and ultimately harmful policy direction is, unfortunately, consistent with the failure of FHFA and the GSEs – after nearly 20 years – to fully and properly implement the Enterprise Duty to Serve Underserved Markets (DTS) with respect to the vast majority of affordable, mainstream manufactured housing loans provided through personal property (i.e., chattel) lending. In written comments (attached) filed on August 1, 2024,[5] MHARR strongly objected to the proposed 2025-2027 DTS plans filed for FHFA approval by Fannie Mae and Freddie Mac, insofar as those plans failed – in any way – to provide or offer secondary market or securitization support for the consumer personal property loans which account for nearly 80 percent of all manufactured home consumer purchase loans. This failure not only violates the

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[2] Id. at pp. 70132-70133. (Footnotes omitted).

[3] Id. at p. 70136.

[4] Id. at pp. 70136-70137. The very low-income benchmark for the prior period was 7.0 percent.

[5] See, Attachment hereto.

affirmative mandate of the DTS law, enacted as part of the Housing and Economic Recovery Act of 2008 (HERA), but also represents, sanctions and, in part, is responsible for, the Enterprises' failure to meet the low and very low-income affordable housing goals for 2022-2024.

To remedy both failures and to ensure that the GSEs completely and properly fulfill their statutory mission and mandates FHFA, as the Enterprises' federal regulator, must require that Fannie Mae and Freddie Mac, in their 2025-2027 DTS plans, implement DTS with respect to affordable, mainstream manufactured housing personal property loans on a market-significant scale, while simultaneously maintaining (at 2022-2024 levels) or increasing the benchmark single-family low and very low-income Enterprise affordable housing goals. Accordingly, MHARR urges FHFA to issue a final Enterprise Housing Goals rule that maintains or increases the prior single-family 2022-2024 goals.

Only by demanding full compliance with all applicable law, will FHFA ensure that the Enterprises enact and comply with policies that will alleviate the nation's affordable housing shortage and offer safe, decent and affordable housing for all Americans at all income levels.

Sincerely,

Mark Weiss
President & CEO

cc: Hon. Patrick McHenry
Hon. Maxine Waters
Hon. Sherrod Brown
Hon. Tim Scott
Hon. Sandra Thompson
Hon. Adrianne Todman

Manufactured Housing Association for Regulatory Reform
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August 1, 2024

VIA FEDERAL EXPRESS AND ELECTRONIC SUBMISSION

Ms. Marcea Barringer
Supervisory Policy Analyst
Attn. Duty to Serve 2025-2027 RFI
Federal Housing Finance Agency
Ninth Floor
400 Seventh Street, S.W.
Washington, D.C. 20219

Re: Request for Input -- Proposed 2025-2027 Duty to Serve Plans

Dear Ms. Barringer:

The following comments are submitted on behalf of the Manufactured Housing Association for Regulatory Reform (MHARR). MHARR is a Washington, D.C.-based national trade association representing the views and interests of independent producers of manufactured housing regulated by the U.S. Department of Housing and Urban Development (HUD) pursuant to the National Manufactured Housing Construction and Safety Standards Act of 1974 as amended by the Manufactured Housing Improvement Act of 2000 (2000 Reform Law).[1] MHARR was established in 1985. Its members include manufactured housing producers located in all regions of the United States.

I. INTRODUCTION

On June 11, 2024, the Federal Housing Finance Agency (FHFA) issued a Request for Input (RFI) regarding proposed 2025-2027 Duty to Serve Underserved Markets Plans submitted for FHFA approval (i.e., non-objection) by Fannie Mae and Freddie Mac (collectively "the Enterprises") pursuant to the statutory Duty to Serve (DTS) mandate and related FHFA implementing regulations.[2] For the reasons set forth and explained in greater detail below, the proposed plans are wholly inadequate to serve the manufactured housing market as directed by DTS, fail to comply with the full extent, scope and purpose of the DTS mandate, and continue the Enterprises' unabated multi-decade history of flouting the DTS manufactured housing mandate to the detriment of its intended beneficiaries – lower and moderate-income consumers of affordable, mainstream manufactured housing.

[1] See, 42 U.S.C. 5401, et seq.
[2] See, 12 U.S.C. 4565; 12 C.F.R. 1282.32.

Rather than serve the mainstream, affordable manufactured housing finance market as directed by Congress via DTS, both Fannie Mae and Freddie Mac have instead sought to divert DTS to a minute sub-segment of the manufactured housing market comprised of boutique, higher-cost, real estate-titled manufactured homes that are not inherently affordable for lower and moderate-income consumers, are not representative of the HUD Code market as a whole, and far exceed the cost of mainstream, conventional manufactured housing. As a consequence, neither Fannie Mae or Freddie Mac have ever served the vast bulk of the mainstream manufactured housing market under DTS and, under their 2025-2027 proposed plans, will continue that total failure indefinitely. As a result, mainstream manufactured housing consumers continue to be either excluded from the HUD Code market altogether by unnecessarily high (and some would maintain quasi-"predatory") interest rates fueled by the discriminatory absence of DTS-based securitization and secondary market support, or forced to pay unnecessarily higher rates in a less-than-fully competitive manufactured housing consumer financing market.

This ongoing failure by Fannie Mae and Freddie Mac – sanctioned, approved and abetted by FHFA as the Enterprises' federal regulator -- is in direct violation of the DTS mandate, stands in defiance of Congress' statutory directive and is unacceptable. As a result, Congress should conduct immediate oversight of the failure of both the Enterprises and FHFA to implement DTS within the mainstream manufactured housing market and act to advance any necessary legislative enhancements to, clarifications of, and the full, market-significant implementation of the DTS manufactured housing statutory mandate.

II. COMMENTS

It has now been 16 years since Congress enacted the statutory Duty to Serve Underserved Markets mandate, directing Fannie Mae and Freddie Mac to provide securitization and secondary market support for very low, low and moderate-income families in three enumerated markets, including HUD-regulated manufactured housing. And yet, more than a decade-and-a-half later, the vast bulk of the mainstream manufactured housing consumer financing market, representing nearly 80% (or more) of all new manufactured home purchases, remains completely unserved by the Enterprises. Even worse, under the proposed 2025-2027 DTS "implementation" plans submitted by Fannie Mae and Freddie Mac, the vast bulk of the manufactured housing consumer financing market represented by personal property or "chattel" loans would remain completely unserved, in violation of both the letter and purpose of DTS.

In adopting DTS for the manufactured housing market, Congress expressly included within its scope, personal property purchase money loans for such homes,[3] in recognition of the fact that such loans have historically comprised not only the vast bulk of manufactured housing consumer loans, but also provide consumers with direct access to the industry's most affordable mainstream

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[3] See, 12 U.S.C. 4565(d)(3): "In determining whether an enterprise has complied with the duty under subparagraph (A) of subsection (a)(1), the Director may consider loans secured by both real and personal property." (Emphasis added). This clause reflects an unambiguous expectation on the part of Congress that manufactured housing personal property loans – which predominate within the mainstream manufactured housing consumer financing market -- would be included as part of the Enterprises' implementation of DTS. Even if this clause were to be deemed "ambiguous," however, any claim by FHFA or the Enterprises that the "duty" mandated by DTS with respect to manufactured housing personal property loans is somehow "permissive," would no longer receive any type of deference or deferential consideration by a reviewing court. See, Loper Bright Enterprises v. Raimondo, 603 U.S. ___ (2024).

homes (which is why they are predominate within the manufactured housing market). Obviously, if Congress had wished to exclude manufactured home personal property loans from DTS, it could have done so, but did not. The express inclusion of such loans, conversely, demonstrates that Congress expected and intended that manufactured housing personal property loans would be included as part of the Enterprises' compliance with – and implementation of -- the DTS mandate.

Congress' express inclusion of manufactured home personal property loans within the scope of DTS is hardly surprising, in view of the fact that such loans – both at the time of enactment of DTS and historically – have constituted the vast bulk of all manufactured housing consumer purchase loans. Indeed, since the enactment of DTS in 2008, the proportion of manufactured homes financed and titled as personal property has actually increased. According to data compiled by the U.S. Census Bureau, the proportion of manufactured homes financed and titled as personal property in 2008, was 62%.[4] By 2014, that proportion had grown to 80% and has varied only slightly since that time, standing at 73% in 2022, the last year for which annual figures are currently available.[5] Conversely, over the same timeframe, the proportion of new manufactured homes financed and titled as real estate has rarely exceeded 20%.[6] This lopsided, nearly 80/20 proportion of manufactured homes titled and financed as personal property versus real estate, should have led the Enterprises – and FHFA as their federal regulator – to include personal property loans within any legitimate and credible implementation of DTS since its inception 16 years ago.

The Enterprises, though, despite offering lip service to the importance and prevalence of personal property loans within the mainstream manufactured housing market,[7] have yet to provide any DTS support for such loans, thereby abandoning and *themselves discriminating* against millions of lower and moderate-income manufactured housing consumers who already – and long have been – victims of financing discrimination, disproportionate and unnecessarily-high interest rates, government discrimination in the form of discriminatory and exclusionary zoning[8] and other unaddressed and unresolved impediments and roadblocks to affordable homeownership. Instead, then, of remedying the consumer financing aspect of these bottlenecks, as was intended by Congress, Fannie Mae and Freddie Mac are – and continue to be -- part of the problem, extending and exacerbating the discrimination that chattel/personal property buyers already face, while doing virtually nothing to correct the problem and cruelly failing to fulfill Congress' promise of DTS relief to American consumers of affordable housing.

Mainstream HUD Code manufactured homes, unlike other types of housing that are propped-up and supported by government subsidies and other taxpayer-funded initiatives, are inherently affordable. According to the latest available annual compilation of U.S. Census Bureau data (2022) the average sales price of a new, mainstream manufactured home is $127,300.[9] That amount is just 23% of the average (2022) sales price of a new site-built home including land (i.e.,

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[4] See, Attachment 1, hereto, U.S. Census Bureau, Size and Cost Comparison: New Manufactured Homes and New Single-Family Site Built Homes (2007-2014) and (2014-2022).
[5] Id.
[6] Id.
[7] See, Fannie Mae 2025-2027 Duty to Serve Underserved Markets Proposed Implementation Plan at p. MH-39.
[8] Freddie Mac's proposed DTS Plan, in fact, recognizes and acknowledges the impact of zoning discrimination on manufactured housing and manufactured housing residents, yet does nothing to counteract that discrimination. See, Freddie Mac 2025-2027 Duty to Serve Underserved Markets Proposed Implementation Plan at p. MH-22.
[9] See, Attachment 1, supra.

$540,000) and <u>29%</u> of the average (2022) sales price of a site-built home without land (<u>i.e.,</u> $430,808).[10] Yet, notwithstanding this <u>intrinsic</u> affordability; notwithstanding the demonstrated long-term stability of the manufactured housing consumer financing sector; and notwithstanding the <u>demonstrated long-term ability</u> of existing manufactured housing lenders to earn market-competitive returns at acceptable risk levels, DTS implementation within <u>80% or more</u> of the manufactured housing consumer financing market represented primarily by personal property loans (but also other portions of the manufactured housing financing market), remains an illusory pipe dream.

The results of this inexcusable failure for both the industry and American consumers of affordable housing have been devastating. Since the enactment of the DTS directive in 2008, annual industry production has fallen below the historical 100,000-home benchmark in 14 of 16 years.[11] Thus, manufactured housing production has failed to meet or exceed the thirty-year consensus industry benchmark level for nearly <u>90% of the time that DTS has been law</u>. Worse yet, after rising minimally above the 100,000 annual level in 2021 and 2022, production levels <u>retreated</u> below the 100,000 home benchmark once again in 2023, reaching only 89,169 homes, a <u>21% decline</u> from total industry production in 2022.

Not surprisingly, the industry's production collapse in 2023, <u>representing nearly one-quarter of the entire 2022 HUD Code market</u>, corresponded <u>directly</u> with a spike in interest rates on manufactured home purchase money loans, demonstrating – <u>again</u> -- the price sensitivity of manufactured housing consumers and the extreme price elasticity of the manufactured housing market. Specifically, the Federal Reserve, as documented by multiple media reports,[12] began increasing interest rates in March 2022 and continued with rate increases through July 2023. Over that period, the Federal Funds rate increased from 0.25% to 6.5%, with consumer loan rates at even higher levels. Almost simultaneously, manufactured home production rates slowed and then turned <u>sharply negative</u> – and <u>remained sharply negative</u> for all of 2023.[13]

This strong correlation between interest rates on manufactured home consumer loans and manufactured housing production/sales levels, demonstrates the profound impact that full, market-significant implementation of the DTS mandate <u>could</u> have on the manufactured housing market and, conversely, <u>the highly negative impact that its non-implementation is having</u>.

As MHARR has demonstrated <u>repeatedly</u> in prior DTS comments, and as both the Enterprises and FHFA well know, the absence of securitization and secondary market support within the dominant manufactured housing personal property consumer financing market <u>resulting</u>

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[10] <u>Id</u>. It should be noted that Census Bureau monthly data for 2023 shows that the average sales price of a new HUD Code manufactured home fell to $124,133, or a further reduction of 2.5% from the 2022 annual price level.

[11] <u>See</u>, Attachment 2, hereto, HUD-compiled manufactured housing production statistics for the period 2008-2023.

[12] <u>See</u>, <u>e.g.</u>, <u>The Street</u>, "A Timeline of the Fed's '22-'23 Rate Hikes and What Caused Them," (April 12, 2024).

[13] Freddie Mac's 2025-2027 Duty to Serve Underserved Markets Proposed Implementation Plan fully acknowledges this correlation, but fails to connect the interest rate spike in the manufactured housing market – and its dire consequences – with its own failure (and that of Fannie Mae) to implement DTS, at all, within the broadest segment of the manufactured housing market, stating: "Interest rates rose rapidly starting in 2022, more than doubling from 3.8% in second quarter 2022 to 7.79% in fourth quarter 2023. They have receded slightly since then but remained near 7% at the end of first quarter 2024. During those years … manufactured housing supply and production remained tight…. Loan originations and Freddie Mac's loan purchases significantly contracted as a result…." <u>Id</u>. at p. MH-20.

from the non-implementation of DTS, means that existing portfolio lenders must retain all market risks associated with such loans. As a result, such loans are priced with higher interest rates to account, among other things, for the projected cost of that retained risk. Further, the absence of DTS-based securitization and secondary market support – and the retained risk reduction that would be provided by such support, but is not and will not be provided under the proposed 2025-2027 DTS implementation plans -- keeps many lenders out of the HUD Code financing market. This de facto market exclusion diminishes overall lender participation in the mainstream manufactured housing market which, in turn, diminishes the level and degree of competition within that market and, again, promotes needlessly higher (and some argue predatory) interest rates on manufactured home consumer loans.[14]

Consequently, the policies and actions of Fannie Mae, Freddie Mac and FHFA with respect to DTS and its non-implementation for the vast bulk of the manufactured housing market and the vast bulk of mainstream manufactured housing consumers, have not only failed to lower the needlessly higher interest rates charged on consumer loans within the manufactured housing market, but has actually helped to sustain – and arguably even increase those rates – directly contrary to the intent and purposes of Congress with respect to DTS.

For over a decade after its adoption, Fannie Mae, Freddie Mac and FHFA maintained that DTS could not be implemented within the vast bulk of the manufactured housing market because of the unavailability of "information" from industry lenders concerning the performance of mainstream manufactured housing personal property loans. In the absence of such information, the Enterprises contended that such loans could not be securitized or provided secondary market support consistent with the "safety and soundness" required by other aspects of federal law. This excuse, however – if it was ever legitimate – is not legitimate or valid now. Years worth of loan performance information has reportedly been provided to the Enterprises. Moreover, the real world track record of the industry for nearly two decades again shows that manufactured housing consumer lenders have been able to function safely within that market while generating profits and providing reasonable returns for investors. Thus, it is self-evident that the Enterprises could serve the manufactured housing personal property lending sector consistent with "safety and soundness" if they wanted to.

Therein lies the problem, however, as it is evident, after nearly two decades, that the Enterprises simply do not wish to serve the vast bulk of the manufactured housing market and are using phony, feigned ignorance (among other things) as an excuse. The reality, by contrast, is that Freddie Mac had sufficient data on the manufactured housing personal property consumer financing market to produce a "due diligence and feasibility assessment" regarding support for such loans.[15] Inexplicably, however, while continuing its failure to serve the bulk of the manufactured housing consumer financing market, Freddie Mac has failed to publicly release that assessment, including its (alleged) factual inputs and/or conclusions. Fannie Mae, by contrast, does not even purport to have conducted or produced a study or assessment of its ability to provide support for the manufactured housing personal property market, simply asserting in conclusory

[14] See, e.g., MHARR July 15, 2021 written comments, "Request for Input: Fannie Mae and Freddie Mac Proposed 2022-2024 Duty to Serve Plans" at pp.3-5.

[15] See, Freddie Mac 2025-2027 Duty to Serve Underserved Markets Proposed Implementation Plan at p. MH-14

fashion in its 2025-2027 proposed plan that chattel loan support was "considered but not included." (Emphasis added).

There is, however, no evidence whatsoever, either in the 2024-2027 proposed plan or otherwise to establish that Fannie Mae (or Freddie Mac for that matter) has ever considered, evaluated, studied or contemplated manufactured home chattel loan support in good faith.[16] Instead, millions of Americans – and millions more with an interest in mainstream affordable manufactured housing -- are instead told dismissively that they must accept the word of the Enterprises on good faith, when neither Fannie Mae or Freddie Mac have ever demonstrated one iota of good faith on the entire subject of chattel loan support.

Instead of serving the vast bulk of the mainstream manufactured housing market represented by chattel loans, both Enterprises have instead sought to divert DTS to the extremely narrow segment of the HUD Code market represented by real estate loans and, within that narrow sector, to an even more miniscule segment comprised of higher-cost "boutique" or specialty manufactured homes that are not within the mainstream of either the industry or the manufactured housing market.

For example, FHFA and the Enterprises recently touted their support – under DTS – for a new manufactured housing development in Maryland, featuring upgraded manufactured homes titled as real estate.[17] Those homes, however, based on information from the community developer's own internet website, are priced from a low of $306,967,or 240% of the average (2022) sales price of a new mainstream manufactured home financed as personal property according to the Census Bureau data, to a high of $375,678, or nearly 300% of the average sales price of a new mainstream manufactured home financed as personal property.[18]

Consequently, instead of providing support for hundreds of thousands of mainstream manufactured home consumers under DTS, Fannie Mae and Freddie Mac are instead supporting a minor sliver of the manufactured housing market with offerings that are not inherently affordable, are much closer to the price of an "average" site-built home, according to the Census Bureau data, and have not been well-received within the market, as both Fannie Mae and Freddie Mac concede in their proposed DTS plans.[19]

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[16] Indeed, all promises of future chattel loan programs in the out-years of previous DTS implementation plans have turned out to be empty window dressing, having never been implemented.

[17] Both Fannie and Freddie describe these so-called "Cross-Mod" homes as having "the features and aesthetics of a site-built home." See, e.g., Freddie Mac 2025-2027 Duty to Serve Underserved Markets Proposed Implementation Plan at p. MH-11.

[18] With the reduction in the average price of mainstream manufactured homes indicated by the 2023 monthly census bureau statistics, these percentages become even more stark, with the lowest-cost Maryland home exceeding the average price of a new mainstream HUD Code home by 247% and the highest cost Maryland home exceeding the mainstream average by nearly 303%.

[19] See, e.g., Fannie Mae 2025-2027 Duty to Serve Underserved Markets Proposed Implementation Plan at p. MH-41: "Much of Fannie Mae's prior efforts in the MH market have focused on attempting to impact the supply of new manufactured homes, oftentimes through large scale marketing and industry engagement efforts related to our MH Advantage loan product. …[T]hese efforts have produced modest results…." (Emphasis added).

Again, Fannie Mae and Freddie Mac are not providing any DTS support for the vast bulk of the mainstream manufactured housing consumer financing market and are not planning to provide any such support for yet another three years pursuant to their proposed 2025-2027 DTS plans.

Remarkably, instead of providing urgently needed, real-world DTS support for personal property manufactured housing consumer loans and the industry's most affordable mainstream homes, Fannie Mae's 2025-2027 proposed DTS plan includes an objective which would pursue consumer outreach and "industry engagement" to promote the "conversion of personal property MH to real estate."[20] While again targeting only a miniscule segment of the manufactured housing market,[21] this initiative is breathtaking for its pure arrogance. Simply put, Fannie Mae, through this "objective," effectively concedes: (1) that it has no interest in serving manufactured home personal property loans under DTS; (2) that it is biased against such loans and such borrowers; and (3) that instead of serving the broader HUD Code manufactured housing market under DTS as it actually exists, Fannie Mae wishes to use DTS as a weapon to remake that market into something that it considers more palatable (i.e., a real estate-based market). They do this not for the intended beneficiaries of DTS, but to suit themselves and their own self-serving preferences. Again, therefore, this initiative reveals an underlying intent on the part of the Enterprises to undermine, subvert and divert DTS support within the manufactured housing market, away from mainstream manufactured housing and mainstream manufactured housing consumers and to the unrelated aims and prejudices of both Fannie Mae and Freddie Mac.

III. CONCLUSION

Based on the foregoing (and incorporating by reference herein its prior DTS comments), MHARR strongly opposes the approval of the proposed 2025-2027 DTS Implementation Plans in their current form.

Far from implementing DTS within the overwhelming bulk of the statutory manufactured housing market, those plans, as submitted, would continue the Enterprises' longstanding defiance of the DTS mandate and Congress' directive to begin serving the manufactured housing market and millions of manufactured housing consumers on a non-discriminatory basis. Rather than benefiting manufactured housing consumers by expanding the availability of competitively-priced manufactured home loans and engendering increased competition within the manufactured housing consumer financing market, the Enterprises' defiance of DTS has materially harmed American consumers by supporting and sustaining needlessly high purchase loan interest rates within the HUD Code market. This failure is inexcusable and based on the 2025-2027 proposed plans, represents continuing defiance of both Congress and the DTS mandate with no end in sight, as the proposed plans would extend the non-implementation of DTS within the vast bulk of the mainstream manufactured housing market indefinitely with no valid, sufficient or legitimate reason, explanation or even excuse.

As a result, MHARR will strongly urge Congress to engage in meaningful oversight with respect to DTS and its non-implementation by the Enterprises within the manufactured housing market, and will seek necessary reforms to ensure that the Enterprises and FHFA are no longer

[20] See, Fannie Mae 2025-2027 Duty to Serve Underserved Markets Proposed Implementation Plan at pp. MH-49-50.
[21] Id. at p. MH-49, noting that this initiative targets "roughly 17% of all landowning [MH] borrowers." Again, therefore, rather than serving the vast bulk of the mainstream manufactured housing market, this misdirected and insulting effort targets a small subset of an already miniscule pool of landowning chattel borrowers.

able to subvert, distort and/or ignore DTS to the extreme detriment of the manufactured housing market and American consumers of affordable housing.

Sincerely,

Mark Weiss
President and CEO

cc: Hon. Sandra Thompson
Hon. Adrianne Todman
Hon. Sherrod Brown
Hon. Tim Scott
Hon. Patrick McHenry
Hon. Maxine Waters
Other Interested HUD Code Manufactured Housing Industry Members

Cost & Size Comparisons: New Manufactured Homes and New Single-Family Site-Built Homes (2007 - 2014)

	2007	2008	2009	2010	2011	2012	2013	2014[1]
New Manufactured Homes								
All								
Avg. Sales Price	$ 65,400	$ 64,700	$ 63,100	$ 62,800	$ 60,500	$ 62,200	$ 64,000	$ 65,300
Avg. Square Feet	1,600	1,565	1,530	1,520	1,465	1,480	1,470	1,438
Avg. Cost per Sq. Ft.	$ 40.88	$ 41.34	$ 41.24	$ 41.32	$ 41.30	$ 42.02	$ 43.54	$ 45.41
Single								
Avg. Sales Price	$ 37,300	$ 38,000	$ 39,600	$ 39,500	$ 40,600	$ 41,100	$ 42,200	$ 45,000
Avg. Square Feet	1,100	1,100	1,120	1,110	1,115	1,100	1,100	1,115
Avg. Cost per Sq. Ft.	$ 33.91	$ 34.55	$ 35.35	$ 35.59	$ 36.41	$ 37.36	$ 38.36	$ 40.36
Double								
Avg. Sales Price	$ 74,200	$ 75,800	$ 74,500	$ 74,500	$ 73,900	$ 75,700	$ 78,600	$ 82,000
Avg. Square Feet	1,775	1,765	1,735	1,730	1,705	1,725	1,720	1,710
Avg. Cost per Sq. Ft.	$ 41.80	$ 42.95	$ 42.94	$ 43.06	$ 43.34	$ 43.88	$ 45.70	$ 47.95
Housing Starts vs. MH Shipments *(Thousands of units)*								
New Single Family								
Housing Starts	1,046	622	445	471	431	535	618	648
Percent of Total	92%	88%	90%	90%	89%	91%	91%	91%
Manufactured Home Shipments								
Shipped	96	82	50	50	52	55	60	64
Percent of Total	8%	12%	10%	10%	11%	9%	9%	9%
Total	1,142	704	495	521	483	590	678	678
New Single-Family								
Site-Built Homes Sold (Home and Land Sold as Package)								
Avg. Sales Price	$ 313,600	$ 292,600	$ 270,900	$ 272,900	$ 267,900	$ 292,200	$ 324,500	$ 345,800
Derived Average Land Price	$ 84,268	$ 74,209	$ 67,718	$ 66,340	$ 59,950	$ 69,115	$ 75,071	$ 84,628
Price of Structure								
Avg. Square Feet	2,479	2,473	2,422	2,457	2,494	2,585	2,662	2,690
Avg. Price per Sq Ft. (excl. land)	$ 92.51	$ 88.31	$ 83.89	$ 84.07	$ 83.38	$ 86.30	$ 93.70	$ 97.10
Manufactured Home Shipments								
Total	95,752	81,907	49,717	50,046	51,618	54,881	60,228	64,331
Single-Section	30,737	30,384	18,568	20,373	25,291	25,629	28,239	30,218
Multi-Section	65,015	51,523	31,149	29,673	26,237	29,252	31,989	34,113
New Manufactured Homes Placed *(for Residential Use)*								
Located in Communities	26%	26%	22%	25%	26%	29%	30%	33%
Located on Private Property	74%	74%	78%	75%	74%	71%	70%	67%
Titled as Personal Property	64%	62%	67%	73%	75%	77%	78%	80%
Titled as Real Estate	28%	28%	28%	21%	17%	15%	14%	13%

1 Data from 2013 and prior are not comparable to 2014 data.

Source: These data are produced by the U.S. Commerce Department's Census Bureau from a survey sponsored by the U.S. Department of Housing and Urban Development.

Cost & Size Comparisons:
New Manufactured Homes and New Single-Family Site-Built Homes
2014 - 2022

	2022	2021	2020	2019	2018	2017	2016
New Manufactured Homes							
All[1]							
Avg. Sales Price	**$ 127,300**	**$ 108,100**	**$ 87,000**	**$ 81,900**	**$ 78,500**	**$ 71,900**	**$ 70,600**
Avg. Square Feet	**1,450**	**1,497**	**1,471**	**1,448**	**1,438**	**1,426**	**1,446**
Avg. Cost per Sq. Ft.	$ 87.79	$ 72.21	$ 59.14	$ 56.56	$ 54.59	$ 50.42	$ 48.82
Single							
Avg. Sales Price	**$ 86,400**	**$ 72,600**	**$ 57,300**	**$ 53,200**	**$ 52,400**	**$ 48,300**	**$ 46,700**
Avg. Square Feet	**1,064**	**1,084**	**1,085**	**1,072**	**1,072**	**1,087**	**1,075**
Avg. Cost per Sq. Ft.	$ 81.20	$ 66.97	$ 52.81	$ 49.63	$ 48.88	$ 44.43	$ 43.44
Double							
Avg. Sales Price	**$ 158,600**	**$ 132,000**	**$ 108,500**	**$ 104,000**	**$ 99,500**	**$ 92,800**	**$ 89,500**
Avg. Square Feet	**1,757**	**1,794**	**1,760**	**1,747**	**1,747**	**1,733**	**1,746**
Avg. Cost per Sq. Ft.	$ 90.27	$ 73.58	$ 61.65	$ 59.53	$ 51.26	$ 53.55	$ 51.26
Housing Starts vs. MH Shipments							
(Thousands of Units)							
New Single Family							
Housing Starts	**1,005**	**1,127**	**991**	**888**	**876**	**849**	**782**
Percent of Total	90%	91%	91%	90%	90%	90%	91%
Manufactured Home Shipments							
Shipped	**113**	**106**	**94**	**95**	**97**	**93**	**81**
Percent of Total	10%	9%	9%	10%	10%	10%	9%
Total	1,118	1,233	1,085	983	973	942	863
New Single-Family							
Site-Built Homes Sold							
(Home and Land Sold as Package)							
Avg. Sales Price	**$ 540,000**	**$ 464,200**	**$ 391,900**	**$ 383,900**	**$ 385,000**	**$ 384,900**	**$ 360,900**
Derived Average Land Price	$ 109,192	$ 98,296	$ 83,303	$ 84,485	$ 87,253	$ 91,173	$ 82,491
Price of Structure							
Avg. Square Feet	**2,559**	**2,544**	**2,527**	**2,518**	**2,602**	**2,645**	**2,650**
Avg. Price per Sq Ft. (excl. land)	**$ 168.35**	**$ 143.83**	**$ 122.12**	**$ 118.91**	**$ 114.43**	**$ 111.05**	**$ 105.06**
Manufactured Home Shipments							
Total	**112,882**	**105,772**	**94,390**	**94,615**	**96,555**	**92,902**	**81,136**
Single-Section	**51,022**	**44,755**	**42,578**	**42,930**	**44,979**	**46,305**	**38,944**
Multi-Section	**61,860**	**61,017**	**51,812**	**51,685**	**51,576**	**46,597**	**42,192**
New Manufactured Homes Placed							
(For Residential Use)							
Inside Communities (2021 -)[2]	59%	51%	X	X	X	X	X
Land-leased / manufactured home community	36%	31%	X	X	X	X	X
Private property in subdivision or planned unit development	23%	21%	X	X	X	X	X
Outside Communities (2021 -)[3]	41%	49%	X	X	X	X	X
Other private property	41%	49%	X	X	X	X	X
Somewhere else	0%	0%	X	X	X	X	X
Inside Communities (2014 - 2020)	X	X	27%	31%	37%	32%	34%
In a park, court, or community	X	X	23%	26%	34%	29%	31%
In a subdivision or planned unit development	X	X	4%	4%	3%	3%	3%

Private Property (2014 - 2020)	X	X	73%	69%	63%	68%	66%
Not in any of the above	X	X	73%	69%	63%	68%	66%
Titled as Personal Property	73%	77%	78%	76%	77%	76%	77%
Titled as Real Estate	21%	19%	19%	19%	17%	17%	17%

[1] Includes manufactured homes with more than two sections.

[2] Subcategories for this item were revised with the implementation of a new questionnaire in January 2021. This category now contains units located on pri communities· Prior to 2021, all units on private property were assumed to be located outside communities. Percentages are calculated based on the estimate category in https://www2.census.gov/programs-surveys/mhs/tables/time-series/Annual_Char.xlsx

[3] Subcategories for this item were revised with the implementation of a new questionnaire in January 2021. This category now contains only units located c are outside communities in addition to units outside communities not located on private property. Percentages are calculated based on the estimates shown https://www2.census.gov/programs-surveys/mhs/tables/time-series/Annual_Char.xlsx

Note: The Census Bureau has reviewed this data product for unauthorized disclosure of confidential information and has approved the disclosure avoidance practices applied. (Approval ID: CBDRB-FY23-0317)

Source: U.S. Census Bureau and U.S. Department of Housing and Urban Development, Survey of Construction, https://www.census.gov/construction/char https://www.census.gov/construction/nrc/xls/starts_cust.xls.

Source: U.S. Census Bureau and U.S. Department of Housing and Urban Development, Manufactured Housing Survey.

2015	2014
$ 68,000	$ 65,300
1,430	1,438
$ 47.55	$ 45.41
$ 45,600	$ 45,000
1,092	1,115
$ 41.76	$ 40.36
$ 86,700	$ 82,000
1,713	1,710
$ 50.61	$ 47.95
715	648
91%	91%
71	64
9%	9%
786	712
$352,700	$ 347,700
$ 80,246	$ 84,444
2,724	2,707
$ 100.02	$ 97.25
70,544	64,331
32,210	30,218
38,334	34,113
X	X
X	X
X	X
X	X
X	X
X	X
34%	33%
32%	30%
3%	3%

66%	67%
66%	67%
80%	80%
14%	13%

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Manufactured Housing Association for Regulatory Reform

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HUD CODE MANUFACTURED HOUSING INDUSTRY PRODUCTION BY YEAR SINCE 2008

YEAR	NUMBER OF HOMES
2008	81,457
2009	49,683
2010	50,046
2011	51,618
2012	54,881
2013	60,228
2014	64,331
2015	70,544
2016	81,136
2017	92,902
2018	96,555
2019	94,615
2020	94,390
2021	105,772
2022	112,882
2023	89,169