Federal Housing Finance Authority

Listening Session Comments on Manufactured Housing and Tenant Protections

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Thank you for this opportunity to comment on your Duty to Serve questions.

Since I have not commented previously on Tenant Site Lease Protections, I would like to start with the topic title. I urge the FHFA to change from using "tenants" to describe homeowners in Manufactured Home Communities (MHC). Historically and presently, the largest percentage of homes in MHC are sold to homebuyers.

Why would we use language that de-emphasizes or cloud what is being accomplished for affordable homeownership in this sector?

I know thousands of hardworking families who have achieved the American Dream of homeownership in MHCs. Our language ought to reflect the dignity in that and strive as industry to make even more affordable homeownership possible through factory-built HUD code Manufactured Housing and high-density single-family developments (aka MHC.)

As regards your specific questions, I will address three of them:

1. Regarding the adequacy of the current TSLPs: If you speak with homeowners, what you'll hear is that they lack relevance to their main concerns:

    - Limits on site-fee increases
    - Real protections from community closure
    - An actual opportunity to purchase the land

2. Regarding state and local legislation: What I am seeing falls into those same three categories – site fees, community closure, and opportunity to purchase.

- Statewide Rent Control that included MHCs was passed in NY and Oregon. It already existed in Mass. and Calif. on a local level and its expanding in those states.
- Several municipalities have adopted "MHC only" zoning to protect MHC from community closure and redevelopment. I expect this will continue.
- Colorado passed Opportunity to Purchase legislation in 2020, and we are seeing calls for it in other states.

3. Borrower protections for personal property loans: Single-family lenders will want to know the borrower's financial outlook to underwrite a loan. In the MHC space, that immediately takes you to:

   - What is the outlook for site-fees? Is there an annual cap on increases?
   - What is the long-term outlook for the community as a whole? What is the length of the lease? Will my homeowner borrowers be subjected to displacement due to closure?
   - When the MHC is being sold, will our borrowers have an opportunity to purchase the land?

The GSEs entry into home-only financing in MHCs is something I strongly encourage. It could be accomplished by chattel or mortgage loans. I simply ask two things:

- The GSEs and FHA work together to standardize the underlying lease so that the program is scalable nationwide
- Our 20,000 plus Member-owners have access to the loan products

Last, while not one of your questions, I do want to encourage the FHFA to adopt the plain language interpretation of the statute and permit the GSEs to make targeted equity investments and grants that support DTS, as well as EHF plans. Targeted equity investments could make a tremendous difference in the MH market, especially for Resident Owned Communities.

Thank you for your consideration.