



*From the Desk of L. A. "Tony" Kovach*

## **Stating Obvious Facts and Evidence Can End the Duty to Serve Status Quo Insanity Harming Millions, Including Minorities, Seniors, and Lower Income Americans**

A [Freddie Mac](#) post on 9.2.2021 explained: "the four C's [of good sustainable credit used by a]...lender will evaluate in determining whether they will make a loan: **capacity, capital, collateral and credit.**"

"Majority of Consumers Say They Would Consider Purchasing a Manufactured Home" said [Freddie Mac research on 6.29.2022](#). It stated: "77% of people who are aware of manufactured homes expressed a positive sentiment toward these homes, describing them as "new," "efficient," "affordable" and "easy." Most agree that there are tangible benefits to manufactured homes, including the following:

- Allow a wide range of customization.
- Affordable without compromising on quality.
- Ecofriendly and energy efficient.
- A good investment."

62 percent, per their survey, would consider a manufactured home. Regardless of ethnic or age groups, incomes under \$50,000 were more favorable toward contemporary Manufactured Homes.

Per [LendingTree on 11.30.2021](#), and [analysis of their published research](#): "Mobile Home Values Are Rising Faster Than Single-Family Home Values." Years of [3<sup>rd</sup> party research](#) support their conclusion.

HUD Secretary Ben Carson, citing FHFA data, noted in [an address archived on the HUD website](#) made to the Manufactured Housing Institute (MHI): "Our nation's shortage of affordable housing is ultimately an issue of supply and demand. With millions of people in need, high demand is already guaranteed."

Noting that mainstream manufactured homes are about half the cost per square foot vs. site-built housing, Carson said: "even at this lower price, manufactured homes appreciate in value at a rate similar to site-built homes, according to the Federal Housing Finance Agency [FHFA] Housing Price Index. Sustainable homeownership is the number one builder of financial capital for most American families. For example, the average net worth of a renter is \$5,000 [dollars], while the average net worth of a homeowner is \$200,000 [dollars]. That's an extraordinary 40-fold difference. But with comparable home appreciation rates to site-built homes, manufactured homes exhibit their own extraordinary potential to be a wealth creation tool for ordinary, everyday American families." Housing costs have risen since 5.7.2019, but the percentage of saving is the same, per federal data cited by the [Tampa Free Press](#) and [MHLivingNews](#).

*AP* reported Freddie Mac on 9.1.2021 saying: "Researchers from mortgage buyer Freddie Mac estimate that the United States needs an additional 3.8 million homes to meet housing demands..." Critiquing that, Mark Weiss, J.D., President and CEO of the Manufactured Housing Association for Regulatory Reform (MHARR) remarked that some sources assert the housing shortage was significantly higher than Freddie claimed. Weiss pointed out the mortgage giant - during FHFA's conservatorship - played a role in the housing shortage. Said Weiss, "[Freddie Mac Unwittingly Proves Its Own Failure.](#)"

[David Dworkin](#), CEO of the National Housing Conference (NHC) in federal comments stated manufactured housing was necessary for affordable housing. [Dworkin worked for Fannie Mae](#) as a vice president. On 12.10.2019, Dworkin said "we [NHC] have full confidence in both Enterprises ability to reach existing benchmarks."

Triad Financial Services (ECN Capital) provides a similar function for lenders they partner with in manufactured housing as Freddie Mac or Fannie Mae would provide. [Triad's proven model](#) reveals over 50 years of sustainability.

Kevin Clayton, CEO of Berkshire Hathaway owned Clayton Homes [said under truth in testimony certified remarks](#) to [Congress](#): "MHI and its members have long demonstrated to rating agencies, investors, Fannie Mae, and Freddie Mac, the Federal Housing Administration, Ginnie Mae, and others that manufactured housing lenders operate within a disciplined lending environment. Despite this performance the government sponsored enterprises (GSEs) have had little involvement and displayed little interest in financing and securitizing manufactured homes. Less than one percent of GSE business comes from manufactured housing and none of that comes from manufactured home personal property loans."

[My previous remarks on 3.25.2022](#) should be considered part of the factual and evidentiary foundation for this thesis.

Such quotes, facts, evidence, and claims merit a summary.

From the vantagepoint of implementing DTS for all mainstream manufactured homes - particularly in home-only or so-called chattel loans - the collateral value for investment and acceptance meets the 4Cs of sustainable lending.

The logic and evidence are clear. The GSEs can and should sustainably originate and provide secondary market support under DTS for manufactured home loans.

MHI and Kevin Clayton assert they want DTS fully implemented. If so, why haven't they sued either FHFA and/or the GSEs to get the DTS rule for personal property lending on all manufactured homes fully and properly enforced?

MHI's Lesli Gooch denied his claims, but Doug Ryan with Prosperity Now (then CFED) in an op-ed on [AmericanBanker](#) asserted "The system currently discourages Fannie and Freddie from investing in manufactured housing."

Ryan claimed MHI's reluctance was to protect Clayton's headlock on manufactured home lending.

Apparently supporting Ryan's contention, a high-ranking MHI source told *MHProNews* months before the GSEs announced withdrawal of their chattel pilot projects the following. Tim Williams, CEO of 21<sup>st</sup> Mortgage Corporation, told dozens of members during a meeting that he was "[happy](#)" that the [GSEs DTS pilot had failed](#). [Clayton, 21<sup>st</sup>, MHI and their attorneys declined](#) commenting on that or other controversies.

Is it any wonder that some – like [MHARR](#) – are calling for congressional or other federal/state investigations into the apparently corrupted DTS process harming millions, including minorities? ##