July 18, 2023

Ms. Toi Roberts and Mr. Mike Price
Federal Housing Finance Agency (FHFA)
Duty to Serve
400 Seventh Street, SW Washington, D.C. 20219

Re: FHFA Duty To Serve Listening Session – Manufactured Housing 2023 -- Comments

Dear Ms. Roberts and Mr. Price:

Thank you "T'igwicid" in my Coast Salish language for the opportunity to comment during today's FHFA Duty to Serve Manufactured Housing Listening Session. This follows with my complete written comments as I was unable to complete them in the session. My name is Kyle Lucas and I co-chair Resident Action at Western Plaza Mobile Home Park here in Tumwater, WA 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+ mobile home community and many of our vulnerable tenants are in the 70s, 80s, and even 90 years old, many disabled, who thought this was to be their final home. Yet, most now live in absolute fear of losing their home due to the inability to pay our new investor owner's astronomically raised rents.

We all know that rents have skyrocketed across the nation, and especially here in Washington State. And while some good landlords noted 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 Realpage for rental price-fixing here in WA State. There would be more, but the landlords are included language in leases that preclude class-action suits. Moreover, the landlord lobby effectively removed rentals from the state's Consumer Protection authority in the Attorney General's office.

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 Communities, acquired our community.

In WA State, the legislature has formerly found that manufactured and mobile home parks provide "essential affordable housing." Yet, as we've tragically discovered--there are few protections in 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 dollars per month. They believed they were buying their "forever home" … their final or "last home."

Yet, when investor Legacy Communities, LLC, bought our park they raised the rents 18% to $100 per month for current tenants and $380 for new tenants. None of our modest to mostly low-income elder tenants could have imagined it. 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 sending out the 2nd round of $100 per month increases.

Certainly, none of our tenants could have dreamed voracious private equity and investor groups to swoop in on vulnerable elders in mobile home parks. Yet, as has been reported in major news outlets, Washington Post, New York Times, NBC News, and NPR among others as well as countless local outlets, there is a nationwide predatory targeting of senior mobile home parks as cash cows where elderly tenants on retirement and/or Social Security are viewed as a solid stable source of income as such elder tenants unlikely to relocate or to skip out on a lease. Why, because we've lived our lives, paid our dues, and are responsibly settled into housing we can afford as our forever homes.

Even Sen. Sherrod Brown of OH who chairs the U.S. Senate Committee on Banking, Housing, and Urban Affairs has demanded answers from the out-of-state investor, Legacy Communities, LLC. And he's demanded answers from the banking industry— Fannie Mae & Freddie Mac who have a Duty to Serve – to ensure that they protect manufactured housing as "affordable housing." Here are links to Sen. Brown's letters for your information:
https://www.banking.senate.gov/imo/media/doc/fhfa_loan_sales_letter.pdf
https://www.brown.senate.gov/newsroom/press/release/sherrod-brown-presses-manufactured-housing-investors-to-halt-rent-increases-and-protect-ohio-seniors

- Brown Presses Manufactured Housing Investors to Halt Rent Increases and Protect Ohio Seniors | U.S. Senator Sherrod Brown of Ohio WASHINGTON, D.C. — Today, Sen. Sherrod Brown (D-OH), Chair of the Senate Committee on Banking,...www.brown.senate.gov
  https://www.banking.senate.gov/imo/media/doc/brown_letter_-_legacy_communities_mhc.pdf
  https://www.banking.senate.gov/imo/media/doc/brown_letter_-_legacy_communities_mhc_-_freddie_mac.pdf

I have searched high and low and cannot find any place that the Federal Home Loan Mortgage Corporation has taken action to protect vulnerable seniors from predators such as Legacy Communities, LLC.

- Are you able to point me to such action and documentation of it?

That said, the reality is that in this economy, as we saw $6 to $7.00 per dozen eggs this year, a majority of our tenants are already barely surviving on low fixed incomes. Many are on Social Security incomes of $1,000 to $1,100 per month. Add that concurrent to Legacy Communities raising their rents $100 per month, many tenants noted their food stamps were cut by $200 per month. NOW, Legacy is sending out notices of the 2nd $100 rent increase. This is outrageous, inhumane, and the FHFA and Fannie Mae and Freddie Mac need to be accountable for continuing to provide financing to investors who harm vulnerable elders with few resources including inability to afford legal defense.

A week ago, our Resident Action tenant's group hosted a Town Hall with our 22nd Legislative delegation, a member of our city council, and a senior housing representative. And I can tell you that all the bankers, mortgage lenders, and park owners who've advised you (as in last year's Listening Session) there is no need for further protections by FHFA because the individual states are ably managing are absolutely misleading you. And our vulnerable elders are counting on the FHFA and duty to do your job to research and realize that 50 different states have 50 different rules and regulations—most of which do nothing to protect vulnerable seniors from abuses such as those being daily meted out by private equity and out-of-state investors such as ours, Legacy Communities, who have no interest in knowing the tenants or ensuring their well-being in "affordable housing" as manufactured and mobile home parks are ostensibly to provide. Further, it is dictated in Duty to Serve that the Enterprises ensure that "affordable housing" and yet they have only insisted upon ONLY the most minimal of requirements of the investors for whom they're providing these low-interest loans to buy our senior manufactured/mobile home parks. As a consequence, countless vulnerable elders have already lost their homes across the nation due to inability to pay the "market rate" rents imposed by Legacy and other private equity/investor firms buying up our communities.

We ask that you, FHFA, put desperately needed Duty to Serve safeguards in place. The minimal requirements touted by the Enterprises have provided no such care or protection for vulnerable seniors, many in their 70s, 80s, and 90s, who cannot escape unaffordable rents imposed by heartless investors.

- Safeguards should **limit park owners to annual monthly rent increases of no more than 3% or local CPI, whichever is higher, but no higher than 7% per year.** Also, the investors should be disallowed from raising new lot rents more than that rate. Currently, with Legacy Communities raising new lot rents of $380 per month, it is practically impossible for our tenants to sell their homes to escape Legacy's imposed annual $100 per month rent increases. Our tenants have become prisoners unable to escape the 18% rate increase imposed by our investor landlord whom we've yet to meet. And now the notices for the 2nd 18% $100 rent increase are being delivered to tenants. These investors are intent upon setting mobile home park rents at "market rate" rather than "affordable housing." They are displacing vulnerable seniors across the nation and frankly, it hearkens as "elder abuse."
- As part of new protections, please do not renew or extend loans where the owner investor has raised astronomically raised rents.
    - FHFA's pad lease protections are frankly laughable, and no doubt the wealthy REIT/Investor borrowers are laughing all the way to the bank. Please place limits on the amount of rent increases (3% or local annual CPI with maximum of 7% rent annual rent increase to ensure manufactured/mobile homes remain "affordable" as is the Fannie Mae/Freddie Mac Duty to Serve "DUTY!" "REGULATORY ACTIVITY: C. Manufactured housing communities (MHCs) with certain pad lease protections (12 C.F.R. § 1282.33 (c) (4)). OBJECTIVE: 1. Increase the number of loan purchases of MHCs with tenant site lease protections." Your rent increase notice requirement was also ridiculous. Please be serious about your "Duty to Serve."
- Rather than enrich investors who are forcing vulnerable elders from their homes, with many becoming homeless, the FHFA & Enterprises should focus on creating opportunities for lease-land tenants to buy their manufactured/mobile home parks, especially for vulnerable 55+ senior park homeowners. We noted with regret and considerable consternation the Enterprises' 2022 explanation decrying challenges to Resident Owned Community financing. Try harder. Do better! The alternative is continued displacement of elders, many to the street as they lose their "modest" and what they considered to be their "forever and final homes" to voracious REITs and out-of-state investors with no heart and no care nor consideration for the tenant homeowners. Please revisit and renew the Enterprises' efforts toward:
    - REGULATORY ACTIVITY: B. Manufactured housing communities (MHCs) owned by a governmental entity, nonprofit organization, or residents (12 C.F.R. § 1282.33 (c) (3)).

OBJECTIVE: 1. Increase loan purchases of MHCs owned by government entities, nonprofit organizations, or residents.

- Manufactured/mobile home parks are now considered a cash cow hot commodity returning a reliable 4% in annual private equity investment market return, double that of other real estate, as noted in a "Financial Times" and as the housing crisis has left so many priced out of conventional home markets, so we support stronger protections for the vulnerable and those who've historically been disenfranchised such as our low-income homeowner/tenants. The predatory practices that have befallen so many senior manufactured parks like ours ought not be rewarded by FHFA. Rather, Fannie Mae and Freddie Mac's nonperforming loan reperforming loan sales programs should focus on their Duty to Serve and ensuring the continuing "affordability" of manufactured housing rather than supporting investors with profit. In our senior community we have vulnerable elders paying a huge $100 rent increase and putting off critical medical care and medication. Concurrent to the $100 rent increases, many concurrently suffered a $200 reduction in their food stamps. Yet, we have a heartless new investor owner who argues that they're just charging us "market rate." Well, our tenants didn't buy a home in a park that had "market rate" rent. Instead, the rent increase has been an "affordable" $10-$15 annually. Now, our vulnerable elderly tenants are choosing which medicine not to take and which food not to buy.
- MOREOVER, we ask for some bare minimum transparency—so that the public has some ability to review the number of loans made to these investors as well as the interest rates they are enjoying for their ostensible and frankly FALSE provision of "affordable housing."

WA State prevents rent control, so vulnerable seniors such as ours who are faced with homelessness are counting on you and the Enterprises to put these noted last-ditch safeguards in place to protect vulnerable elders from arms-length often out-of-state investors.

We of Resident Action at Western Plaza Mobile Home and our elder tenants who are living in fear and dread of losing their homes worked diligently in the recent legislative session to pass rent cap legislation to protect our thought to be final and forever modest homes, but all three bills failed to get a Floor Vote. <u>And again, I reiterate in rebuttal to the industry refrain—the states do NOT have protections in place. We will again try to seek protections at the state level, but WE DON'T have 6-figure lobbyists nor 6-figure attorneys on retainer to support us. We are counting on the FHFA and Enterprises to honor Duty to Serve mandates to protect "affordable housing" for our vulnerable elders.</u>

Thank you for the opportunity to share our concerns.

Sincerely,

Kyle Taylor Lucas

Kyle Taylor Lucas, Co-Chair
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