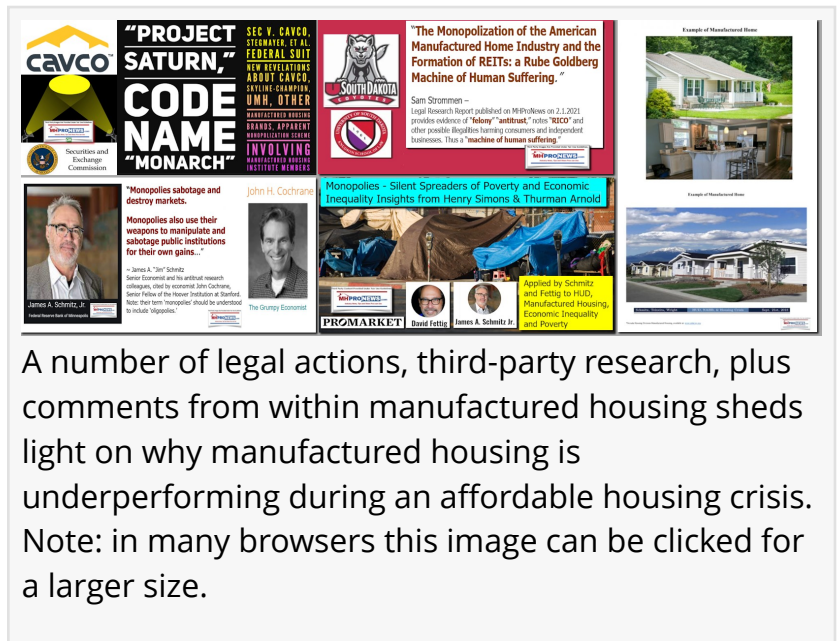


Why is Manufactured Housing Underperforming During an Affordable Housing Crisis? Legal Updates, Reports Explore Concerns

MHProNews Report Examines Manufactured Housing Association for Regulatory Reform, Manufactured Housing Institute, Underserved Mortgage Markets Coalition Stances

POINCIANA, FL, UNITED STATES, January 31, 2022 /EINPresswire.com/ --

On 9.3.2021 the Securities and Exchange Commission (SEC) announced they filed suit against individuals whose companies are involved in the Manufactured Housing Institute (MHI). "SEC Charges Public Company and Former Executives with Insider Trading, Internal Accounting Control Violations, and Misleading an Auditor," said SECinvestigations.org. On 1.26.2022 Law360 reported that the trial judge assigned to the case has cleared the SEC to advance despite Cavco Industries et al's attorneys' efforts to have the publicized case dismissed. Cavco's attorneys deny the charges. But former MHI chairman and ex-Cavco Chairman and CEO Joseph "Joe" Stegmayer has already entered into a plea agreement, per the SEC. That plea deal is detailed in the report that provides the SEC pleadings, related [documents and analysis linked here](#).



A number of legal actions, third-party research, plus comments from within manufactured housing sheds light on why manufactured housing is underperforming during an affordable housing crisis. Note: in many browsers this image can be clicked for a larger size.

Meanwhile, the Underserved Mortgage Markets Coalition (UMMC) has asked the Federal Housing Finance Agency (FHFA) to compel Fannie Mae and Freddie Mac to increase their financing support for manufactured housing mandated by the widely bipartisan Housing and Economic Recovery Act (HERA) of 2008. MHI was notably absent from the UMMC's current and prior request, see those documents from the pro-affordable manufactured housing groups in the [MHProNews report linked here](#).

Prosperity Now's (previously known as CFED) manufactured home supporter Doug Ryan has

publicly accused MHI of failing to press FHFA, Fannie Mae, and Freddie Mac. That claim by Ryan was made in an op-ed in AmericanBanker entitled “Time to End the Monopoly Over Manufactured Housing.” MHI’s Lesli Gooch denied Ryan’s allegations at that time. But when Gooch, MHI attorney and corporate attorneys, Clayton Homes, and 21st Mortgage corporate leaders were asked to respond to the inquiry as to why they didn’t sign onto the Underserved Mortgage Markets Coalition (UMMC), of which Prosperity Now and some MHI members are a part of, they declined comment.

Mark Weiss, J.D., President and CEO of the Manufactured Housing Association for Regulatory Reform (MHARR) has also pressed for the FHFA to compel Fannie and Freddie to finally fulfill their HERA mandated Duty to Serve (DTS).

On paper, MHI, MHARR, and others agree that the mandate to support manufactured home loans to provide more market competitive lending has been largely unfilled since 2008. The National Housing Conference (NHC) CEO David Dworkin, formerly with Fannie Mae, is on record saying he is confident that Government Sponsored Enterprise (GSEs) of Fannie and Freddie have the ability to fulfill their long delayed DTS mandate.

On the hopeful side for those who desire more competitive manufactured home lending, the FHFA recently announced they have formally rejected the GSEs DTS plans. That is an apparent signal that authentic progress may be ahead. Ironically, former FHFA DTS program manager James “Jim” Gray admitted in his exit message (8.31.2020) that insufficient progress has been made.

MHARR CEO Mark Weiss, J.D., has called the DTS process “a shell game.” In comments published on the FHFA website (<https://www.fhfa.gov/Media/Documents/MarkWeiss-remarks.pdf>) Weiss said “Now is the time for Fannie and Freddie to stop making excuses for failing to implement chattel manufactured home loan support under DTS. And now is the time for FHFA to finally require market-significant Enterprise [i.e.: Fannie and Freddie] support for such [home only manufactured home] loans under both DTS and the Enterprise Housing Goals.” MHARR’s website



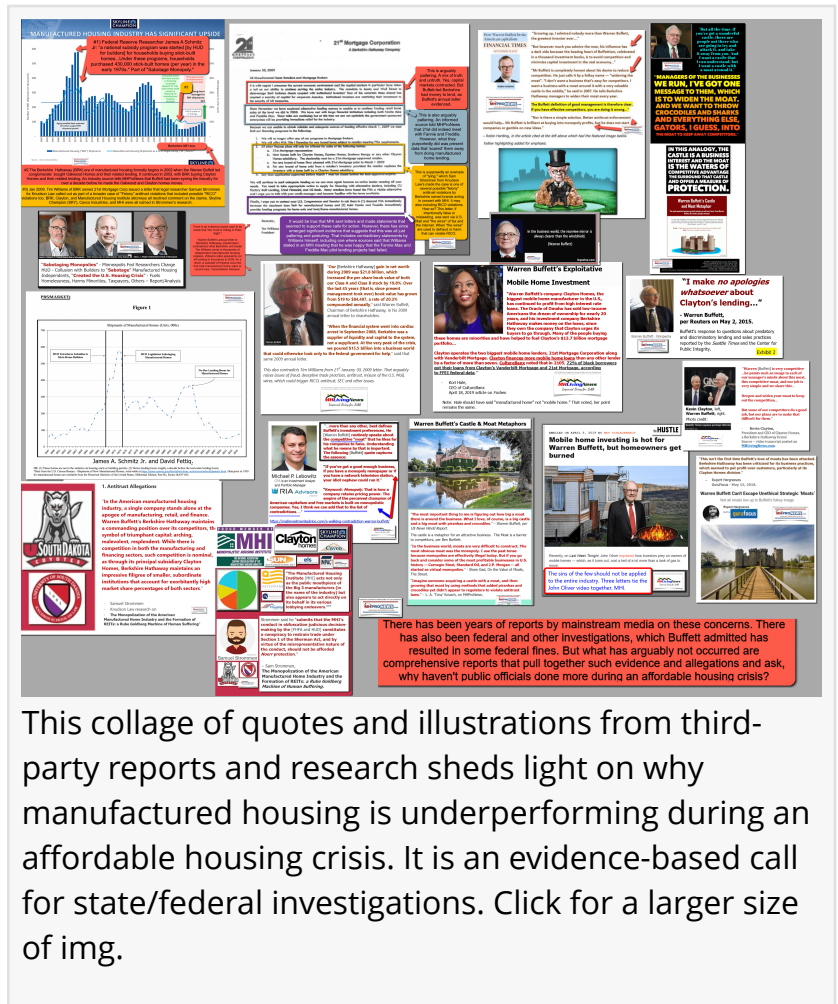
The quotes and illustrations reflect a broad spectrum of viewpoints and claims made from within manufactured housing as well as from sources exploring the industry. Note: in many browsers and devices this image can be clicked for a larger size, follow the prompts.

(<https://manufacturedhousingassociationregulatoryreform.org>) is packed with information on issues that have for years limited the growth of manufactured housing, despite the fact that the industry has federal laws – such as DTS – that were meant to increase access to affordable manufactured homes.

From the SEC media release: “According to the SEC’s complaint, filed in the United States District Court for the District of Arizona, Cavco, at Stegmayer’s direction, used material, non-public information obtained through merger discussions with another public company, Skyline Corp., to trade in Skyline securities. Ultimately, Skyline announced a merger with a different company, which increased Skyline’s stock price by 48% and resulted in alleged gains for Cavco of approximately \$260,000. Additionally, the complaint alleges that after Cavco received an SEC subpoena concerning the Skyline trading, Stegmayer sold over 11,000 Cavco shares that he personally owned. After news of the SEC investigation and the Skyline trading came out, Cavco’s share price decreased by 23%. The complaint alleges that by selling stock in advance of this news, Stegmayer avoided losses of over \$880,000.”

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Monopolization of American Manufactured Home Industry and the Formation of REITs: A Rube Goldberg Machine of Human Suffering” alleges evidence “felony” “antitrust” and RICO creating “human suffering”
Samuel "Sam" Strommen for Knudson Law legal research.



This collage of quotes and illustrations from third-party reports and research sheds light on why manufactured housing is underperforming during an affordable housing crisis. It is an evidence-based call for state/federal investigations. Click for a larger size of img.

Stegmayer was a prior MHI chairman. Though Stegmayer stepped down from his leadership roles at Cavco, he did not step down from his chairman’s role at MHI.

Per Law360 (1.26.2022), which cites the SEC:

“Stegmayer has since settled with the SEC without admitting or denying any wrongdoing. Robert Scott Parkhurst, the Skyline employee named in a second complaint in Indiana federal court, has also settled.

Under the terms of Stegmayer’s settlement, he is barred from serving as an officer or director of a public company for five years and has to pay a \$1.48 million civil penalty. Parkhurst has been

ordered to pay a civil penalty of \$15,995.

According to Tuesday's order, Cavco moved to dismiss the claims against it by arguing that Stegmayer was not acting within the scope of his role as CEO when he made the alleged illegal trades, therefore removing any liability for Cavco.

But Judge Bolton said that within the Ninth Circuit, corporate responsibility is direct and does not arise from a theory of vicarious liability."

Per Knudson Law's Samuel Strommen, "Here in the midst of what could be declared without the merest hint of shame or irony one of the most comprehensive affordable housing gluts in American history, pernicious forces are skulking in the [manufactured housing industry]: consolidating power, subsuming an industry rife with lack of oversight, and praying upon the vulnerability of the impoverished in a gross, incestuous symbiosis."

Asked to comment on the growing array of legal allegations involving MHI connected companies and affiliates, [MHI, their corporate leaders, and attorneys have again declined comment](#). ##

{Sec.&Exch.Comm'n(SEC)v.CavcoIndus.,Inc.No. 21-cv-01507] Cavco attorney: David Greenblatt, Cavco Director & Corporate Attorney Cavco Industries, Inc. 3636 N Central Ave STE 1200, Phoenix, AZ 85012-1998 602-256-6263. See more at the FHFA: <https://www.fhfa.gov/Media/Documents/Kovach-statement.pdf> ##

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