

Manufactured Housing Association ‘Targets’ Fannie Mae and Freddie Mac ‘Failure’ in FHFA Duty to Serve Listening Session

MHARR-nearly 80% of all manufactured home loans are chattel but despite Congressional mandate some 15 years after Duty to Serve (DTS) federal law not enforced.

WASHINGTON, D.C., UNITED STATES, July 22, 2023 /EINPresswire.com/ -- In a [media release to manufactured housing professionals](#), public officials, and others concerned about affordable housing issues, the Manufactured Housing Association for Regulatory Reform (MHARR) provided comments that their president and chief executive officer (CEO) Mark Weiss, J.D., delivered to the recent Federal Housing Finance Agency (FHFA) "Listening Session" on implementation, or the lack thereof, of the "Duty to Serve" mandate for manufactured housing, underserved, and rural markets.

Manufactured Housing Association for Regulatory Reform (MHARR) ‘Targets’ Fannie Mae and Freddie Mac ‘Failure’ in FHFA Duty to Serve Listening Session

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[MHARR, in comments \(copy attached\)](#) delivered to a Federal Housing Finance Agency (FHFA) “Listening Session” on July 18, 2023, has called for the immediate “market-significant” support of manufactured home personal property or “chattel” loans under the statutory “Duty to Serve Underserved Markets” (DTS) mandate.

While chattel loans represent (and have consistently represented) nearly 80% of all new manufactured homes financed in the United States – and are specifically authorized by law for



The graphic features the logos for Fannie Mae, Freddie Mac, the Federal Housing Finance Agency (FHFA), and MHARR. The text reads: "2023 DUTY TO SERVE LISTENING SESSION" and "MANUFACTURED HOUSING". Below this, it states: "MHARR Targets Fannie and Freddie Chattel Manufactured Home Lending Failure in DTS 'Listening Session' Comments".

Manufactured Housing Association for Regulatory Reform (MHARR) Targets Fannie and Freddie Chattel Manufactured Home Lending Failure in DTS “Listening Session” Comments.

inclusion within manufactured housing sector DTS compliance programs – not a single manufactured home personal property loan has been supported by Fannie or Freddie under DTS since its enactment 15 years ago.

As MHARR made clear in its comments, this impasse, which leaves the vast bulk of the manufactured home financing market completely unserved in violation of the DTS mandate, is unacceptable and cannot continue. That is especially the case with the manufactured housing market having entered a severe downturn, beginning with the third quarter of 2022, which has seen the production of new HUD Code homes plummet year-over-year by a factor of more than 30%.

“

We are now 15 years down the road since the enactment of DTS and...nearly 80% of the manufactured housing market remains completely unserved...Everything else is window dressing and distraction...”

*Mark Weiss, J.D., President
and CEO of MHARR.*

Consistent with its discussion of this matter with FHFA Director Sandra Thompson at a meeting on June 20, 2023, MHARR stated that the time for further alleged “research” and study by Fannie Mae and Freddie Mac is long past, and that both instead must begin now to provide market-significant support for manufactured home chattel loans,

consistent with the explicit directive of Congress in DTS.

Otherwise, MHARR emphasized, if Fannie, Freddie and/or FHFA are unclear on what Congress meant by including chattel loans within the DTS mandate, they should be prepared to take this entire matter back to Congress for clarification that DTS means the entire HUD Code market, as well as a specific, close-in deadline for such market-significant chattel support.

As MHARR made quite clear, the time for delay and obfuscation is over. DTS means what it says, and now is the time for Fannie, Freddie and FHFA itself to live up to the obligations imposed upon them by law.

cc: Other Interested HUD Code Manufactured Housing Industry Members

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The remarks as prepared by attorney and MHARR CEO Weiss included the following remarks.

Re: July 18, 2023 FHFA Listening Session – Duty to Serve Underserved Markets – Manufactured Housing Market...

...Manufactured homes are specifically recognized – and protected – under federal law as a source of inherently-affordable homeownership, and are regulated under a system that is expressly designed to maintain their affordability in a manner that is also consistent with both quality and consumer safety.

Unfortunately, this marks, at least the fifth time that MHARR has addressed one of these Duty to Serve (DTS) “listening sessions.” It is “unfortunate” because DTS should have already been fully implemented within the manufactured housing market by now.

Instead of highlighting the glaring deficiencies and full-blown defiance of Congress and the law by Fannie Mae and Freddie Mac within the HUD Code market, and the Enterprises’ failure to serve, at all, the vast bulk of its consumers, we should instead be here talking about the success of DTS and talking about how DTS-based lending helped to ease the nation’s affordable housing crisis.

Fifteen years later, however, that is not the case and it appears that the entire matter is at an impasse. Whether Fannie and Freddie (or FHFA for that matter) like it or not, the vast bulk of new HUD Code manufactured homes – close to 80% on an ongoing basis per U.S. Census Bureau

The infographic, titled "Manufactured Housing Facts," is a vertical collage of images and text. At the top left, it compares the price per square foot of Manufactured Housing (MH) at \$74 PSF versus Conventional Housing (Conv) at \$144 PSF. It features several small photos of Mark Weiss, J.D., and various logos including MHARR, Fannie Mae, Freddie Mac, and HUD. Text boxes throughout the infographic contain quotes and statistics, such as: "Freddie Mac's analysis concludes that the 'main driver' of the early 2000s housing supply boom was a 'long term decline in the... supply of entry-level single-family homes, or 'starter homes' (Enterprise 2004)."; "The analysis also notes that in the 1970s, 'the construction of new, entry-level homes averaged 618,000 units per year.'"; "During the 1980s, however, that figure fell to an average of 314,000 units per year."; "The trend of reduced supply continued through the 1990s, with an average of 207,000 units per year, and in the 2000s, with an average of 150,000 units per year."; "Subsequently, during the 2010s, average entry-level housing supply according to Freddie Mac, declined even further, to an average of 95,000 units per year."; "In the span of five decades," then, the report concludes, "entry-level home construction fell from 618,000 units per year in the late 1970s to 95,000 in 2020."; "The number of chattel loans made by lenders, however, and the corresponding number of manufactured homes that are produced and sold in the United States, have been (and are being) artificially constrained and limited by longstanding federal government policies that discriminate against manufactured homebuyers who utilize third-party financing to purchase a home."; "Specifically, the (Credit Mkt) REI [Request for Input] states that this information 'suggests the conclusion:'"; "(1) That 'manufactured housing has yet to reach its full potential to help address the nation's [affordable] housing needs.'"; "(2) That 'the government financing program managed by FHE and Freddie Mac and during a meaningful part of the financing of manufactured housing over at current production levels.'"; "MHARR agrees with these conclusions and strongly supports the stated interest of both Freddie Mac and FHE – as set forth in the REI – in reducing and, where appropriate, liquidating parties' claims 'for the purpose of increasing their 'manufactured housing program in support of larger housing supply and homeownership goals.'"; "With respect to zoning discrimination Congress, in the 2009 reform law, strengthened and enhanced federal preemption in order allow for the revitalization of starter housing."; "Requirements 'such as discriminatory zoning mandates, that have the effect of excluding mainstream manufactured homes.'"; "Mark Weiss, J.D., President and CEO, Manufactured Housing Association for Regulatory Reform (MHARR), Washington, D.C. On 2-9-2021."; "Note: The results of the right to light on why Manufactured Housing is underperforming during an affordable housing crisis. Note that HUD's is an independent producer, not a producer. The law has been holding the manufactured home industry are routinely post-production problems. The Manufactured Housing Institute (MHI) has very experienced all management of manufactured housing, which includes post-production challenges." At the bottom right of the infographic is a bar chart titled "ANNUAL MANUFACTURED HOUSING PRODUCTION FROM 1995 TO 2022" with the MHARR logo. The chart shows a general downward trend in production over the period, with a notable dip around 2008-2009. The y-axis represents units produced, ranging from 0 to 800,000.

Click image to expand. Manufactured Housing Facts Provided by the Manufactured Housing Association for Regulatory Reform (MHARR) infographic is designed to debunk several common manufactured housing myths at a glance. The quotes on right hand side of graphic Mark Weiss.

Annual Manufactured Housing Production from 1995-2022. Manufactured Housing Association for Regulatory Reform (MHARR) Infographic. Click image to expand.

data-- are financed through chattel, or personal property loans.

Financing a manufactured home as chattel may not be the preferred choice of Fannie or Freddie (or even FHFA). But it IS -- and has been -- the preferred choice of millions of American consumers. And the data is remarkably consistent over time. Going back ten years or more, the census data shows the percentage of chattel loans to all new manufactured home purchase loans fluctuating within a very narrow range, just under 80%...

...whether Fannie and Freddie (or FHFA) like it or not – is that chattel lending predominates and has predominated for many years.

That is the reality and Congress' directive to Fannie, Freddie and FHFA, through DTS, was to serve that reality – to serve the HUD Code market as it actually exists, not as they or some others would like to see it in some ideal world that has never, in fact, been known to exist.

We are now 15 years down the road since the enactment of DTS and still, nearly 80% of the manufactured housing market remains completely unserved. That is the key fact. Everything else is window dressing and distraction..."

The presenters and organizations, per the FHFA, included the following.

Leslie Gooch-Manufactured Housing Institute
Dave Anderson-National Manufactured Home Owners Association
Rachel Siegel-The Pew Charitable Trusts
Adam Rust-National Community Reinvestment Coalition
Mark Weiss-Manufactured Housing Association for Regulatory Reform
Mary O'Hara-ROC USA
Kaitlyn Garfield-Housing Land Trust of Sonoma County
Amy Bliss-Wisconsin Housing Alliance
Stacey Epperson-Next Step
Deb Campbell-MH Action
Kathleen Paradis-New Hampshire Community Loan Fund
Kyle Lucas-Resident Action at Western Plaza MHP
Thomas Heinemann-MH Advisors
Willie Fleming-Chicago Anti Eviction Campaign
Jill Borders-Borders Family
L.A. "Tony" Kovach-MHProNews.com

RE-Factual-Evidence-for-chattel-is-nearly-80%-of-manufactured-home-lending-and-no-chatte-loans-by-Fannie-Mae-Freddie-Mac-under-DTS-references, see these sources=<https://www.urban.org/sites/default/files/2022-07/The%20Role%20of%20Manufactured%20Housing%20in%20Increasing%20the%20Supply%20of%20Affordable%20Housing.pdf>=<https://www.fhfa.gov/Media/PublicAffairs/PublicAffairsDocum>

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More About MHARR

<https://manufacturedhousingassociationregulatoryreform.org/about-manufactured-housing-association-for-regulatory-reform-mharr-washington-d-c/>

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