



January 25, 2019

The Honorable Ben Carson
Secretary
U.S. Department of Housing and Urban Development
451 7th Street N.W.
Washington, D.C. 20410

**Re: 60-Day Notice of Proposed Information Collection: Manufactured Housing Survey
(Docket No. FR-7007-N-07; OMB Approval Number: 2528-0029)**

Dear Secretary Carson,

The Manufactured Housing Institute (MHI) is pleased to provide comments about the Department of Housing and Urban Development's (HUD) proposed collection of information for its Manufactured Housing Survey.

MHI is the only national trade association that represents every segment of the factory-built housing industry. Our members include builders, suppliers, retail sellers, lenders, installers, community owners, community managers, and others who serve our industry, as well as 50 affiliated state organizations. In 2018, our industry produced almost 100,000 homes, which accounted for approximately 10 percent of new single-family home starts. These homes are produced by 35 U.S. corporations in 123 plants located across the country. Our manufacturing sector alone contributes \$3 billion each year to the Gross National Product and provides 40,000 jobs to American workers, and this does not include countless others employed in various positions who support our industry. Today, MHI represents over 85 percent of all manufactured homes produced.

Manufactured homes are a critical source of affordable housing for millions of Americans. Today, approximately 22 million people live in manufactured homes. The average price of a new manufactured home is \$71,900 and the average homeowner's median household income is \$30,000 per year; both figures are far below the national averages. Manufactured housing remains the most affordable homeownership option and the largest form of unsubsidized affordable housing in the United States, particularly in rural America.

Purpose of HUD's Manufactured Housing Survey

The Manufactured Housing Survey (MHS), which is produced by the U.S. Census Bureau (the Census Bureau) in coordination with HUD, is in response to a congressional directive for HUD to collect and report manufactured home and sales information, including whether homes are placed on private land or in land-lease communities. The survey seeks specific information about the characteristics of new manufactured homes sold within four months of shipment, such as the home's size and sales price, where it is sited, how it is installed, and how it was titled.

MHI believes improvements are needed to the MHS because as written, the survey is not accurately capturing home placement information. We are concerned that because of improvements needed to the survey, the data collected does not provide accurate insights. Misinformation about home placement has the potential to negatively impact perceptions about the manufactured housing market. In addition, we are concerned that policy decisions could be based on this misinformation.

Improvements Needed to the Survey

As you are well aware, surveys are valuable only if respondents can confidently and accurately select the correct response to each question. Below are our suggestions for improving the survey, which are all related to the section of the survey regarding home placements.

Section IV, Question 3: Is this location. . .

A manufactured home can be sited in a land-lease community or on private property and Census Bureau information that MHI has used previously reported the placement of new manufactured homes in this way. However, the MHS does not ask whether a home is located inside a manufactured home community or on private land. Instead, a respondent is asked to select from three location options: (1) in a park, court, or community; (2) in a subdivision or planned unit development; or (3) not in any of the above. It is imperative that this question is corrected to ensure HUD meets its mandate to monitor whether new homes are being placed on owned or rented land.

MHI believes that the current choices have led to confusion for respondents and degraded the utility of the data collected. The first two answer choices are not clearly defined and can result in inaccurate reporting. For example, there is potential for some respondents to select either (1) or (2) when reporting a home to be placed in a land-lease community. In addition, a respondent might select either (2) or (3) when reporting about a home that will be placed on private land. It is essential that this question be reworded so that the response options are clear, concise, and reflective of the placement options available to consumers of manufactured homes.

The Census Bureau and HUD do not even use these MHS categories when reporting the data. In the “Manufactured Housing Survey Public Use File: 2017” and in the corresponding “Technical Documentation” file that are available on the Census Bureau’s website, responses to the question are coded using the following values:

- 1 = Inside manuf. home communities
- 3 = Outside manuf. Home communities
- 9 = for Nonapplicable cases

We believe clarity is warranted. MHI’s review of recent MHS data identified contradictions in responses, which we believe can be avoided by rewording the question. To ensure that the Census Bureau and HUD are capturing accurate information about the manufactured housing industry, MHI suggests revising the response options as follows:

1. In a land-lease community/manufactured home community?
2. On private property in a subdivision or planned unit development?
3. On other private property?
4. NOT in any of the above?

This change will provide the clarity that retailers need to accurately respond to the question. It will also preserve our ability to track the percentage of manufactured homes placed on private property. While rural and suburban markets have traditionally been the stronghold of the industry, manufactured homes are increasingly being used in urban areas and it will be useful to better capture such trends.

Section IV – Question 4: Was this home placed on...

MHI questions HUD's authority under 42 U.S.C. 5424 to collect information outside of what is specified in the Housing and Community Development Act of 1980. Moreover, it is unclear why the Census Bureau and HUD even capture this information. To date, MHI has not yet seen any published reports that use MHS data regarding foundation type. We urge you to reconsider the necessity of requiring retailers to provide the information requested in this question.

If HUD continues to require such information, which is beyond congressional intent and not being utilized, technological advances in the manufactured housing industry dictate that this question must be updated. As it is currently written, the response options are vague and do not accurately represent the foundation types currently available. Some of the answers are also very generic and could encompass multiple foundation options (such as "Blocks").

If this question shall remain a part of the survey, we urge HUD to update the answers to provide an accurate representation of how manufactured homes are placed today. We suggest revising the answers as follows:

1. What type of footings support the home?
 - a. Monolithic slab foundation
 - b. Basement foundation
 - c. Concrete footings
 - d. Pressure-treated wood footings
 - e. ABS footing pads
2. What type of piers support the home?
 - a. Concrete blocks
 - b. Pressure-treated wood blocks
 - c. Manufactured steel stands
 - d. Manufactured concrete stands
3. Some Other Way

Section IV – Question 5: How is this home secured?

Again, MHI questions HUD's authority under 42 U.S.C. 5424 to collect information outside of what is specified in the Housing and Community Development Act of 1980. Moreover, it is unclear why the Census Bureau and HUD even capture this information. To date, MHI has not yet seen any published reports that use MHS data regarding anchorage. We urge you to reconsider the necessity of requiring retailers to provide the information requested in this question.

If HUD continues to require such information, which is beyond congressional intent and not being utilized, technological advances in the manufactured housing industry dictate that this question must be updated. Further, the existing answer choices are too generic given the myriad of options available for securing a home.

However, if this question shall remain a part of the survey, MHI suggests revising the options respondents can choose from as follows:

1. Secured by anchors and tie-down straps
2. Secured by anchors and an alternative foundation system
3. Secured by some other means

MHI recommends deleting “NOT secured” because this option is impractical; to comply with the HUD Code, manufactured homes must be secured. We also suggest adding “Secured by anchors and an alternative foundation system” because most single-section homes, as well as nearly all homes in a Wind Zone 2 or Wind Zone 3 area (regardless of the number of sections), are secured using an alternative foundation system in coordination with anchors, which is a more secure and cost-effective solution than traditional options. Overall, MHI believes these revisions will more accurately capture how manufactured homes are secured today.

FHA Title I Loan Limits Must be Updated

MHI appreciates HUD’s recognition in the Federal Register Notice that it is mandated to annually adjust Title I manufactured loan limits for inflation. The Housing and Economic Recovery Act of 2008 (HERA) established fixed dollar amount loan limits for various types and sizes of Title I chattel loans – and further required HUD to annually adjust these limits to account for inflation, using Census data. For years, MHI has encouraged HUD to adjust FHA Title I manufactured home loan limits for inflation, as required by statute.

To date, since enactment of HERA, HUD has not made the mandated adjustments to the Title I manufactured housing loan limits. HUD should do so expeditiously, in accordance with congressional intent.

Closing

It is imperative that HUD’s collection of information should be limited to congressional mandate and should be operationalized in such a way that it produces a valid result. We urge HUD to reconsider the collection of unnecessary information and to revise MHS questions to ensure they accurately reflect current market conditions. MHI welcomes the opportunity to work with HUD to revise this form.

Sincerely,

A handwritten signature in black ink that reads "Lesli Gooch". The signature is written in a cursive, flowing style with a large, stylized "L" and "G".

Lesli Gooch, Ph.D.
Executive Vice President & Chief Lobbyist, Government Affairs