

**Office of Housing Counseling**  
**Nuts and Bolts of Manufactured Housing**

**Tuesday, June 21, 2022**

Sid Alvarado: Welcome, everyone. Welcome to today's symposium. Today we are going to be talking about nuts and bolts of manufactured housing. We're going to be talking about the affordability access as well as opportunity. During the symposium, you -- the participants -- will learn about how the manufactured housing has evolved over the years and how housing counselors can talk with their clients about this affordable housing option.

We're excited to share this somewhat -- what we consider to be mystified -- topic with you on today as housing counselors. This is generally a topic where housing professionals are looking for some clarity, especially when it comes to terminology that's used to describe this topic. So we're excited to provide this space to discuss the topic with you. We're excited also because it's National Homeownership month and we're extra celebratory because we are celebrating 20 years of recognizing National Homeownership month.

So before we get started on today's topic, we just want to provide you with some logistics here. You -- as participants -- you are in a listen only- mode. We do have an opportunity for some Q&A, but we do have two boxes that we want to clarify how we're going to use those today. We have the chat box. That's where you can submit any technical issues via the chat as well as send messages to the host.

Now, when it comes to Q&A, we ask that you submit any content-related questions via the Q&A box. You're going to send that to the host, presenter and panelists, depending on what that question is. So be mindful -- we're using the chat box for technical issues, Q&A box to submit any questions that you have.

The PowerPoint that we're going to be using today has been posted for this session. We will provide that link in the chat box in just a moment. For webinar materials, we have posted those on HUD Exchange and the webinar archive that we're going to be discussing today -- the live content will be available seven to 14 days after today's symposium. You can find that by filtering by either the date or the topic.

For webinar attendance -- it is going to be marked following this live symposium. Once attendance is marked, you can print a webinar certificate by logging into your account and going to your learning transcript. You can select the course name and click print certificate. Not all HUD Exchange trainings offer webinar certificates, so just keep that in mind.

Okay. If you have attended any type of webinar or symposium with us before, you always know that we like to know who is with us on today. So we are going to be doing that by providing some feedback and polling and we do that through Mentimeter. So in just a moment you will receive the Mentimeter link that you can go to. You can grab your phone or you can use your web browser by going to [www.menti.com](http://www.menti.com) and entering the code and voting. But the link has been provided already in the chat box.

So our first question on today about this particular topic, we'll give in just a moment. And you have the code here at the top if you need to use the code. We see that many of you are with us by pressing the hard button.

Our first question is how familiar are you with manufactured housing and how it is defined? So we have two options here. It's a sliding scale, so not at all familiar or you are extremely familiar. So once again, we just like to know exactly who's with us on today and your knowledge level on the topic that we are going to be presenting on. So it looks like quite a few of you have been answering. Thank you so much for the feedback and we're right there, almost smack dab in the middle as far as the familiarity of those that are with us on today.

Okay. Thank you for the feedback using Mentimeter. We have another question for you that we'd like to ask. Our next question is how often do you introduce manufactured housing as an option for your clients? So how often do you introduce manufactured housing as an option for your clients? Once again, the sliding scale here. It can be anywhere between never or every time you meet with your clients you have this discussion where you present this as an option.

We see quite a few of you are providing some feedback on that. Thank you so much. And we're not quite in the middle. It looks like -- for most of you who are responding, that is something that maybe you have not presented as an option, and that is fine. We're hoping by the end of this symposium you'll have enough information that you can use to present this to your clients as an affordable housing option.

Okay. We'll give a couple more seconds for anyone who has not had the opportunity to respond. Looks like we still are receiving a few responses.

Okay. Thank you so much for those responses. Okay. So who is going to be speaking today? You have myself, Sid Alvarado, as well as my colleague Scott Ledford. We are both with ICF and we are the technical assistance providers to HUD's Office of Housing Counseling. We also have Jason McJury, who is the deputy administrator with the Office of Manufactured Housing. And then we have Kelly Fleck, vice president of the Next Step network. All will be presenting some great information on this topic.

So what are we going to talk about today during our time together? We're going to start off with a HUD introduction. We have Jerry Mayer with HUD's Office of Housing Counseling and Teresa Payne with HUD's Office of Manufactured Housing. We are also going to be talking about the evolution of manufactured housing. We're going to have some discussion on financing opportunities. And then one of my personal favorites, we're going to be talking about myths about manufactured housing, because there are a lot of myths that really surround this product. We are also going to talk about HUD's housing counseling certification exam updates. So for those of you who are in preparation of taking the exam, we have some updates that we want to bring to your attention and discuss with you.

And as always, we like that you have resources. After we have today's discussion, you may have some additional questions and we'd like to provide some resources that may be able to answer some of the questions you have. And then we have an opportunity for Q&A. As I stated before,

we do have the Q&A box so that you can present your questions there. You don't have to wait until the end of the presentation. You can actually present any questions that you have throughout it. So that way it's already in queue and then we'll have some time to answer those questions that you have during that designated time.

Now I'm going to hand it over to Jerry, who's going to provide us with a welcome and give us some things to consider as we listen to this great info that is going to be provided. Jerry?

Jerrold Mayer: Well, thank you Sid and welcome to everyone joining today's webinar. Manufactured housing has been an affordable housing option since the 19th century. Back then, a prefabricated home could be ordered from a catalog and shipped across the prairie by covered wagon for a homeowner to assemble right on their own homestead.

Today's consumers continue to enjoy a wide array of manufactured housing choices and financing options to choose from. Manufacturers are building superb quality homes featuring technological innovation, cutting edge design and greater affordability. Manufactured homes are clearly a worthwhile housing option for consumers to consider. HUD's strategic goals include supporting underserved communities, ensuring access to and increasing the production of affordable housing, promoting homeownership and advancing sustainable communities. FHA has insured mortgages and loan products for consumers to consider. Here, too manufactured housing helps advance our shared affordable housing goals.

This webinar will help housing counselors learn about manufactured housing and financing options so that they can help their HUD clients make well informed affordable housing choices. So without any further ado, I'll turn the mic over to Teresa now to take us through the rest of the program.

Teresa Payne: Thank you, Jerry. I would turn on my video camera, but it doesn't seem to be working today from the office, so I will just get right into it. So my name is Teresa Paine. I am the administrator of the Office of Manufactured Housing Programs here at HUD. So thank you so much for partnering with our office and inviting me to speak with you today. I can tell you that our office is excited to work with the Office of Housing Counseling in new and exciting ways to prepare more Americans for homeownership.

To give you some background, our office has historically been responsible for ensuring the affordability, durability, quality and safety of all manufactured homes in the United States. Since 1976, we've accomplished that by creating and updating the HUD code, which is the only nationwide, federally preemptive building code in America. We also work to ensure that homes are properly installed and consumers are protected through a variety of other programs we administer and in partnership with state government agencies across the country.

As part of our Construction and Safety Standards program, our office encourages innovation and forward-thinking regulations to continually improve the nation's manufactured housing stock. To that end, we are continually updating our code to reflect changes in America's construction industry. We continue to work on and process our newest standards code updates, which is a proposed update to our construction standards. These updates will significantly reduce our

industry's need for individual approval of alternative construction methods by approximately 87 percent.

This dramatic reduction makes production of homes in compliance with the HUD code standards much easier for our industry and our partners. The speed of these updates is essentially unheard of. The third set of standards were made effective less than one year ago in July of 2021, and we will be issuing a new proposed update to the standard shortly. We plan to continue to drive progress with the HUD code, adapting to new technologies and opportunities in a proactive, transparent manner.

Maintaining these programs and partnering with a variety of stakeholders is a big responsibility, since one out of every five new homes in America is a manufactured home. This figure also speaks to manufactured housing's importance to address the current housing supply and affordability crisis. Manufacturers' ability to produce more homes -- and quickly -- will help us expand home ownership and address current affordability head on. As part of the administration's wider housing initiatives, we are participating in discussions to find ways to expand access to FHA financing for manufactured homes, particularly through the Title I channel program.

With these new opportunities, there will also be new responsibilities for preparing Americans for homeownership. Housing Counseling will be a critical partner in making sure that new manufactured homeowners are ready to realize their piece of the American dream in a safe, responsible way. Before now, most manufactured homes have been financed through private portfolio lending. Manufactured home owners have often not had the important resources that Housing Counseling can provide to ensure that families are in a good position to transition into owning a home of their own.

Today, I can say that we are aiming to change that reality by finding ways to use your talents and abilities to make sustainable, financially sound home ownership a possibility. We look forward to partnering with you and using Housing Counseling's deep expertise, helping make the American dream a reality for more of our fellow citizens. Your experience, your commitment, and your record of success will all be crucial to our efforts. Thank you again for inviting me to speak with you today and for having Jason make a presentation. And I look forward to working with you today and in the future. Thank you.

Jason McJury: Thank you, Teresa. As she said, we've made a lot of progress in recent years. We're certainly excited to share this information with you today. And we definitely appreciate the opportunity to collaborate with Housing Counseling and the housing counselors across the country. We hope that this information about manufactured housing provides some basic information that would help you talk to prospective home buyers about this particular product.

So manufactured housing has changed over the years. So before 1976, when this program was implemented, mobile homes were built and shipped across state lines. But the National Manufactured Housing Construction and Safety Standards Act of 1974 provided HUD specific authority and direction to develop a nationwide building registry program. As Teresa said, we are the only federally regulated building code in existence today, and we're also the largest building

code authority in that respect. We typically administer a program for the oversight of the design and production of over 100,000 manufactured homes each year.

The Manufactured Housing Construction and Safety Standards Act of 1974 outlines the purpose for our program, and that's primarily to protect the quality, durability, safety and affordability of manufactured homes. Those are really the four tenets to our program. But within that act, it required HUD to establish standards. It required HUD to ensure that manufacturers were complying with our standards. It requires manufacturers to conduct inspections and also allows HUD to provide inspections and investigations as necessary to enforce our standards.

The act was modified in 2000 to provide HUD with some additional responsibilities. HUD implemented the Model Installation Standards Program and Regulations. HUD was also required to establish and implement a dispute resolution program. The photos on this particular slide really show the ingenuity and innovation of this industry over the past 46 years. And we just celebrated that 46-year anniversary as the program was implemented on June 15, 1976. Our essential mission, as I just stated, is to really protect the quality, safety and affordability of manufactured homes. Next slide.

So given the act and HUD's overarching goals and objectives for this program, our mission within the Office of Manufactured Housing Programs is fairly straightforward. But it can be very challenging to execute. We execute this mission of overseeing this industry with a very limited number of HUD employees operating out of the Washington, D.C. headquarters. But we also have some contractors that help us out to carry out this essential mission.

So what is a manufactured home? The statute, as well as HUD's regulations, really identify about five characteristics that define a manufactured home. One. That home must be built on a permanent chassis. The home must be designed as a dwelling unit. Must be designed for use to be installed on or without a permanent foundation, has to contain all of the systems required for a dwelling such as plumbing, heating, air conditioning, electrical. And one of the discriminators is that we only regulate something that is more than eight feet in width, more than 40 feet in length, and when erected on site, has to be at least 320 square feet.

So I want to make clear that our program does not cover regulation of modular homes, which can also be built in a factory. And we also do not cover recreational vehicles. Those are regulated by state and local standards.

Our program only applies to structures built under the federal program, built to the manufactured home construction and safety standards. The identifier is that red label that you see on the tail end of each section of a manufactured home. So without the evidence of that label, it may not be a manufactured home, but that should be something that everyone looks to figure out whether or not the structure you're looking at is or is not a manufactured home.

So Teresa provided some national statistics about our program. We are a major source of unsubsidized, affordable, single-family housing. The number of single-family home starts has varied over the years anywhere from five percent to upwards of 30 to 40 percent of single-family home starts. But lately, it's hovered right around that percent number. We comprise --

manufactured housing comprises about one in seven homes found in rural America. Ninety-six percent of our homeowners have an annual income of \$50,000 or less. And as we said, HUD's manufactured housing program is the only preemptive building code in existence today.

There's been over 8 million homes built under our program since 1976, and we house about 22 to 24 million Americans. So in fiscal year 21, which ended in September 2021, we produced about 165,000 transportable sections of manufactured housing, and that totaled about 104,000 manufactured homes built in that fiscal year. Today, we have about 140 plants operating across the country. And despite the challenges from the pandemic, we have increased the number of plants over the past two years, up five from pre-pandemic levels.

So now I'll talk to you just a little bit about the design and production oversight that HUD is responsible for. While oversight of the nationwide program is HUD's responsibility, we do partner with many states that help us in carrying out certain activities on behalf of HUD. This program was originally created as a federal state partnership, so the states are definitely valued partners in implementing this program. Today we have about 33 states that have partnered with HUD to carry out certain functions. Those are the states identified in green on the map to the right. All of the states in blue do not have a state administrative agency. So the functions that an SAA would normally provide default to HUD.

Similarly, there are requirements for home installation oversight. In 2008, HUD published its Model Manufactured Home Installation Standards and set those as minimum standards nationwide. HUD also published requirements for states that wanted to be responsible for the oversight of installations occurring within their states. So today we have -- actually it's down to 35 states that have approved installation programs. Those are the states, again in green. And then HUD administers the remaining 15 states, as Pennsylvania has joined us more recently than this map was created.

So really what that means is states have to tell HUD whether or not they're going to monitor the installation of homes in their states. And they have to submit a plan which includes minimum standards, includes requirements for installers, as well as other aspects that allow that state to administer the program effectively.

As Teresa said, we're working hard to update our building code. And she mentioned updates that were published in the past year regarding the manufactured home construction and safety standards. Popular amenities such as carports attached and detached garages, two-story manufactured homes, as well as attached duplex, triplex or quadplex type of manufactured housing can be done within our current building code and certainly speaks to both the innovation of the industry as well as the progress of the building code since 1976. The fourth and fifth set of building code updates, which again we hope to publish soon as proposed, will also include many other amenities and consumer demands that have become more popular over the years, such as tankless water heaters, accessible showers, as well as the typical windows and doors that you would find in any other site-built home, which currently would only be allowed if HUD gave specific approval.

HUD also has consumer support programs. And if there is an issue that a consumer is experiencing -- and again, depending upon the seriousness of that issue, and if that issue was introduced into the home through the design or production process -- that manufacturer is under an obligation to fix that particular issue, and that protection extends for the life of the home. I don't think you'll get that warranty with a site-built home.

So in our administration of the program, we have various phases that offer aspects of consumer protection throughout our regulatory oversight of the industry. So first, the home has to be designed. Those designs integrate many consumer requested options, and then those designs have to get submitted to a HUD approved design approval primary inspection agency. That inspection agency is solely responsible to review that design and make sure that it conforms to our standards before they put their stamp of approval on it.

Once they put their stamp of approval on it, that design can then be used in the production of homes. The manufacturer has a regulatory responsibility to inspect every part of every home that they manufacture. And then HUD also has another third party that it specifically approves to be HUD's eyes and ears in that production facility. That's called what we call an PIPIA [ph] -- production inspection primary inspection agency. That PIPIA has a responsibility to oversee the manufacturer's quality assurance program happening throughout the building facility. And they also have a responsibility to inspect each transportable section in at least one phase of its production. But every time they go into a production facility, they have to look at the entire production line.

So once that home gets inspected by the manufacturer -- has the appropriate PIPIA inspections -- that manufacturer can then put one of those certification labels at the tail section of the home, indicating that to his knowledge and belief, that manufactured home complies with our standards. And then that label -- is really the birth certificate for that home and provides evidence that this home was built under our federal program.

Once that home is labeled, it's shipped to somewhere across the country, and then it's subject to the installation program, whether it's a program administered by HUD or a program administered by a state agency. Those homes are installed by licensed installers under the purview of either that HUD or state program.

And then upon occupancy, the consumer may have specific issues that need to be fixed. They sometimes work with the retailer, sometimes working with directly the manufacturer to get those issues remedied through our consumer protection support. So in addition to that regulatory process, there's also other post-purchase consumer remedies that are available. As I said many times, a consumer, when they find an issue, will immediately report that to the retailer and or manufacturer, and then it's up to the manufacturer and retailer to work out how those issues are going to get corrected. And they many times voluntarily correct those issues.

If for whatever reason that consumer is not satisfied, they may submit a complaint to a state-based consumer complaint program. And then if those issues aren't resolved in a timely manner, sometimes those issues get elevated or addressed by the state administrative agency or HUD,



depending upon the state in which that home is located and the state in which that home was manufactured.

Sometimes a complaint is found to be caused by the home's manufacturer and introduced into many homes. If that's determined, the manufacturer has a responsibility under our Subpart Notification and Corrective Campaigns to actually investigate how many homes -- specifically which homes were affected. And then, depending upon the seriousness of the issue, they may have to correct each and every home found to be included in that particular notification and corrective campaign. And there are timelines too.

Lastly, any party that's involved in resolution of a consumer complaint -- if they don't feel that complaint is handled properly handled, they can submit that for what we call a dispute resolution. And again, states have the option to run a dispute resolution program. There are 25 states that run those dispute resolution programs. And if they're in one of those 25 states that do not have one, then that responsibility defaults to HUD. But manufacturers, installers and retailers can submit a dispute resolution request and then HUD would mediate or the state would mediate resolution of those particular issues.

So we do have quite a bit of information available on our website. Homeowner factsheets, other supporting information for homeowners about the program itself. Tips and tricks on purchasing and relocating a manufactured home, installation and setup information and specific issues about care of a manufactured home and warranty as well as links to specific agencies, if a consumer needs to file a complaint, who to submit that complaint to. I believe a link to that particular website has been shared via the chat.

All right. Advantages of manufactured housing. If you haven't been in a newer manufactured home, you'd really be surprised. The options for today's consumers are much more like traditional homes than they were decades ago. Many of them feature innovative designs, custom features, spacious living spaces, state of the art kitchens and luxury bathrooms. You can also find manufactured housing in very amenity rich communities. They're not called trailer parks anymore. These communities can include swimming pools, tennis courts, golf courses and many, many other amenities that consumers are demanding. Same features that you'd find in many site-built subdivisions.

So why consider a manufactured home? Again, today's homes are built to our federal building code and they provide outstanding quality and performance at a very reasonable price, as much as 50 percent less than the same square foot -- per square foot cost of a site-built home. That certification label attached to the exterior indicates that that home has undergone one of the most thorough inspection processes in the homebuilding industry, from the manufacturer's inspections to HUD's approved third-party inspections.

So the slide in front of you really does demonstrate the affordability of our product. These are the average sales prices of new manufactured homes, both single section as well as double wide and multi-section homes. Those are average costs in each of the regions, and you can see that nationwide the average cost of a manufactured home is about 55 dollars per square foot. And

that's about 50 percent of the per square foot cost of a site-built home. And that is a major cost advantage.

Nationwide, the average cost of a manufactured home in April was about 100,000 dollars, according to the US Census Bureau. And the average cost of a site-built custom home, on the other hand, was more than 350,000. These costs do exclude land acquisition costs, though, but for any given location they should be comparable.

Manufactured homes can also be customized to feature the same luxury amenities found in any other traditionally site-built home, including high-end amenities like granite countertops, artisanal fixtures. Consumers have the ability to customize these manufactured homes to fit their needs and preferences. They feature a variety of exterior architectural styles, finishes. And many of them, as I said, have the same luxury amenities that can be found in a site-built home.

Financing considerations may depend on how the land is acquired and owned -- or rented for that matter. A manufactured home financed without being affixed to land will only be able to be financed with a personal property loan or a cash purchase. So how that home is or is not affixed to the land really can determine the financing for a manufactured home.

Real property loans are typically available only to real estate that's taxed entitled as real estate for those local governments that treat personal property. Even if a homeowner owns the land, they may not own the land underneath it. And in those cases, those manufactured homes are only financed with a personal property level.

It's right next slide. So interest rates can certainly also be a consideration. Obviously, with a personal property loan, interest rates are likely to be higher. But with a real property loan, those interest rates are likely to be lower. The factors that determine interest rates could certainly be the amount of the down payment, the terms of the loan, the site location and borrower's credit. And interest rates are generally higher on loans without insurance, such as FHA and VA insurance.

Next slide sets forth some standard criteria that most standard bank financing had. So in order to be eligible for real property financing, homes must be placed on a permanent foundation. The land must be titled as real property. The manufactured home must bear its certification label and a data plate must be installed within the home. That data plate indicates certain conditions under which that home was designed, such as the roof load zone, the wind load zone and thermal properties for that particular home. And a manufactured home can be financed as both a principal residence as well as the second home.

Today's manufactured homes are a higher quality than homes built decades earlier, increasing the longevity of the home. Buyer interest has driven down demand -- driven demand for more traditional financing for manufactured homes. And today's homes have much increased opportunity for traditional mortgages and better interest rates if the buyers invest in a quality home, own the land and place that home on a permanent foundation.

There are various mortgage insurance programs available, some through the Federal Housing Administration or FHA. They offer both an FHA Title I, as well as the Title 2 insurance program. We'll talk a little bit more about those. The Veterans Affairs -- VA -- offers manufactured home loan programs. And USDA also has manufactured housing programs.

So under FHA Title I -- again, this is a personal property type of loan and that may finance the purchase of the home and or the lot -- borrowers are not required to purchase or own the land in this case. They may lease the lot and specific loan limits and terms would apply. FHA Title 2 is a real property loan, and that may finance both the purchase of the manufactured home as well as the land. Borrowers in this case are required to affix the home to the land. Again, that manufactured home must bear that certification label on each transportable section. The foundation for the manufactured home would have to meet specific requirements outlined in HUD's Permanent Foundation Guide for Manufactured Housing. That real property would be subject to appraisal requirements and certainly subject to traditional loan limits.

The Office of Single-Family Housing administers these mortgage insurance programs. That's not a function of the Office of Manufactured Housing, but we do certainly collaborate and cooperate with FHA. GSEs -- government sponsored entities also have manufactured housing loan programs. Fannie Mae has its MH Advantage program and Freddie Mac has a ChoiceHOME program. You could certainly go to Fannie and Freddie Mac to learn more about their specific home programs.

So this again, is just a picture of one of the contemporary manufactured homes built under our program. The aesthetic is certainly pleasing to the eye, features an attached garage, but really is more representative of the types of homes being built in the manufactured housing program today. At this point I will turn it over to Kelly [Fleck ph] from Next Step.

Kelly Fleck: Good afternoon. It's great to be here with you today. My name is Kelly Fleck. I am the vice president of home ownership with Next Step Network. And Next Up is a national nonprofit whose mission is to put sustainable home ownership within reach of everyone while transforming the manufactured housing industry through consumer energy -- through consumer education and energy efficiencies. We believe in manufactured housing done right. Next slide, please.

Manufactured housing done right includes helping families gain access to high quality, energy efficient homes and creating prepared and supported home buyers. Next.

Early in 2020, we started to take a look at our training programs that we were providing to housing counselors. And we believed that our training sessions were long, a little boring, perhaps, and they were probably too complex -- that we were trying to make housing counselors perhaps a professional or a expert in manufactured housing instead of giving them the bare bones or the nuts and bolts, if you will. And so, we decided to take a deeper dive and to learn what the attitudes were of counselors and consumers and what it would take to move them from being skeptical to confident. And what we learned the key takeaway was is that counselors really lack education and confidence when advising consumers in making financial decisions when it comes to factory-built homes. Next.

So we did a survey of 100 housing counselors and we wanted to know how much time they spent with manufactured housing -- with their clients or in their homebuyer education workshops. And 74 percent of the respondents spent zero to 15 minutes on manufactured housing. And I think that we saw that earlier today in the poll question. But the good news is that counselors were interested in learning more about manufactured housing.

And so that survey led us to this deeper dive, discovery period. And we used the several different methods to collect this data. We used focus groups. We asked professionals to give us feedback on our training. We worked with intermediaries, and we also completed a national homebuyer survey of potential homebuyers that wanted to purchase a home within the next 12 months. Next.

And the feedback that we received from this discovery is that there are quite a few negative perceptions and we can't minimize that. We learned that we really need to address these concerns head on and not glide over them. We learned that our training was too complex. That counselors need to have access to training in real time in multiple formats, and they needed resources available at their fingertips in real time. Next.

We also learned some surprises. We know that the stigmas are real and that we needed to address the negative attributes head on. And we also needed to provide a value proposition for councilors to consider promoting factory-built housing as an affordable option. And so, we learned that there are still a lot of concerns out there. And these next few slides, we're going to talk about some of the myths or concerns that counselors have. Next.

The first concern was that manufactured homes or factory-built homes are the same as a trailer or a mobile home. Well, the fact is, mobile homes and trailers are mobile dwelling units that were built prior to 1976. Manufactured homes are built to the HUD code. They're placed on a permanent foundation, and they're not really meant to be moved once they've been placed. And I just want to point out that these homes are no longer being constructed.

The next concern is that the homes are less expensive because they're poorly made or constructed with cheap materials. The fact is that homes are built in the state-of-the-art climate-controlled factories, using the same materials that you can find in a site-built construction home. ] Manufactured homes are less expensive due to the construction efficiencies that can be found in a factory. Next.

There was a lot of concern around safety and durability. And the fact is that HUD regulates the design. And we learned that from Jason earlier. And HUD makes sure that the home meets the regional standards for strength and durability and energy efficiencies, fire safety and quality control. The HUD code was revised in the 90s to improve the wind resistance in hurricane areas as well. And as Jason mentioned, these building codes are going to be updated once again. And next slide.

The next concern was around energy efficiency and because the quality of the home that the house couldn't be efficient. Well, the fact is many manufactured housing can be built to energy star standards. The home itself is energy efficient and includes upgraded insulation packages,

low e-thermal pane windows and a programable thermostat. And even today, there are advancements being made towards a zero net energy factory-built home. Next slide.

There was a lot of concern about appreciation that we discovered as well. And many folks believe that this is not a good investment because the home will not appreciate in value. But the fact is, when manufactured housing is done right on the proper foundation and maintained properly, the home can increase in value at the same rate as a traditional site-built home. Next slide.

And the last common misconception was that manufactured homes are hard to finance. And the fact is, there are many products that are available. Scott discussed many of the options. There's FHA, VA, USDA and the GSEs have created their loan products as well to put manufactured housing on par with site construction. So I want the counselors to realize that there are tools and support available to you out there. If you could move to the next slide, I'll give you an example of some of the support that is available.

Next Step has created Down Payment Seeker. This tool can be located on the Next Step website under the resources tab. This is a tool to connect buyers to down payment assistance for manufactured housing. We partnered with Down Payment Resources. It's a national search engine that identifies down payment assistance programs that allow [MH?] for a down payment assistance program.

So you don't have to search through program after program to see if manufactured housing is an eligible property type. The consumer just goes on to the website. They would enter some data and then they receive a list of potential products that they might be eligible for in their community. And I think this is a great opportunity for folks who haven't identified any down payment assistance.

And I'd also like to inform all that we're working to create more tools and resources for housing counselors and housing professionals. We are creating a resource library that will be hosted on our website -- that counselors can have access to training, to materials. And we would invite you to check back with our website. This will be revealed in late summer. So thank you very much. And at this time, I'll pass it over to Scott.

Scott Ledford: Hi, everybody. Thanks very much, Kelly and Jason and everybody for such great information. There's a lot of really good questions coming into the Q&A box, so I want to move fairly quickly and cover a new resource that was put together for the housing counseling community, specifically around manufactured housing. So we put together this manufactured housing quick tip sheet, initially concept, maybe let's make it a one pager. Well, it turns out there's a whole lot of information, as you've just learned. And so, it's a little five-page document, but it's organized really quickly. You can see the headers on the left-hand side.

And Claire, if you could pull up the web page, I want to show you where you can access this. This is currently available to you. It is on the HUD Exchange and there's a link to open up a PDF document and you'll see a lot of what Jason and Kelly have already talked about is actually covered within this little five-page document. So we have the definition of what a manufactured

home is. You can get into the importance of land, property interest and what that means for the financing that becomes available for an individual looking at this as an option on the next page, you can get into how is manufactured housing titled?

We talked a little bit about personal property as opposed to real property and how that transition can be made from turning what is currently a personal property into real property, which does -- obviously in the next section, it influences the types of findings that becomes available. If you look at the real property requirements, when you're dealing with the situation where a manufactured home is real property, there are some general requirements that apply for most manufactured home products -- home mortgage products, and those are summarized here. Go ahead to the next page, if you would.

Also, for the FHA Title I manufactured home program, you can see the unique requirements under that for a personal property loan. And if you go to pre-purchase -- I think one of the things to really emphasize here is that there's a lot from a housing counseling perspective. A lot of times we're used to working with clients and taking them through what I'll call the traditional mortgage process with a site-built home. But here, in the context of manufactured homes, there's so much more that may be involved in -- a bunch of different people may be involved in the process with your client. And so, this just provides a quick summary of that. Go ahead to the next one.

Also, a summary of six important things to keep in mind for the installation process. Coming back to some of those links that Jason was already providing around the consumer -- excuse me -- the consumer protection aspects around manufactured housing. And then what are some of the post-purchase considerations? And obviously in some cases that's going to include needing some rehab and stuff like that. And so, you can see the links to the Section 504 program from USDA. And throughout this document, there's all kinds of links that you can follow to get more information.

Then there's a section about foreclosure and what that means in a manufactured housing context, what repossession may mean. And then, of course, there's a section about eviction, which, again, from a housing counselor perspective, and this was designed for you in the housing counseling community to have this quick tip sheets that can help you work with your clients and give you a really quick, better understanding of manufactured housing. And Sid, I'm going to pass it over to you and she's going to tell you why this may be even more useful to you.

Sid Alvarado: Thank you so much, Scott, as Scott said. Thank you, everyone, for just such great information. And all of that information is definitely causing you all to have lots of questions, which we're going to get to in just a moment.

Let's talk about the HUD Housing Counseling Certification Exam and updates. How does manufactured housing affect the HUD certification exam? Well, we wanted you to know that manufactured housing questions will be added to the exam and training. As many of you may know, at least once a year, we try to update the training guide and make it relevant to what's going on within that world of housing counseling. And that is going to be so this year as well.

So when that update becomes available, which is going to be around October first, there will be some questions that are included in the training guide that refers to manufactured housing. HUD has received congressional requests to include this information on the test, and if it's going to be on the test, then of course we want to make sure that that information is available in the training guide for those of you who are studying to become a certified housing counselor. HUD's Office of Housing Counseling wants to make sure that all counselors have relevant information, and that's why we have the quick tip sheet. So although you may have already taken and passed the certification exam and you won't per se, have the opportunity to study and include that information. This quick tip sheet is basically meant to be a desk reference or a resource to those of you who've already taken and passed the HUD certification exam. So you can use this resource for when you are discussing affordable housing options and having conversations with your clients.

Resources. We always want to make sure that you have resources. As I mentioned in the beginning, after this symposium is over, many of you have questions and a lot of the questions that you have maybe already addressed in the resource. So we've already given you the quick tip sheet in the chat. Already we gave you the link to that. We already showed you as well how you can find that on HUD Exchange. So that's a new resource that you'll have at your disposal.

In addition to that, there are also some other helpful federal resources and this information is going to be provided on HUD Exchange for you to access this symposium when it's over on today. So you'll have the opportunity to have these materials. So that way you can quickly go to those links. There's information on HUD's Office of Manufactured Housing, FHA Resource Center, the FHA Title I program, Fannie Mae MH Manufactured Housing Advantage, Freddie Mac choice. Because many of you -- there's been some questions already in the Q&A box about financing. And so, we have provided that information for Fannie, Freddie, VA as well as USDA. So definitely take the opportunity to go over those resources -- after today's symposium -- that can answer a lot of your questions, but also expand on some of the things that we discussed on today.

It's time for our final Mentimeter question. Continue to send your questions to the Q&A box. However, we have a final question for you. Our question is what additional topics and resources would you like on manufactured housing?

As you can see, there's a lot of information that we provided on today. But in addition to some of the things that we talked about, we want to know and hear from you. We often take this information and we use this information to inform us on future symposiums and webinars and trainings. So definitely this is an open-ended question here -- an opportunity for you to give us some feedback on some things that may not have been discussed today, some resources that may not have been given today. What would you like to know about manufactured housing that was not discussed today?

So it looks like many of you are -- you've already had that at the top of mind. Some things that you want to know about and you are chiming in. You're letting us know. Thank you so much. We're going to continue to keep this open. So that way you'll have an opportunity -- maybe you need a couple of more seconds to maybe think about some things that were not already

discussed. So take the opportunity. As I said, this does not fall upon deaf ears. We definitely take this information and we use it to inform us on future training opportunities.

So it looks like there's a couple of common themes here. You said that you want some financing -- opportunities on financing. It looks like there is a response on ADU. I'm not sure if everyone knows what ADU is. So if you have an opportunity to maybe spell that out, that would be great, just so that we're all on the same page.

Financing seems to be a continual common theme here. I see step by step information on consumers, what they can do. So maybe you're talking about some type of a tool where consumers know exactly what to do if manufactured housing is something that is of interest to them. How do you get started? So that's another kind of common theme there.

So quite a few of you -- financing is continually throughout here. I see someone says they feel like the webinar has been pretty helpful. Thank you so much. We love to hear that. You want to go down a little bit more Claire? Design use in urban areas. So looks like there's a lot about the area of financing.

So thank you so much for taking the time to answer. We will continue to keep this open as I stated, but now we're going to take some time to go over to our Q&A box. Many of you have submitted some questions, some of them I think maybe a little reflective to your answer, our last Mentimeter question, which is fine. And thank you so much for providing the clarity on ADU accessory dwelling units. Thank you so much for that

Okay. Now it's time for some Q&A and what we'll do -- I've already had the opportunity to review some of these. And my colleague Scott is going to help me to go through. Some of you have asked some questions early on, and it looks like they may have been answered through the presentation, but we'll definitely take some time to sift through this and to answer some questions.

My first question is -- let me queue these up here. It looks like there are some common questions about those people, those buyers or homeowners that may have some grievances. I believe, Jason, you went through this a little bit in your presentation, but it looks like there is a desire for housing counselors to provide some direction to those who may have purchased a manufactured home -- are looking to purchase -- and have some grievances that they would like to either file or to hear heard. So Jason, could you speak on that just a moment on where they would go to get some direction on this?

Jason McJury: Sure. Thanks. So a consumer would first hopefully submit a complaint in writing and submit that complaint to both the retailer that sat across the table and sold them that home, as well as the manufacturer. And then the manufacturer has a regulatory obligation to review that complaint to determine whether or not it's responsible to correct those issues or whether or not -- maybe the retailer or the installer could be responsible.

So the first place a consumer should go is directly to the retailer as well as manufacturer. If they are not getting resolution to their issue but still feel as though something needs to be corrected,



then they could submit a written complaint to the State Administrative Agency, if there is one. And there's a state-by-state listing on HUD's Office of Manufactured Housing website that indicates where you can submit a consumer complaint to based on the state -- and either HUD or the SAA, the State Administrative Agency would be responsible to work with the manufacturer to get that issue reviewed and or corrected.

And it's advisable to get those complaints in within the first year of ownership. And that first year -- the clock starts ticking at the day the home is certified as installed because then if you complain about something after the one year, then it may not be eligible for a dispute resolution mediation if the complaint were to go that far.

Sid Alvarado: Thank you so much, Jason. You were able to not only answer that question, but it looks like you talked about some timeframes in which that would need to be done, which was some additional questions there as well. So thank you so much.

Kelly. My next question is for you. There seems to be quite a few questions about financing options and maybe even refinancing. I know that Jason spoke to this -- some financing options as well -- but I know that you have worked with some housing counselors in this space. So maybe this is a great question for you as far as where would -- where could housing counselors go to get more information on financing as well as maybe refinancing for those who have found themselves to have this type of a product. But the interest rate is high. Where could housing counselors go to get some information?

Kelly Fleck: That's a great question. Thanks, Sid. The resource library that I spoke about during my presentation will actually host a -- about a 30-minute training session on financing manufactured housing and really financing a manufactured home is not that different than any other type of site-built home or traditional home purchase. There are just a few different nuances, but I would say that you could seek out our course on training for financing MH. And there are also some resources on our website that have a link to lenders who are part of our network. And then also manufacturedhousing.com has a really cool tool, I think, where you can go in, put your community and what type of loan you're looking for, and they will send you a list of lenders and what loan options they have available.

Sid Alvarado: Thank you. So I think those two questions were really our top two questions just because of where we are with time. I am going to move on. But Scott, if you are -- while I'm moving on, if you see any other pressing questions that maybe have some common theme, you can definitely bring it up. But Claire, next slide.

So many of you have had questions not only about this particular training, but maybe some future trainings that are coming up. You'll find future trainings by going to Training Digest there on HUD Exchange. We have another training that's coming up on June 23rd, which is an overview of FHA single family housing purchase programs. And then in addition to that, we also have our Office of Housing Counseling 2022 Community Conference. The registration page is already up to register. Last year we had a very successful conference and we expect that this year it is going to be the same. So as we continue to celebrate National Homeownership month, we invite you to attend this training opportunity on June 23rd.

And then in addition to that, we do invite you to register for the OHC 2022 conference. That will be August ninth through the 11th. There's going to be quite a few topics that are going to be covered in this year's conference and we are really excited about that and would love for you all to go ahead and register so that we could see you there at the conference. Was there any other pressing questions, Scott, that you felt we could answer in the next minute or so? But we are a little bit over on time.

Scott Ledford: Yeah. I see. We're a little bit over on time. And the one thing I think there's a lot of dialog happening in the Q&A around what I'll summarize as definitional issues. So what is a manufactured home? And Jason, I think you covered this pretty well, but maybe if you could just come off mute and we could just chat for a moment about what does it mean to be a manufactured home? And then we have this concept of an ADU and we have tiny homes. And Jason, I think if you can just focus on what does it mean to be a manufactured home, then I might pick up a little bit of the conversation from there.

Jason McJury: Sure. So a manufactured home, as I talked about in one of the very first slides, has a very specific definition. A, it has to be built on a permanent chassis, has to include all of the specific utilities, does not have to be built to for a permanent foundation, but can be. And then there's the size requirement. So a manufactured home -- eight feet or more in length, 40 feet or more -- I'm sorry. Eight feet or more in width, 40 feet or more in length and when erected on site is at least 320 square feet. So if it falls within that definition, then it is a manufactured home and would have to comply with the specifics of our requirements as well as have that certification label.

A tiny home ADU could certainly be marketed as those types of products and also be a manufactured home if it meets those size requirements. So there could be an ADU that is a manufactured home and the only evidence to that is that certification label. But it would have to meet that minimum size requirements of 320 square feet, built on a permanent chassis, etc. Same thing with tiny homes.

So tiny home is a marketing term, marketing terminology. There could be a larger tiny home that exceeds 320 square feet and that would have to be built under the manufactured housing construction safety standards. The only thing we exempt are recreational vehicles, travel trailers, things like that, and they have specific standards that those would have to be built to. I believe there's an NFPA standard as well as an ANSI standard that would apply to those products. And then we also do not cover modular housing, which is a similar factory-built product. But those products are designed and constructed to the state or local building code that's in place wherever that modular product is being sited ultimately.

Scott Ledford: That's great, Jason. That's exactly how I was thinking about this. And maybe just to say the same thing a little bit differently, if you think about -- let's stick with ADU. If you're thinking about what is an ADU and what can it be, it could be a manufactured home that has the red label. It could be a modular home that is built in a factory, brought to the site and constructed, installed according to the local code rather than the HUD code. And it could be a tiny home and a tiny home may or may not be a manufactured home. And so really pulling apart

the definition of a manufactured home and focusing on that red label and all the requirements that Jason was talking about, I think can help to pull apart some of the definitional issues -- which, by the way, is all summarized in the quick tip sheet. The definition is anyway, not all of this conversation.

Sid Alvarado: Thank you so much, Jason and Scott. Hopefully that will bring some clarity to those who had that particular question. We pretty much are out of time. We thank you for joining us on today. Always we like for you to know how you can get in contact with us. You can find us on HUD Exchange Housing Counseling page. And we provided a link there. If you have some specific questions, you can email us at [Housing.counseling@hud.gov](mailto:Housing.counseling@hud.gov), and you can always search for us on HUD-approved housing counseling agencies if you're looking for agencies in your area.

Thank you so much for taking time to be with us on today. We really hope that this information provided some clarity to you as well as the resources will help you to have some conversations with your clients about manufactured housing and using that as an affordable housing option. We look forward to seeing you on future training opportunities, and until then, we hope that you have an awesome day.

(END)