



Preserving the American Dream of Home  
Ownership Through Regulatory Reform

# MHARR

# NEWS

**FOR IMMEDIATE RELEASE**

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## **MHARR REITERATES CALL FOR DTS INVESTIGATION**

**Washington, D.C., June 18, 2019** – The Manufactured Housing Association for Regulatory Reform (MHARR), in a June 13, 2019 communication to Fannie Mae Vice President Jonathan Lawless (copy attached), has reiterated its call for a congressional investigation into the failure of both Fannie Mae and Freddie Mac to implement the statutory Duty to Serve Underserved Markets (DTS) in relation to manufactured home personal property (or “chattel”) loans. Those loans, which provide consumers with the most affordable access to the nation’s most affordable non-subsidized homes, comprise nearly 80% of the manufactured consumer lending market. Nearly 11 years after the enactment of DTS as part of the Housing and Economic Recovery Act of 2008 (HERA), however, neither Fannie Mae nor Freddie Mac have purchased *any* manufactured housing personal property loans pursuant to that mandate – which expressly includes such personal property loans – let alone provided the type of market significant securitization and secondary market support that Congress envisioned. Indeed, even an extremely limited and highly restricted “pilot program” for such loans has yet to materialize after nearly two years of empty promises, and is referred to by Fannie Mae as only a “potential” pilot program.

Instead of providing such crucial support for the largest single segment of the manufactured housing consumer lending market and mainstream, inherently affordable manufactured homes, as MHARR’s communication notes, both Fannie and Freddie have instead prioritized pilot programs for much higher-cost manufactured homes, as well as a supposed “new class” of manufactured homes with retail purchase prices as high as \$220,000.00 – as contrasted with an average purchase of \$71,900.00 for all types of existing, mainstream, HUD Code manufactured homes. Consequently, instead of expanding access to the industry’s most affordable mainstream homes, as DTS was designed to do, both Fannie and Freddie continue to discriminate against mainstream manufactured housing and mainstream manufactured housing purchasers, effectively forcing them into higher-interest loans offered by the finance subsidiaries of the industry’s largest corporate conglomerates, while stifling the recovery and market growth of the manufactured housing industry during a prolonged affordable housing crisis. Indeed, this type of sustained institutional resistance to the full and proper implementation of DTS and the resulting ongoing discrimination against lower and moderate-income consumers of manufactured housing is, in substantial part, an outgrowth of the continuing failure of the industry’s post-production sector – dominated by the industry’s largest corporate conglomerates – to demand full compliance with DTS for manufactured housing.

**Manufactured Housing Association for Regulatory Reform**

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Based, therefore, on the lack of any significant progress toward the market-significant implementation of DTS with respect to the vast bulk of the manufactured housing consumer financing market and apparent diversion of DTS activity into new, higher-cost types of hybrid manufactured homes, MHARR has called for a congressional investigation of Fannie Mae, Freddie Mac and their federal regulator, the Federal Housing Finance Agency (FHFA), with respect to unconscionable and unnecessary delays in the implementation of DTS for mainstream, HUD Code manufactured housing.

The Manufactured Housing Association for Regulatory Reform is a Washington, D.C.-based national trade association representing the views and interests of independent producers of federally-regulated manufactured housing.