



**2.26.2018 A.D.**

**TO:**

**HUD Secretary Ben Carson, MD  
Department of Housing and Urban Development,  
451 7th Street SW  
Washington DC 20410**

**CC:**

- **Dana T. Wade, General Deputy Assistant Secretary for Housing.**
- **Ariel Pereira, Associate General Counsel for Legislation and Regulations, Office of General Counsel.**

**From:** [L. A. "Tony" Kovach](#), co-founder of LifeStyle Factory Homes, LLC Lakeland, FL publisher of industry leaders [MHProNews](#) and [MHLivingNews](#); award-winning industry professional/service provider.

**RE: Docket No. FR-6075-N-01, and in accordance with President Trump's Executive Orders 13771, and 13777, and pursuant to HUD's request for comments related to the regulatory review of manufactured housing program rules and practices.**

Dear HUD Secretary Ben Carson, MD,  
Ms. Dana T. Wade and Ariel Pereira,

There are millionaires and billionaires who own and live part time or full time in manufactured homes.





**Private Jet, Rolls Royce, Manufactured Home.** Whether or not multi-millionaire Kid Rock runs for Senate, he has had his love for his personal manufactured home spotlighted in his videos and in mainstream media interviews. Learn more, [click here](#) or the above.

*Graphics are often linked to documents, articles, videos and should be considered part of this comments letter, thank you.  
Click the above to see articles.*

## Lifestyles of the Rich and Frugal: Manufactured Mansions Take Their Place in the California Sun

Comments Off on Lifestyles of the Rich and Frugal: Manufactured Mansions Take Their Place in the California Sun



Malibu, CA — When does a "mobile home" get snapped up for a cool \$4 million before it even hits the market? Answer: When it occupies a piece of rent-controlled real estate along the most desirable stretch of coastline in California. Welcome to Malibu, where three communities offer a beach house lifestyle for a fraction of what folks pay for ...

If it is good enough for the rich and famous, why should access and acceptance of modern manufactured homes be denied to those of more modest means?

Recent studies and fact-checks of third party research debunks the numerous flawed notions that keep manufactured homes from being fully accepted as mainstream affordable quality homes.

So when

- federal data proves the quality,
- when third-party research reflects widespread home owners satisfaction,
- when HUD, the National Association of Realtors (NAR), National Law Income Housing Coalition all say there are some 8 million plus new, affordable housing units needed,
- when Bloomberg, Realtor, HousingWire, Fox, the Urban Institute and numerous others believed that manufactured homes are an important part of the solution to the affordable housing crisis,
- why are manufactured homes still at such relatively low levels, post 2008?



## Bloomberg, HousingWire, Realtor and Fox all suggest Manufactured Homes as Important Solution for Affordable Housing in America

While housing becomes more and more expensive across the United States, there's a simple solution. For those who either want to be frugal and still get great quality or those who have limited funds, but desire to be a homeowner — the answer, suggests Bloomberg and HousingWire — could be modern manufactured homes. Realtor and Fox News are ... [Continue reading](#)

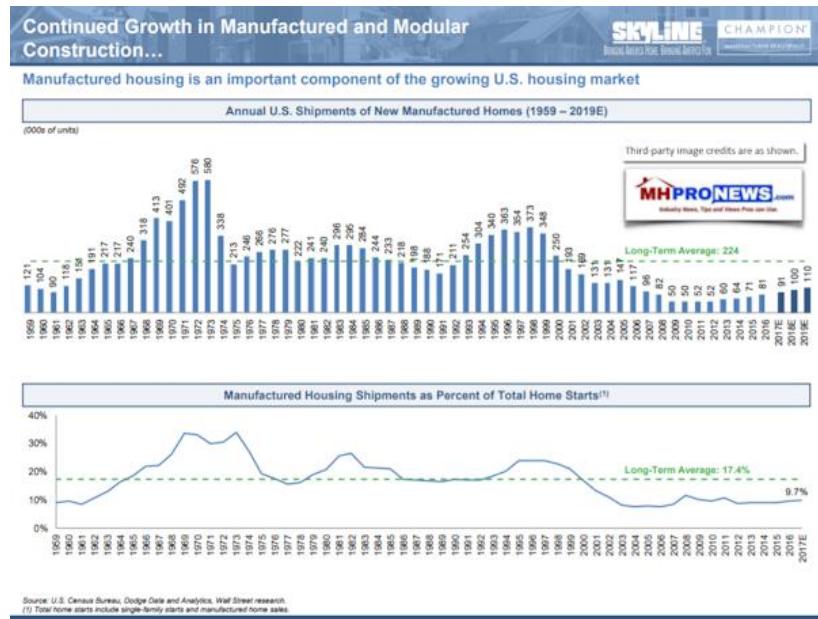
*Graphics are often linked to documents, articles, videos and should be considered part of this comments letter, thank you.*  
*Click the above or below to see articles, documents, and related research.*



## Urban Institute Ask for Correction in Analysis of their Manufactured Housing Research, "Follow the Facts," "Follow the Money"

[Tweet](#) Award winning investigative reporter and best-selling author, Sharyl Attkisson begins her research with a simple premise. "Follow the money." The award-winning Attkisson knows from experience that the connections and trail that money creates can be revealing. In analysis of the Urban Institute research on their controversial report on manufactured housing, MHPNews followed ... [Continue reading](#)

Those are among the common question from those who begin to honestly research and seek to understand the realities vs. outdated impressions.



Eric S. Belsky

harvard.edu

...“there are multiple reasons to expect manufactured housing to do better than site built housing in the [current] decade.”

Eric Belsky,  
Executive Director Joint Center for Housing  
Studies at  
Harvard University, in the May 2000 issue of  
*Modern Homes Development*, per MHI.



Eric Belsky | Harvard

“Credit is the lifeblood  
of housing.”

- Eric Belsky, Harvard



When Harvard University's Eric Belsky made the prediction above, he knew of the then sliding sales, about repossessions, and credit tightening. Yet, he still argued that manufactured housing would surpass conventional housing by 2010. That didn't happen. Why not?

Regulatory overreach, failure to implement the Manufactured Housing Improvement Act of 2000 – enhance preemption, etc. - and a variety of allegations about Berkshire Hathaway, that Soheyla Kovach detailed and linked in her comments, are arguably among the causes. Note the shift, per the Manufactured Housing implement, in land/home loans to more chattel loans, since Berkshire Hathaway entered manufactured housing?

<http://www.MHProNews.com/blogs/daily-business-news/appealing-manufactured-housing-institute-mhi-marketing-finance-booklet-reviewed/>



HUD must begin thinking about how the underutilization of the FHA Title I and Title II programs is harming the industry. Making changes could address many of the issues that 'other forces' – inside and outside of the federal government - have sadly used to marginalize the Duty to Serve (DTS) process.

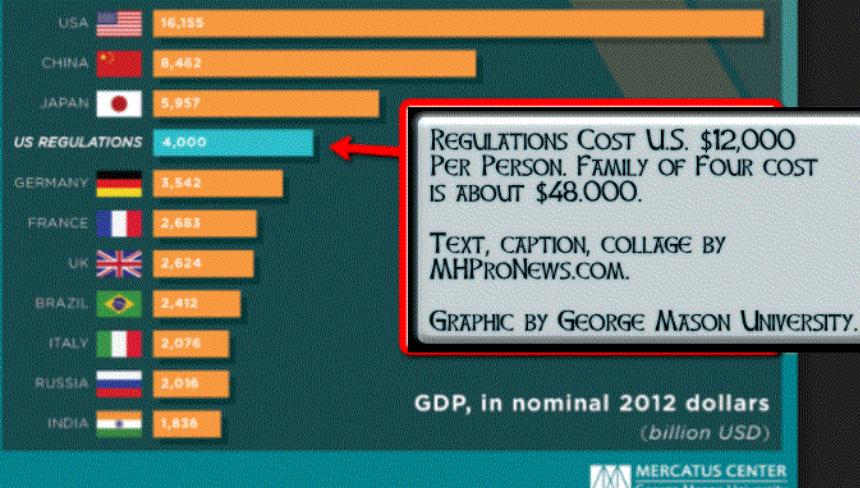
- The combination of regulations,
- Unnecessarily constricted capital and credit,
- Berkshire Hathaway 'moat' and 'anti-competition' – with allegations and documents, as reported,
- failure to address misconceptions,
- improper Census Bureau census data, that lump manufactured housing in with pre-HUD Code mobile homes,
- all of these are items that HUD has an ability to influence without legislation being needed.
- Again, please see comments linked from Soheyla Kovach, and MHARR, along with other links and document shown herein.

The graphics that follow are just a flavor of what some of the research linked reflects. Along with the wise presidential promises made, it could unleash opportunities for millions of more Americans and fuel an economic boom.

Amazingly, it could be done *by reducing budgets over time*, because taking these steps would allow the private sector to robustly address these issues, by using modern HUD Code manufactured housing.

# The Cost of Regulations:

If the cost of regulatory accumulation (\$4 trillion) were a country, it would have the 4th largest GDP in the world.



REGULATIONS COST U.S. \$12,000 PER PERSON. FAMILY OF FOUR COST IS ABOUT \$48,000.

TEXT, CAPTION, COLLAGE BY MHPRONEWS.COM.

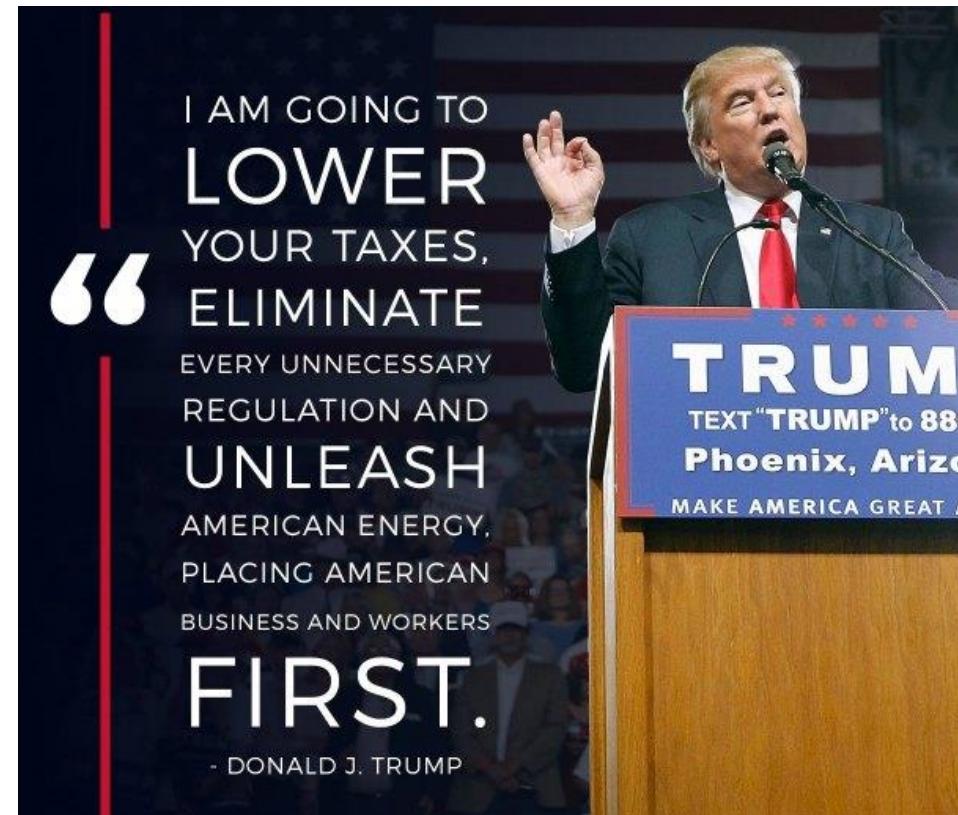
GRAPHIC BY GEORGE MASON UNIVERSITY.

Figures represent data from 2012

Sources:

Bentley Coffey, Patrick A. McLaughlin, and Pietro Peretto, "The Cumulative Cost of Regulations," April 2016  
IMF World Economic Outlook (WEO), October 2015

That reads \$4 Trillion dollars cost to our economy, and frankly it isn't just a Democratic caused problem, because the Bush Administration also created plenty of costly regulations too. Dramatically reducing bad regulations doesn't 'cost,' it saves and pays. Credit: George Mason University.





**State and Metro Area House Prices: the “Priced Out” Effect**  
Special Studies, August 1, 2014  
by Natalia S. Siniavskaya, Ph.D.

NAHB “Priced Out” report, study credit, NAHB. For every \$1,000 in price hikes, about 200,000 households are priced out of home buying as a result. Download the full report at this [link here](#).

<http://www.MHProNews.com/blogs/daily-business-news/state-associations-companies-quit-membership-in-manufactured-housing-institute-mhi-one-explains-in-writing-why/>

<http://www.mhpronews.com/blogs/daily-business-news/how-gold-rules-tim-williams-21st-mortgage-mhi-vp-state-exec-conference-call/>

<http://www.MHProNews.com/blogs/daily-business-news/was-the-urban-institute-misled-duped-or-part-of-a-manufactured-housing-industry-scam/>



Q - What's the most important issue facing the manufactured home industry? Sam Zell's replies:

"**There is no bigger issue than having an established credit base.**" –

"**No competitive financing is a serious impediment to growing.**" –

"**We as an industry should have created that** (credit base) **a long time ago.**" –

- **Sam Zell,**

Statements made at an MHI/NCC meeting in Chicago, and were verified by ELS Vice Chair, Howard Walker.

Caption collage credits:

Who could the "**we**" be, that Zell was referring to, **besides MHI?**  
Photo and collage credit, MHProNews.com.

*Click the above to read '[Zell's Math](#)'.*

Just as HHS or CFPB have spent millions a year in marketing, HUD could use a few million dollars to provide a 5-year program to educate media, local, state and federal officials, educators, and others about the facts and proper terminology related to manufactured housing. Doing so would save HUD billions, so it is an investment that would pay for itself. Given years of regulatory overreach and failure to enforce preemption and the MHIA 2000, isn't it only right to rebalance the scales and make such an investment?

<http://www.MHProNews.com/blogs/daily-business-news/fires-news-media-reports-impact-manufactured-housing-sales-manufactured-housing-institute-mhi-clayton-homes-reaction/>



Steve Duke, LMHA.

**"The terminology matters,  
because the terminology defines  
the construction standard."** - Steve Duke.

A manufactured home is not a motor home or trailer, and although it is often called a "mobile home," it is not that either.

*Manufactured Home Fires, 9/13*

2

NFPA Fire Analysis and Research, Quincy, MA



One-Stop Data Shop  
Fire Analysis and Research Division  
1 Batterymarch Park, Quincy, MA 02169  
Email: [osds@nfpa.org](mailto:osds@nfpa.org)  
[www.nfpa.org](http://www.nfpa.org)



NFPA Fire Analysis & Research

**"PUBLISHING HAND-PICKED INFORMATION  
CAN BE WORSE FOR THE IMPRESSION IT  
MAKES ON MANUFACTURED HOMES AND  
OUR INDUSTRY THAN STATING ENTIRELY FALSE  
INFORMATION."**



**- BRAD LOVIN,  
NORTH CAROLINA MANUFACTURED HOUSING ASSOCIATION**

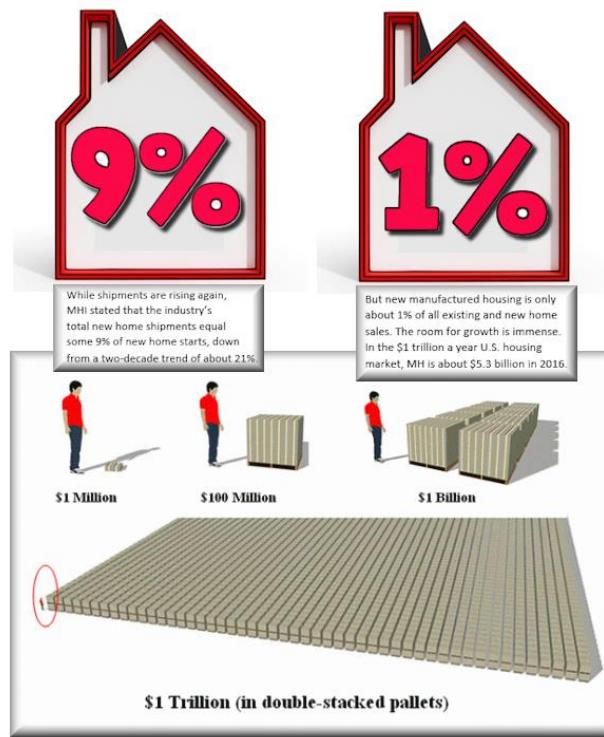
The top section shows two images: one of two people standing next to a white trailer house and another of a green and white mobile home. Between them is a blue 'not equal' symbol ( $\neq$ ). Below the first image is the text "Trailer Houses". Below the second image is the text "Mobile Homes". A horizontal bar with the text "Aren't = to" is positioned between the two images.

The bottom section shows two images: one of a mobile home interior and another of a larger, modern manufactured home. Between them is a blue 'not equal' symbol ( $\neq$ ). Below the first image is the text "Mobile Homes". Below the second image is the text "Manufactured Home". A horizontal bar with the text "Aren't = to" is positioned between the two images.

## FACTORY HOUSING EVOLUTION 101

**MH Living News**  
Improved Living for Less

**MH PRO NEWS**



Housing percent and collage credits, MHProNews.com. 1Trillion dollar graphic credit, blah, blah, blah.

<http://www.mhpronews.com/industry-news/industry-in-focus/a-executive-summary-400-words-manufactured-housing-industry-obstacles-and-billions-in-opportunities>

## **HUD Regulatory Program and Related Hold Major Keys**

As the above and below linked information reflects, significant parts of the answer to solving the affordable housing crisis – using private capital that employ HUD Code manufactured housing - lies with HUD. That's the thrust of this formal Comments Letter, **Docket No. FR-6075-N-0.**

But there are other factors that are not *directly* related to HUD, but which HUD could - perhaps must influence - for the good of millions of taxpayers, and for the sake of HUD's mission. Among them, a referral to DOJ and the FTC about how allegedly monopolistic practices are harming the industry, HUD, taxpayers, and millions of would-be home owners.

By enforcing existing laws, and properly allocating other resources, HUD could:

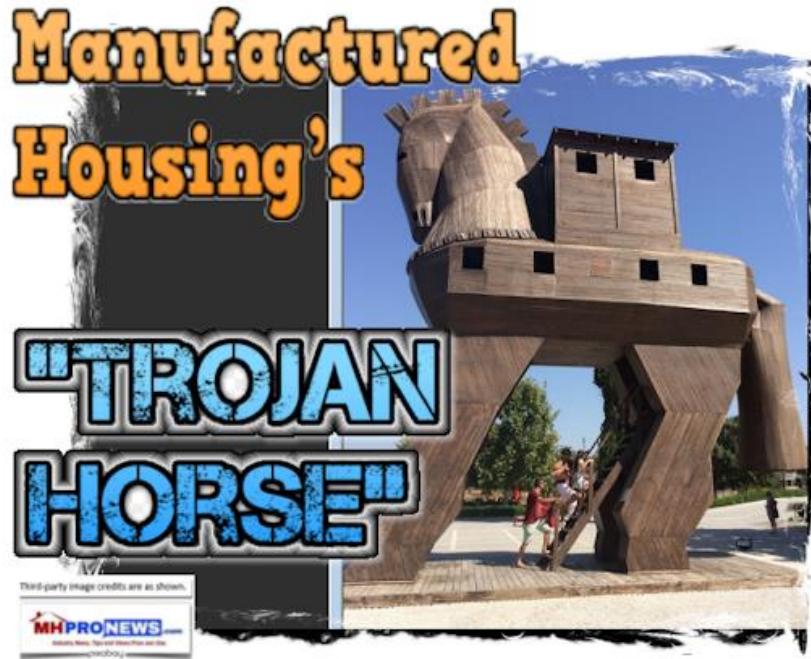
- create millions of good jobs,
- use existing laws to create a more robust path for millions to escape poverty and the trap of renting,
- do so with primarily private capital,
- all while saving over time billions of dollars annually in governmental spending that after fifty years and some 22 trillion dollars in various poverty programs has largely proven unable to move the needle on poverty in America (*Assessing the Great Society*, Heritage, 2014).

**The popular definition of insanity is to keep doing the same things, the same way, and to expect a different result.**

My reading, and impressions of President Donald J. Trump, Vice President Mike Pence and HUD Secretary, Ben Carson, MD leads me to believe they are pragmatic, results-oriented professionals who want to enforce the law, and improve the lives of Americans. These linked items and letter are roadmap.

These comments support that goal, all in keeping with the HUD '**top-down**' regulatory review.

HUD must be cautioned against buying into the MHI backed 'new class' of manufactured housing.



## To Save Time, But Still Make the Key Points

Links will be provided that should be considered and read as if they are part of this document. References, downloads, documents, graphics, and cross links from hot-linked items are also to be construed as part of this comments letter. That will save me time, but still provide researchers and HUD to better understand the context behind the comments made herein.

### Soheyla Kovach MD - Comments, References Links



<https://www.manufacturedhomelivingnews.com/wp-content/uploads/2018/02/HUDCommentsLetterDocket-No.-FR-6075-N-01RE-E013777-13771fromSoheylaKovachMDMHProNewsMHLivingNews.pdf>

### MHARR Comments, References

<https://www.manufacturedhomelivingnews.com/wp-content/uploads/2018/02/ManufacturedHousingAssociationForRegulatoryReformMHARR.HUDREGULATORYPROGRAMCOMMENTS2.21.2018.pdf>

#### Additionally, TMHA correctly asserted the following:

"Role of Manufactured Housing It is common in law, rules, and policy from the federal, state and local government levels to admit that manufactured housing, "**plays a vital role in meeting the housing needs of the Nation.**" (42 U.S.C. 5401(a)(1)).

The American Planning Association (APA) includes in its Policy Guide on Housing a policy position for local planners to include manufactured housing as part of the general goal to encourage, "**innovative housing options for diverse populations**" and to "**create more housing opportunities for low-income households.**"

<https://www.planning.org/policy/guides/adopted/housing.htm>) The APA recognizes that manufactured housing has an important role across all spectrums of single family housing

stating that manufactured housing, “**has been clearly shown to be an economically efficient method of providing infill housing in urban areas;**” “[m]anufactured housing plays an increasingly significant role in meeting rural housing needs;” and “[t]he use of manufactured housing in new subdivision development has proved to be a sound housing development method.”

(<https://www.planning.org/policy/guides/adopted/factoryhousing.htm>)”

To underscore the TMHA’s point, the article and video below demonstrate how rapidly manufactured housing can be used to ease the affordable housing crisis, all via private capital



## MIKE HARRISON, ON NEW SINGLE FAMILY, DEVELOPMENTS/COMMUNITIES USING QUALITY, AFFORDABLE, ATTRACTIVE MODERN MANUFACTURED HOMES

<https://www.manufacturedhomelivingnews.com/mike-harrison-on-new-single-family-developments-communities-using-quality-affordable-attractive-modern-manufactured-homes/>

### What Would Happen if These HUD Regulatory Comments Are Implemented?

According to research done during the Obama Administration, opening restricting zoning and land-use regulations **could free nearly \$2 Trillion Dollars annually in new economic activity.**



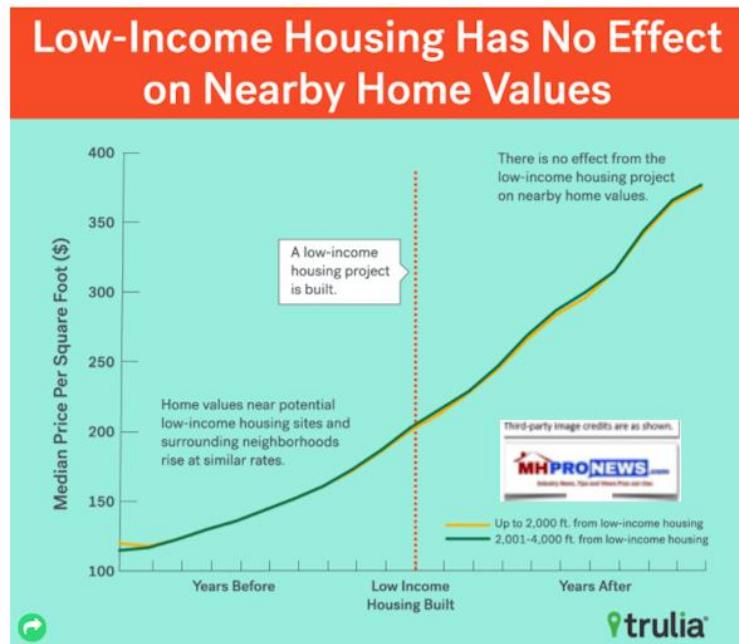
The amazement ought to be that the “**Enhanced Preemption**” called for by the Manufactured Housing Improvement Act of 2000 (MHIA 2000) provides the ***existing legal path*** for doing what the UC Berkeley and University of Chicago researchers arguments called for about a year ago. They were likely not familiar with the MHIA of 2000. But it fits the bill of what they want to the tee.

No waiting on Congress. Congress already acted, 17 plus years ago. It is now up to the Executive Branch - specifically to HUD - to enforce the full provisions of the MHIA 2000 act.

### Let's Be Honest

For years, and for a variety of reasons, many at HUD *feared* implementing the MHIA, specifically enhanced preemption.

But *Trulia* and HUDs own research demonstrates that what is feared is in the imagination. The data supports use of enhanced preemption, and to make the maximum use of the MHIA 2000 and modern HUD code manufactured housing.



Least Affordable Housing Markets and Low-Income Housing Projects

As HUD knows, manufactured homes are the only federally regulated form of housing. The primary regulator is the Department of Housing and Urban Development (HUD). Thus, the term, HUD Code manufactured homes. Not *trailers*, not *mobile homes* --**manufactured homes**.

Yet 4 decades later, the terminology is still not properly understood. HUD must be part of the solution for that issue. HUD asking the Census Bureau to do a break down in 2020 between pre-HUD Code mobile homes, differentiating them from manufactured homes is an easy, practical step that needs to be taken.

### **Qualifications, Background and Experience**

My regulatory comments letter last year, [linked here](#), reflects my experience and background.

Briefly, we are pro-industry. I've personally owned several manufactured homes, as well as conventional housing - including in upscale, deed-restricted neighborhoods. It is my experience that the quality of life for manufactured home living is similar, and in some ways, better than conventional housing, because there is more money left at the end of the month when someone's housing costs less.

### **Comparisons Help Shed Light on Manufactured Housing Realities**

RVs outperform manufactured housing by some 530%. The reasons, are linked herein. Consider the meaning of that factoid. RVs are more per square foot than a manufactured home, and are a luxury item. Manufactured housing is a necessity. Ignorance and NIMBY. YIMBY, education, and enforcing the laws – such as enhanced preemption – are the common-sense solutions.

YEAR	RV SHIPMENTS	PERCENTAGE CHANGE
2016	430,691	15.1%
2015	374,246	4.9%
2014	356,735	11.1%
2013	321,127	12.4%
2012	285,749	13.3%
2011	252,300	4.1%



Totaling the 3<sup>rd</sup> column, and dividing by 6, RVs have enjoyed a **10.15% growth rate**.

In 2016, RVs outperformed HUD Code MH by  
530.8% = 430,691 RVs to 81,136 MHs.



<http://www.MHProNews.com/blogs/daily-business-news/state-of-the-manufactured-home-industry-comparing-rv-vs-mh-data/>

<https://www.manufacturedhomelivingnews.com/manufactured-homes-soar-in-energy-efficiency-says-university-of-michigan-study/>

<https://www.manufacturedhomelivingnews.com/researchers-shake-up-american-dream-rent-vs-buy-ken-johnson-florida-atlantic-university-exclusive-to-manufacturedhomelivingnews/>

<https://www.manufacturedhomelivingnews.com/correcting-the-record-on-housing-affordability-manufactured-home-shoppers-mhi/>

<https://www.manufacturedhomelivingnews.com/federal-data-spotlights-manufactured-home-industry-quality-regulatory-questions/>

<https://www.manufacturedhomelivingnews.com/nar-millennials-want-quality-affordable-homes-to-buy-in-2017/>

<https://www.manufacturedhomelivingnews.com/manufactured-home-owners-satisfaction-survey-redux/>

<https://www.manufacturedhomelivingnews.com/trade-publisher-experts-call-for-respect-understanding-for-manufactured-housing-manufactured-home-owners/>

<https://www.manufacturedhomelivingnews.com/pride-and-prejudice-the-truth-about-manufactured-home-communities-and-crime/>

<https://www.manufacturedhomelivingnews.com/local-star-chambers-wage-war-on-affordable-housing/>

<http://www.MHProNews.com/blogs/daily-business-news/warren-buffetts-annual-report-to-berkshire-hathaway-shareholders-clayton-homes-and-manufactured-housing/>

In the article below, please keep in mind that while a broad survey, it may not fully capture the statistics about those who are more affluent who own a manufactured home. That said, it is clear from the research that manufactured home owners routinely are satisfied with their homes.

<https://www.manufacturedhomelivingnews.com/foremost-report-manufactured-home-customer-survey-and-market-facts/>

Last but not least, Secretary Carson last year mentioned a number of times the following. The average renter has \$5,000 in net worth, meanwhile the average home owner has some \$200,000 in net worth. Making the changes suggested herein and linked from this document would make home ownership possible for millions. Those millions are practically barred by a variety of challenges from becoming owners and building wealth.

Providing the proper financing support for manufactured housing, which HUD can do via the FHA Title I and Title II and other loan programs found at HUD, would further support manufactured home values, and make manufactured housing far more available to broad sectors of the nation.

<http://www.MHProNews.com/blogs/daily-business-news/federal-manufactured-home-improvement-loans-are-available-says-re-author-tom-kelly/>

[GAO 2014 report](#)

The Trump Administration promised repeatedly to give minorities the opportunities that the other campaign and major party had promised and failed for years to deliver. The president and the vice-president alike have said they are in the promise keeping and law-enforcement business.

All of the above are very much in keeping with the letter and spirit of the Trump Administration  
**Executive Orders 13771, and 13777**

The net result should be hundreds of billions - perhaps 2 trillion (+/-) of dollars a year - in new economic activity. It would also reduce federal expenditures by HUD, and other poverty programs, over time.

Years ago, we made a similar argument, shown below, but since then, the evidence has only mounted.

## Reinventing HUD's role in Quality Affordable Housing, Reducing Poverty and Dependency

 Comments Offon Reinventing HUD's role in Quality Affordable Housing, Reducing Poverty and Dependency



Housing and Urban Development (HUD) and ...

Reinventing HUD's role in Quality Affordable Housing, Reducing Poverty and Dependency The cover letter and proposal outline below was provided to Congressman Jeb Hensarling, Chairman of the Financial Services Committee in response to a request for comments from interested parties on how to improve the delivery of services housing services by the Department of

<https://www.manufacturedhomelivingnews.com/reinventing-huds-role-in-quality-affordable-housing-reducing-poverty-and-dependency/>



**others who already know."**

**"There are two, and only two, ways to learn.  
From your own experiences, which are important, but takes time and can be costly. Or by learning from the experiences of**

- L. A. 'Tony' Kovach

## Bottom Lines

If the:

- Manufactured Housing Improvement Act of 2000 is fully enforced,
- if enhanced preemption of HUD Code manufactured homes becomes a rapidly implemented reality,
- If the right MH program administrator is put in place, Vic DeRose,
- once revisions noted and linked from above for the FHA Title I and Title II and other related loan programs are made,
- and educational efforts – starting within HUD as Soheyla Kovach suggested, but moving broadly into the public, media, all levels of government,

then hundreds of billions to trillions of dollars in economic activity would be unleashed. If the Berkley/Chicago researchers, linked above, are correct, that could unleash 2 trillion dollars (+/-) a year in economic activity.

It must be mentioned again what Soheyla Kovach suggested in her letter, linked above. If HUD assigns a team of 10 to do a deep dive into manufactured housing, only that way will the wisdom and realities of manufactured housing be understood. Only such a deep dive will reveal the regulatory, and other challenges that manufactured housing has endured for years.

When people spend less on housing, they'll have more for everything else they do. What that means is there will be a positive ripple effect in the economy, more pronounced than – for example – when gas prices fall. Lower housing costs would fuel all kinds of new purchases that go with home ownership.

**Figure 10: Monthly Housing Costs for Owners of Occupied Manufactured Homes, Single Family Site-Built Homes and Apartment Renters 2011**



Source: GAO analysis of American Housing Survey data. | GAO-14-410 Red-box and arrow overlay by MHProNews.com.



Last September, a packed room of industry professionals were told that *manufactured housing is the civil rights issue of our time*.



## It's The Civil Rights Issue of our Time

And Like Abolition, or Civil Rights, it will take committed people on the local level to do what is necessary to effect the needed change.

That issue is each of you know quite well.

It's the need for Affordable Quality Homes.

**It's Manufactured Housing.**



Their response? It is summed up in the third party quote below.



At the front of the room by the screen is L. A. "Tony" Kovach, presenting on, How to Dominate Your Local Housing Market, "**I thoroughly enjoyed your program. It was on target and had the attendees fully involved. I'm looking forward to hearing you speak again in the future!**"

– said Ken Corbin.





**“Factory built cars.  
Factory crafted clothing.  
Factory made appliances and electronics.  
Factory made cells, smart phones, tablets, and computers.  
Factory crafted homes...it just follows, doesn’t it?”©**



– L.A. “Tony” Kovach  
Publisher of **MHLivingNews.com** and **MHProNews.com**,  
Award-winning Industry Consultant, Professional Services Provider

Thank you for your consideration of these thoughts and suggestions. Please consider our operation for any further needs that HUD may have in making these reforms a reality.

*Respectfully,*

*Tony*

L. A. “Tony” Kovach  
LifeStyle Factory Homes, LLC dba:  
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