



# Iowa Manufactured Housing Association

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## LEGISLATURE: IMHA AGENDA UNCERTAIN

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IMHA has three items for consideration by the legislature. First, we are working to secure an appropriation of \$100,000 for the Building Code Division of the Department of Public Safety. IMHA is trying to accomplish this goal so that our consumers won't be charged for inspections of installations. Money is being lost running the state inspection program. The top boss at the Department of Public Safety, Larry Noble, has warned the building code office that something has to be done to stop the loss of money. It is believed that \$100,000 would keep the program of free inspections intact.

### HF 2347: MH Community Legislation

Our second legislative goal is to pass a bill redefining a mobile home park/manufactured housing community. There are two definitions in the code of Iowa: one is in chapter 435, the tax chapter, and the other is in chapter 562B, the landlord/tenant law. Our goal was to make both definitions exactly the same while, at the same time, adding other structures to the definition, such as motor homes, travel trailers, and park models. Those kinds of structures are already being accepted by some IMHA community owners. HF 2347 has passed the House on a vote of 98-0, even though the Iowa League of Cities has registered against the bill. However, that development

isn't our biggest hurdle. That hurdle would be a place called the Iowa Senate. HF 2347 was passed out of the House Local Government Committee. The Senate has a Local Government Committee, but HF 2347 was assigned instead to the Senate Judiciary Committee. We couldn't have a worse committee assignment to try to get a bill passed out of a Senate Committee. This committee is made up of 8 Democrats and 5 Republicans. The Vice Chair of the Judiciary Committee is Senator Tom Courtney, (D-Burlington), who is dedicated in his efforts to force IMHA to accept a change in the 60 days' no cause non-renewal of lease law. Committee chairs have a rule that a bill can be voted out of committee only if more than half of the majority party legislators vote for the bill. In this case, there are not 5 "yes" votes among the Democrats in the Senate Judiciary Committee for the passage of HF 2347.

### IFA Funding Program

Our final objective, and the most important, is to create a special revolving loan fund within the Iowa Finance Authority for use in assisting Iowans in purchasing manufactured homes to be sited in lease communities. Manufactured homes have been eligible for many years when converted to real property. 2014 is the third consecutive year that IMHA has attempted to get the

authorizing legislation passed. Bills have passed the House twice. The Senate has refused to consider the legislation. This year it will be especially painful if the bill doesn't pass. The reason is that we've found at least \$5,000,000 in funding which would be available to get the program started. It's money that the legislature would not have to appropriate because the money is already in control by IFA. It's money for housing programs that haven't worked in the past.

This year, Senator Jeff Danielson (D-Cedar Falls), chair of the Senate State Government Committee, decided he wanted to assist IMHA in getting our bill passed. He introduced a new study bill, SSB 3061, for his committee. Senator Tom Courtney is a member of the State Government Committee. Senator Danielson assigned SSB 3061 to himself. The bill was passed by the subcommittee on a 3-0 vote. But, when it came time for the bill to be considered by the full State Government Committee, the committee held party caucuses, where members of each party discuss the bills which are to be debated by the committee. These are closed door meetings. After the Democrats had caucused, Senator Danielson indicated to Joe Kelly that not enough Democratic support was there to consider the bill. SSB 3061 is dead for the session. However, we still have HF 518, the IFA bill which passed the House last year. HF 518 is in the Senate Economic

Development Committee. IMHA will consult with Senate leaders to see if they want to bring HF 518 out of the Economic Development Committee, if there is any hope of passing this bill. We have to get HF 518 out of committee within the next two weeks.

## **Manufacturer Dues for 2013**

As the number of manufacturers has diminished over the years, with many going out of business, and others consolidating, there are obviously fewer corporations doing business in Iowa. In 2013, there were only 11 companies sending in checks in the new home unit funding program, which has been the most significant source of dues for IMHA since the early 1970's. Here are the top 7 dues paying manufacturers. Remember, many of these corporations represent several different brand names of homes. We're printing this for your information, and for you to check to see whether the amounts seem correct to you.

Clayton	\$17,700
Champion	\$9775
Adventure	\$6150
MHE	\$5150
Skyline	\$4650
Fairmont	\$3000
Wisconsin Homes	\$2250

Total manufacturer dues collected were \$50,325, up \$6200 from 2012, an increase of 14%, which is close to the 15.5% increase in shipments. The manufacturer dues reported here also includes modular shipments. Wisconsin Homes is an exclusive producer of modular homes. Almost all of the HUD code factories also produce and ship modular homes into Iowa. If you drop the money from Wisconsin Homes, the total is \$48,075. If IMHA collected on all 313 HUD code homes coming into Iowa, at \$150 per home, the total would have been \$46,950. We know we didn't collect on all

the HUD code homes. As you know from reading this newsletter, Iowa has been a predominantly modular state for the past ten years. Modular shipments, for the first three quarters of 2013, are 366. If the fourth quarter is equal to last year, modular shipments should end the year at about 450 homes. Therefore, there's lots of modular money yet to be collected. Most of the traditional modular companies seem not to want to have any relationship to IMHA. It's difficult to determine how much of the modular shipments we're collecting from HUD code manufacturers. Often there is confusion among Iowa retailers and manufacturers as to whether money should be collected and remitted on modular homes. The answer is yes. IMHA represents the interests of all factory built housing at the legislature and before regulatory agencies.

IMHA is responsible for lobbying the legislature to get the 40% reduction in sales tax for purchasers of modular homes, after the modular industry had lost the issue at the Iowa appellate court level.

## **Cordray Loses Cool After House GOP Attacks**

As expected, a Jan. 28 House Financial Services Committee hearing starring Consumer Financial Protection Bureau director Richard Cordray covered a lot of ground, including the impact of the agency's qualified mortgage (QM) rule on credit availability and its ongoing tug-of-war with auto dealers over the "disparate impact" of pricing policies on minorities. The regulator faced GOP criticism that approached the hostile level throughout, but the session turned especially ugly when Rep. Stevan Pearce (R-N.M.) declared that Cordray was deliberately trying to hold back lower-income Americans

by setting loan parameters that would largely exclude manufactured housing. Cordray bristled at what he said were "some of the most offensive comments that I have heard from this committee." Noting that some of his family and friends have lived or currently live in manufactured homes, he said, "I do recognize that in parts of America, this is the premiere alternative for putting a roof over people's head and giving them a chance." Cordray added that the CFPB is monitoring the impact of QM on manufactured housing, saying "to the extent that there's any modification or change that needs to be made in that to make sure that this market can work, we're all ears and we will continue to be all ears -- both to the members of this committee and also to those in the industry and consumers who are affected by the rule."

Led by Rep. Stephen Fincher (R-TN), several members scrutinized Director Cordray over the impact CFPB rules would have on the manufactured housing market. The Bureau's treatment of manufactured housing was a theme echoed throughout the hearing. Ten committee members, on a bipartisan basis, specifically urged Cordray to continue working the manufactured housing industry to resolve key lending issues. All requested that Cordray go back to representatives of the industry to resolve issues or institute a (retroactive) delay in the rules for manufactured housing (as requested by Rep. Fincher).

Ranking Member Maxine Waters (D-CA) is included among those that spoke in support of the industry's concerns. Others included: Reps. Spencer Bachus (R-AL), Joyce Beatty (D-OH), Bill Clay (D-MO), Keith Ellison (D-MN), Greg Meeks (D-NY), Steve Pearce (R-NM) and Terri Sewell(D-AL).