



# Iowa Manufactured Housing Association

1400 Dean Ave, Des Moines, IA 50316-3938

515-265-1497

Fax: 515-265-6480

[www.iamha.org](http://www.iamha.org)

Email: [Joe@iamha.org](mailto:Joe@iamha.org) or [Becky@iamha.org](mailto:Becky@iamha.org)

Joanne Stevens  
President

Joe M. Kelly  
Executive Vice President

Becky Kinney  
Office Manager

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## ATTORNEY GENERAL INQUIRY

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Recently the Consumer Protection Division of the Attorney General's Office made an inquiry of IMHA and other groups representing landlords. The question had to do with whether we had advised members that it was fine to add a processing fee to late charges for rent. Evidently the AG had learned that some landlords are charging such a fee. Our response was that IMHA had never advised members about any processing or handling fee. It is our view that the law concerning late charges on rent covers all expenses from a landlord in the arena of chasing debt. We believe that a processing fee by a landlord would be viewed by a judge as an illegal way to increase the amount of a late fee, there being no legal path to an increased amount other than a change by the legislature.

It was an unusual communication. First, it presumed that IMHA represents all MH communities in the state, which we don't. It further implied that a MH community owner or manager never takes any action unless instructed by IMHA. Most members use good judgment in managing their communities and would know that adding fees where the legislature has written a law that limits fee would be suspect.

The final part of the message from the AG's office had to do with the Staley v Barkalow Iowa Court of Appeals decision from May of 2013. It was a reminder that merely having an illegal provision in your lease

or regulation can become the subject of a class action lawsuit and trigger damages to be paid to all members of the class. We're aware that the AG has close contacts with Legal Aid, with most of the consumer protection attorneys there having put in a stint with Legal Aid before going to the AG's staff. We suspect that Legal Aid ran into some cases where a landlord was charging an administrative fee. Legal Aid may have contacted the AG's office with concern that there was an uptick in the number of cases found in this area. Therefore, an assumption may have been made that landlord groups were suggesting that an administrative fee was legal.

As for the Staley v Barkalow case, we've written briefly about this decision in a previous newsletter, and it was a topic at our annual meeting last year. However, it's important enough that you will read and hear about it again from IMHA.

### Modular Orders Down Again

For the second consecutive quarter, orders of modular homes in Iowa were down compared to 2013. In the second quarter, only two states of the thirty four states surveyed had a higher numerical loss. Iowa retailers/builders ordered 95 modular homes compared to 149 in the second quarter of 2013, a drop of 54 homes, or

36%. Iowa had the sixth highest percentage loss. For the year, 168 modular homes have been ordered, compared to 244 for the first half of 2013. This is a decline of 31%. Even with the dismal numbers, Iowa's 95 homes in the second quarter was still 8th best among the 34 states in the survey. For the second quarter in 2013, Iowa ranked 6th among the states.

### June Shipments Double From Last June

The heading of this story looks great until you realize that Iowa only had 14 orders for manufactured homes in June of 2013. This June it's 28. Still not great, but at least going in the right direction. For the year, Iowa is also up 6%. If you calculate by the number of floors ordered, Iowa is up 10% for the year. That's pretty impressive given the dismal first quarter marked by terrible weather in the state. The numbers are 153 homes for the first half of the year, compared to 144 last year. Iowa was 5<sup>th</sup> in our 12 state region in percentage increase in orders. The five states in our region showing a decrease in orders for the first half of 2014 are as follows: Indiana, Wisconsin, Minnesota, Nebraska, and North Dakota.

Over two thirds of the orders for June were single sectioned homes in Iowa. For the year, it's 61%. Iowa is 33<sup>rd</sup> in

shipments for the year, and 30<sup>th</sup> for the month of June.

## HUD Fees Going Up

Recently we informed you that the fees on state labels for manufactured housing will be rising from the current level of \$25. We're not sure what the state will be recommending. The IMHA Board voted on a resolution supporting an increase to no more than \$125 per label. This money would be used to defray the costs of inspecting the installation of manufactured homes, both new and used.

At the same time, HUD will be increasing the label fees it charges to manufacturers. This fee, currently \$39 for each transportable section of a manufactured home, has not been increased since 2002. Congress has given HUD the authority to raise fees since 2002, but HUD has declined to do so. Congress has let HUD know that it will no longer subsidize the manufactured housing program. That being the case, HUD is now serious about raising the fee. It's estimated that HUD will need \$10,000,000 to run the manufactured housing program. HUD has announced that it plans to raise the fee from \$39 to no less than \$95 and no more than \$105 per transportable section of a manufactured home. This increase is now a part of administrative rulemaking, and the increase will occur sometime later this year.

## King Inducted Into MH Hall of Fame

Dick King was inducted into the Manufactured Housing Hall of Fame in Elkhart, Indiana, on August 5<sup>th</sup>. Dick is the founder of King Insurance in Omaha, a longtime member of IMHA. Dick is a fifty year veteran of the insurance and

finance business, specializing in manufactured housing and recreational vehicles. Thirty three of those years have been at King Insurance which does business in fourteen Midwestern states. 85% of the business deals with manufactured housing and RVs.

Dick has been supportive of manufactured housing associations over the years. In 2013 he was awarded as the member of the year by the Kansas Manufactured Housing Association.

## IMHA Newest Members

IMHA welcomes the newest six members to the association.

Ponderosa Park  
Frank Peeters, Property Mgr  
3737 Telegraph Rd  
Davenport, Iowa 52804

Gracious Estates Mason City  
John Schade, Manager  
777 S Eisenhower Avenue  
Mason City, Iowa 50431

Monti View Mobile Home Park  
Kevin Miller, Owner  
21664 Hwy 151  
Monticello, Iowa

Stoney Creek Estates  
Brad & Lorianne Frisbee,  
Owners  
1200 W Madison St  
Washington, Iowa 52353

Parkview Mobile Home Park  
Lynn & Brent Kilburg, Owners  
1301 Devils Glen Rd.  
Bettendorf, Iowa 52722

Sturwood Developments  
Alex Sturwood, President  
4737 N St Louis Ave  
Chicago, Illinois 60625

## Status of HR 1779

In response to several Action Alerts sent out by MHI Chairman Nathan Smith, people from all aspects of the

manufactured housing industry have been sending emails to Capitol Hill. The requests are coming following the July House action in which the Financial Services Committee favorably reported H.R. 1779 (the Preserving Access to Manufactured Housing Act) out of committee. The emails being sent are requesting Members of the United States House of Representatives to move H.R. 1779 to the floor for a vote. H.R. 1779, if passed into law, would give lenders some relief in navigating the Dodd/Frank law, which doesn't take into account the special nature of personal property lending, which is so prevalent in the manufactured housing world.

"Contacting your elected officials during the August recess is extremely important to our legislative success on Dodd-Frank reform," said Chairman Smith. "And MHI's new advocacy page makes it so simple, you can even do it from your smart phone."

The emails are being sent via MHI's new and improved advocacy page, which can be found by clicking the "Action Alert" tab on MHI's main web page at [www.manufacturedhousing.org](http://www.manufacturedhousing.org) or by [clicking here](#). "By using this new tool," Smith reiterated, "contacting your Member of Congress is as easy as four clicks." As of August 14<sup>th</sup>, over 3,000 people have utilized the system to send emails to the Hill.

## HUD Label Fee Update

Earlier in the newsletter we wrote about the label fee increase to manufacturers. HUD has selected \$100 as the new fee, for each section of a home, to the manufacturer. This is an increase of \$61 per floor. Manufacturers are likely to add this increase to the cost of a HUD home. The new fee takes effect on September 12<sup>th</sup> of this year.