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Raising Capital - New Strategies for Fund Managers

By Ferd Niemann IV

In the ever-evolving landscape of real estate and private equity investing, savvy investors are always hunting for innovative strategies to grow their portfolios. Enter the Fund of Funds ("FoF") model—a rising star in the investment world. Think of it as an investment "super fund" where a managing sponsor gathers capital from multiple investors and deploys it across a curated selection of other funds, rather than directly in individual assets.



Photo courtesy of Forbes

This structure offers a one-stop shop for diversification, access to top-tier managers, and streamlined investing—but it is not without its challenges. Whether you're a seasoned investor or exploring new opportunities, understanding the pros and cons of the FoF model is crucial to deciding if it fits your strategy.

What is a Fund of Funds (FoF)?

At its core, a FoF pools capital from investors—like high-net-worth individuals or institutional investors—and allocates it across a variety of underlying funds. Rather than directly owning assets, you gain exposure to a portfolio managed by multiple fund managers, who, in turn, invest in specific deals, assets, or markets.

This layered structure brings built-in diversification and professional oversight, but it also introduces unique considerations. Let's explore the upsides and trade-offs to see if this model aligns with your investment goals.

The Pros: What Makes the FoF Model Shine

1. Instant and Broad Diversification

Diversification is the name of the game in the Fund of Funds model. Instead of putting all your eggs in one basket, your investment spans across multiple funds, geographies, and asset classes without having to directly manage each investment. This approach helps cushion your portfolio against downturns in specific markets or sectors, offering a layer of protection for long-term growth.

2. Access to Elite Fund Managers and Opportunities

The Fund of Funds model provides a gateway to top-tier managers and exclusive investment opportunities often out of reach for individual investors. These managers bring expertise, track records, and connections to high-performing assets. Simply put, you're investing in expertise and opportunity that might otherwise be off-limits.

3. Lower Minimum Investment Hurdles

Premium funds often require substantial capital commitments—an entry barrier for many investors. A Fund of Funds democratizes this access, allowing you to tap into high-caliber funds with a smaller upfront investment. It's a more accessible path to premium portfolios without breaking the bank.

4. Simplified Management for Passive Investors

If you prefer a hands-off approach, the Fund of Funds model is a dream come true. Instead of managing relationships with multiple fund managers and dealing with scattered reports and distributions, you get a single point of contact. The sponsor handles the heavy lifting, from communication to portfolio management, so you can focus on the big picture.

The Cons: What to Watch Out For

1. **Double**-Layered Fees Can Eat Into Returns

The biggest downside of the Fund of Funds model is its fee structure. You'll pay management and performance fees not only to the FoF sponsor but also to each underlying fund. These stacked fees can significantly chip away at your net returns, making it critical to assess if the potential gains outweigh the costs.

2. Limited Control Over Investment Decisions

When you invest in a Fund of Funds, you're entrusting the sponsor with all allocation decisions. While this simplifies your role, it also means less transparency and influence over where your money goes. If you're someone who likes to have a say in every investment, this hands-off model may not suit your style.

3. Risk of Diluted Returns

Diversification is a double-edged sword. While it reduces risk, it can also dilute returns. A strong performance in one fund might be offset by underperformance in another, leading to

a more moderate overall return. For investors chasing high-growth opportunities, this broad approach might feel limiting.

4. Extra Due Diligence is Required

With a Fund of Funds, due diligence doesn't stop at the sponsor. You'll also need to vet the underlying fund managers they select. Ensuring that the sponsor has the expertise and rigor to evaluate these managers is critical. Without this trust, you risk exposure to poorly performing or mismanaged funds.

Is the Fund of Funds Model Right for You?

The Fund of Funds model offers a unique blend of diversification, access to elite managers, and convenience for passive investors. It's an appealing option for those looking to simplify their portfolios while gaining exposure to a variety of assets and markets. However, it's not a one-size-fits-all solution.

If high fees, diluted returns, or lack of control are deal-breakers, you might want to explore other options. Ultimately, the decision boils down to your investment style, financial goals, and risk tolerance. Potential investors should carefully weigh the pros and cons of the Fund of Funds model, conduct thorough due diligence on the managing sponsor and underlying funds, and consider how this approach aligns with their overall financial goals and risk tolerance.

As with any investment strategy, thorough research and a clear understanding of the trade-offs are essential. The Fund of Funds model could be the next big step in your investment journey—or simply another tool in your financial toolkit.

Before diving in, ask yourself:

- Do I value convenience and diversification over hands-on control?
- Am I comfortable with the fee structures?
- Do I trust the sponsor to make sound investment decisions?



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Financing Options for First-Time Mobile Home Park Investors

By Tristan Hunter

Investing in mobile home parks can be a potentially lucrative venture. However, securing financing can be challenging, especially for first-time investors. This guide outlines various financing options, including traditional loans, private equity, crowdfunding, and government programs, to help you navigate this complex landscape.

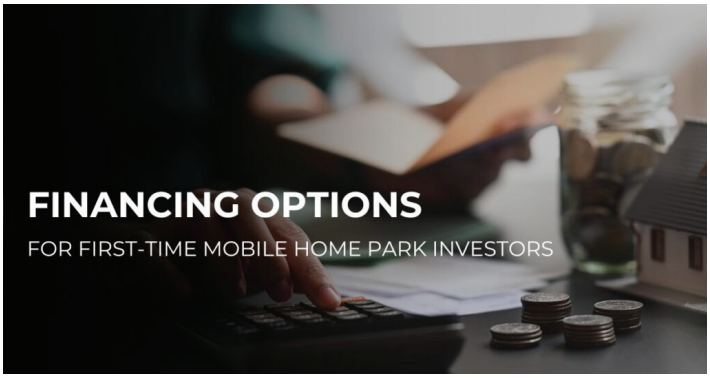


Photo courtesy of Keel Team

Traditional Loans

Traditional loans are a common way to finance mobile home parks. These loans are typically provided by banks, credit unions, or other financial institutions. Here's a breakdown of what to expect:

1. Commercial Real Estate Loans:
Pros: These loans offer relatively low interest rates and long repayment terms. They are suitable for established investors with a good credit history.

Cons: The approval process can be stringent, requiring extensive documentation, a strong credit score, and a solid business plan.

2. Small Business Loans:
Pros: The Small Business Administration (SBA) offers loans specifically designed for small businesses, including mobile home parks. SBA 7(a) and 504 loans are popular options.

Cons: The application process can be lengthy and competitive. These loans also require a substantial down payment and collateral.

3. Portfolio Loans:
Pros: Some banks offer portfolio loans, which they keep on their own balance sheets. These loans can be more flexible in terms of requirements and terms.

Cons: Interest rates might be higher than other traditional loans.

Private Equity

Private equity is another viable option for financing mobile home parks. It involves raising capital from private investors who are looking for a return on their investment.

1. Real Estate Investment Groups:
Pros: These groups pool resources from multiple investors to purchase properties. They provide expertise and shared risk, making it easier for new investors.

Cons: Investors may have less control over the property and decision-making processes. Returns are also shared among all members.

2. Private Equity Firms:
Pros: These firms invest large sums of money in real estate projects, including mobile home parks. They bring extensive industry knowledge and can offer substantial funding.

Cons: These firms expect high returns on their investments and may impose strict management requirements. This can reduce the autonomy of the primary investor.

Crowdfunding

Crowdfunding has become a popular method for raising capital in recent years. It involves collecting small amounts of money from a large number of people, usually via online platforms.

1. Real Estate Crowdfunding Platforms:
Pros: Platforms like Fundrise, RealtyMogul, and CrowdStreet allow investors to raise capital from a broad audience. This method can attract investors who are interested in the unique benefits of mobile home parks.

Cons: Crowdfunding requires a compelling pitch to attract investors. There are also platform fees, and the regulatory environment can be complex.

2. Peer-to-Peer Lending:
Pros: Peer-to-peer (P2P) lending platforms connect borrowers directly with individual lenders. These platforms can offer more flexible terms compared to traditional banks.

Cons: Interest rates can be higher, and the amounts available for borrowing might be smaller than through other financing methods.

Government Programs

Several government programs can assist first-time mobile home park investors. These programs often offer favorable terms to encourage investment in affordable housing.

1. FHA Loans:
Pros: The Federal Housing Administration (FHA) offers loans for mobile home parks, particularly for those that focus on affordable housing. These loans typically have lower down payment requirements and favorable interest rates.

Cons: The application process can be complex, and there are strict guidelines regarding property condition and borrower qualifications.

2. USDA Rural Development Loans:
Pros: The U.S. Department of Agriculture (USDA) provides loans for rural development, including mobile home parks. These loans can be advantageous for properties located in rural areas, offering low interest rates and long repayment terms.

Cons: Eligibility is limited to rural areas, and the application process can be time-consuming, .

3. State and Local Programs:
Pros: Many states and local governments offer grants, loans, and tax incentives to promote affordable housing. These programs can provide critical funding and support for new investors.

Cons: Availability and terms vary widely by location, and competition for these funds can be high.



Tips for Securing Financing

Build a Strong Business Plan:
Lenders and investors want to see a clear plan for profitability. Include detailed financial projections, market analysis, and a solid strategy for property management.

Improve Your Credit Score:
A higher credit score can help secure better terms on loans. Pay down existing debt, correct any errors on your credit report, and maintain good financial habits.

Network with Industry Professionals:
Building relationships with other investors, real estate agents, and financial advisors can provide valuable insights and opportunities. Networking can also lead to potential partnerships and investment opportunities.

Consider Hiring a Consultant:
A real estate consultant with experience in mobile home parks can provide expert advice, help navigate financing options, and improve your chances of securing funding.

Conclusion

Financing a mobile home park investment requires careful planning and a thorough understanding of available options. Traditional loans, private equity, crowdfunding, and government programs all offer potentially unique benefits and challenges. By exploring these options and preparing thoroughly, first-time investors can find the right financing solution to start their journey in mobile home park investing.



Tristan manages Investor Relations at Keel Team Real Estate Investment. Keel Team actively syndicates mobile home park investments, with a focus on buying value add, mom & pop owned trailer parks and making them shine again. Tristan is passionate about the mobile home park asset class, with a focus on affordable housing and sustainability.

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Regulatory Changes Expected to Increase Access to Financing for Manufactured Homes

By: Alex Horowitz & Tara Roche

Manufactured housing—the modern version of a mobile home—is an important, but underused, form of low-cost housing.[1] Today, about 18 million people live in these homes, and most own rather than rent.[2]



Photo courtesy of The Denver Post/Getty Images

When borrowing to buy a manufactured home, buyers usually use financing from traditional lenders such as banks or credit unions in the form of mortgages, which finance the house and land together, or home-only loans—also known as chattel or personal property loans—which finance only the house and not the land beneath. However, many manufactured home borrowers struggle to access these types of loans. Nationwide, lenders deny about half of mortgage and home-only loan applications (roughly 40% and 64%, respectively) for manufactured home purchases.[3]

Buyers who are unable to secure a mortgage or home-only loan from a traditional lender often turn to certain risky types of alternative financing made between the seller and buyer of the home. Examples include lease-purchase arrangements, contracts for deed, or seller financing contracts, and in this study, these are collectively referred to as "contract financing."[4] Because contract financing is agreed to privately between the parties, it can be used for a house alone or for land and a house together, but unlike traditional loans, in contract arrangements, the title to the property– and with it, legal ownership—typically does not transfer to the buyer at the start. Instead, in the case of contract financing, the seller retains legal ownership until the buyer makes the final payment.

However, little is known about the prevalence of contract financing for manufactured homes, primarily because the strength and provisions of laws governing these arrangements vary substantially across states and because of the absence of systematic national data collection. To help address this evidence gap, The Pew Charitable Trusts conducted a nationally representative survey of 1,252 adults who live in a manufactured home as their primary residence. (See the external appendix for the full survey methodology.) The survey's key findings related to contract financing are:

- 20% of manufactured home borrowers are using some form of contract financing to buy their house, totaling more than half a million Americans.
    - Contract financing is even more prevalent among borrowers whose homes are titled (i.e., legally identified) as personal property (28%) rather than as real estate (12%).
    - By comparison, only 5% of borrowers who bought site-built homes—those constructed in place rather than in a factory—use contract financing.
- About three-quarters of current manufactured home borrowers own their land as well as their home. These borrowers might have been eligible for a mortgage, yet one-third of this group titled their home as personal property rather than real estate, rendering them ineligible for mortgages.
- 89% of manufactured home borrowers report being current on their loans. These borrowers have a low delinquency rate (4% report being three months or more behind).

Manufactured home borrowers' widespread landownership and relatively low credit risk offer state and federal policymakers several opportunities to improve these buyers' access to safer, more affordable financing options. For instance, some borrowers are shut out of mortgages because of state laws rather than the quality of their home or their credit readiness, meaning targeted legislative action could expand access to traditional lending. In addition, several federal loan programs are well-positioned to expand the home-only loan market for manufactured housing by modernizing policies to enable greater lender participation. In addition, policymakers at all levels of government can look for ways to bolster consumer protections for contract borrowers broadly and those who purchase manufactured homes specifically.

Titling challenges lead to use of alternative financing

Manufactured home borrowers use financing in vastly different ways compared with borrowers who buy site-built homes. Pew's survey shows that this is largely driven by how a property is titled—whether as personal property or real estate.

Personal property titling covers only the home—not the land beneath it and, like a car loan, is usually recorded at a state's Department of Motor Vehicles.[5] This type of title is never used

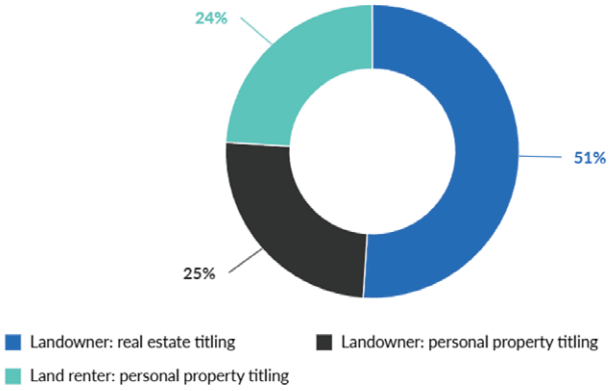
for site-built homes, but every state except New Hampshire automatically titles manufactured homes this way, even though most manufactured home owners own their land, either privately or within a resident-owned community. Those who do not own their land typically rent it in a manufactured home park or live on a Tribal reservation or on a family member's land. Five states—Illinois, Missouri, North Carolina, North Dakota, and Oregon—allow owners who do not own the land beneath their houses to title their homes as real estate, but doing so usually requires that the home be installed on a permanent foundation or that the homeowner hold a lease for the land that spans at least 20 years.[6] How often homeowners in these states meet these criteria or change their titles to real estate is unclear. But regardless of the land scenario, homes titled as personal property are not eligible for a mortgage.[7]

On the other hand, real estate titling includes the home and land and so is eligible for mortgages.[8] Site-built homes are always automatically titled as real estate, but to title a manufactured home and land together as real estate, a buyer must meet certain criteria set by the state and take steps to retire or convert the title from personal property.

Figure 1

Three-Quarters of Manufactured Home Borrowers Own Their Land but Only Half Title Th Homes as Real Estate

Share of borrowers by land ownership and property titling



In Pew's survey, 76% of current manufactured home borrowers said they own their home and land (usually on private land). These borrowers, therefore, could be eligible for mortgages if their property was titled as real estate, but 25% of them still title their manufactured home as personal property rather than real estate. The remaining 24% own their homes but not land, and almost always must title their manufactured home as personal property. In total, then, only about half of all manufactured home borrowers title their homes as real estate. (See Figure 1.)

Borrowers' land ownership status and titling arrangements greatly affect their ability to obtain safe, affordable financing. For the half of manufactured home buyers whose homes are titled as personal property, a home-only loan is often the next-best option. However, access to this type of financing is limited: 64% of home-only loan applications were denied in 2021.[9] Without either mortgage or home-only loans, the only remaining option (other than purchasing with cash) is contract financing.

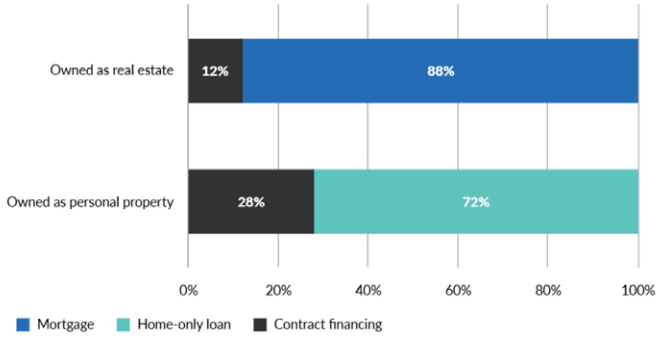
As a result, among manufactured home owners, 88% of those who title their homes as real estate use a mortgage and 12% use some form of contract financing, while 72% of owners who title as personal property use home-only loans and 28% use contract financing. (See Figure 2.)

Demographically, borrowers who own their manufactured homes as personal property versus real estate are fairly similar. However, Pew's survey showed three statistically significant differences. First, borrowers whose homes are titled as personal property are more likely than those whose homes are titled as real estate to be Black (6% compared with 2%) or Indigenous (9% compared with 1%) and less likely to be White (77% compared with 94%). Second, borrowers with homes titled as personal property are also less likely that those with real estate titles to live in nonmetropolitan areas (26% compared with 41%). The third difference, income, is more challenging to characterize. More borrowers who have homes titled as personal property reported incomes below $10,000 (10%) or over $150,000 (10%) than did borrowers whose homes are titled as real estate (1% and 4%, respectively).

Figure 2

28% of Borrowers Who Own Manufactured Houses as Personal Property Use Contract Financing

Manufactured home financing by titling status



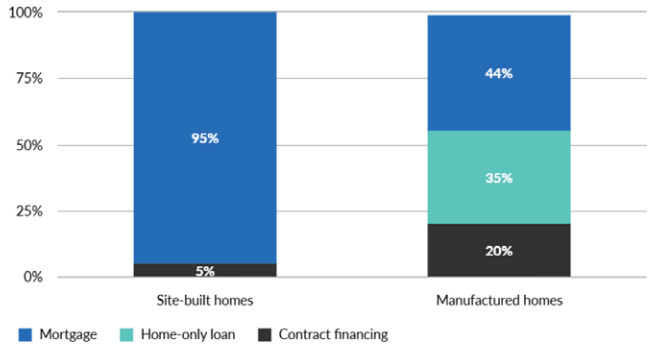
The importance of land ownership and title is even more evident when comparing borrowers by the type of housing they purchase. Manufactured home buyers were nearly four times as likely as sitebuilt buyers to use contract financing.

(See Figure 3.) Among manufactured home borrowers, 44% had a mortgage, 35% had a home-only loan, and 20%—about 560,000 borrowers—used contract financing.[10] In contrast, 95% of site-built home borrowers had a mortgage and 5% had some form of contract financing.

Figure 3

Manufactured Home Buyers Are Far More Likely Than Site-Built Buyers to Use Contract Financing

Percent of current borrowers by housing and loan type



Most manufactured home borrowers are current on their loan payments

Research about the repayment patterns of home-only loan borrowers is scarce, so policymakers, analysts, and lenders often raise concerns about these borrowers' likelihood of falling behind or defaulting on their loans. However, 89% of borrowers in Pew's survey reported being current on their monthly payments, and Pew's data showed no significant differences in delinquency and default rates by loan type, land ownership status, or how a home is titled.

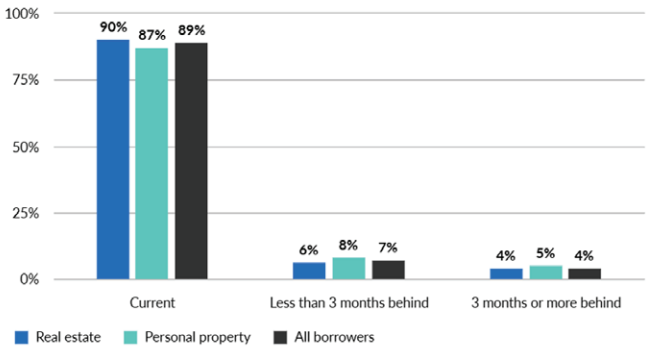
Further, 11% of all survey respondents said they were not current on their payments. Of those, nearly two-thirds said they were behind by less than three months, and just 4% of all respondents reported being three or more months behind. (See Figure 4.)

Research from the Federal Housing Administration (FHA) shows that whether manufactured home borrowers own, rent, or live for free on their land can play an important role in their default rates. FHA's analysis found no significant difference in default rates between mortgage and home-only borrowers who own their land. But it also found that, among home-only borrowers, those who rented land were more likely to default than those who owned their land.[11] The research specifically noted that default risk was highest for borrowers on rented land in manufactured home communities.[12] Renting land can contribute to housing and financial instability among manufactured home owners. For instance, in Pew's survey, 69% of homeowners on rented land reported either not having a lease for their land or not knowing whether they had one, indicating widespread vulnerability to unexpected rent increases or eviction.[13] Such sudden cost changes or displacement can lead to delinquency and default.

Figure 4

Most Manufactured Home Borrowers Are Current on Monthly Payments Regardless of How Their Homes Are Titled

Percent of borrowers by home titling and reported loan status



Contract financing has few consumer protections

Mortgages, home-only loans, and contract financing differ in their levels of consumer protection. Mortgages are the gold standard in home financing with the strongest protections, lowest interest rates, and long repayment terms (usually 30 years). Among the consumer protections on mortgages are those provided via the Truth in Lending Act (TILA) and the Real Estate Settlement Procedures Act (RESPA), which require lenders to provide specific disclosures and good-faith estimates of closing costs, prohibit affiliations between selling and financing businesses, and forbid the steering of buyers to specific title insurance companies or products that will benefit lenders.[14]

Home-only loans, in contrast, tend to have higher interest rates; fewer protections than mortgages, especially for borrowers who fall behind on payments; and less restrictive rules regarding seller-lender affiliations and steering. Additionally, despite the prevalence of this type of financing for manufactured homes, federal programs for home financing generally only include mortgages and do not insure or guarantee home-only loans or purchase active home-only loans from third-party lenders on the secondary financing market—a common practice for mortgages. In the absence of federal backing, the home-only market has few lenders and extremely high denial rates.[15]

However, home-only loans do have some federal and state-level protection, such as TILA and RESPA disclosure requirements for borrowing costs, annual percentage rates, amount financed, and total payments. And some home-only

loan borrowers are protected by the federal "holder rule," which allows homebuyers to make a legal claim against a seller or finance company if the home is not as advertised.[16] (The holder rule does not apply to mortgages.)

Further, governments and lenders collect and publicly share detailed data about home-only loans and mortgages, such as the recording of each lien and title on a home and Home Mortgage Disclosure Act data on loan applications and originations.[17] But contract financing is far less regulated with almost no data collected or made available by federal or state agencies or lenders on the prevalence, terms, or interest rates of contracts or of the homes purchased.[18]

One common feature of contract financing—which is prohibited for federally regulated traditional loans—creates particular risk for borrowers: the lack of legal ownership of the property from the start of the financing agreement. Contract buyers live in, but do not hold the deed to, their homes (until they make their last payment). However, they often assume most or all of the responsibilities of homeownership, such as keeping up the property, fixing or updating the home, and sometimes paying the property taxes.[19] As a result, these borrowers frequently invest significant time and money in their properties even though they could be swiftly evicted without an opportunity to recoup those investments—no different than a renter.[20] And in the event of a natural disaster, borrowers using contract financing are generally not eligible for federal or state homeowner assistance programs. (See Table 1.)

As of this writing, fewer than half of states have consumer protections on contract financing, and those protections are typically weaker than the safeguards on mortgages and home-only loans, may not apply when manufactured homes are titled as personal property, and depend on the type of contract used.[21] In states where laws do exist and are enforced, they help to ensure certain basic consumer protections for contract borrowers, such as mandating that the contract be publicly recorded, requiring sellers to provide receipts for buyer payments, or specifying how defaults and delinquencies be resolved. However, in the absence of clear state or federal laws, these contracts may or may not be written and executed as expected, leaving these contract borrowers with few to no protections if problems arise.[22]

Pew conducted focus groups and interviews with legal aid professionals, which revealed other issues related to contract financing protections. For instance, many sellers use incorrect terminology when developing their contracts, such as calling an agreement lease-purchase but using the terms of a contract for deed, or vice versa. In such a case, the buyer may not be able to determine whether or which consumer protections apply to the contract.

Table 1

Contract Financing Is the Riskiest Option for Manufactured Home Borrowers

Consumer protections, data, and recording by loan type

	Mortgage	Home-only loans	Contract financing
Federal programs that insure, guarantee, or purchase loans	FHA, USDA, VA, GSEs*	FHA	None
Federal consumer protections	All	Some of the same protections as mortgages, holder rule may also apply but does not for mortgages	None, except in the case of seller-financed mortgages for homes owned as real estate.
State protections	Usually most robust	Usually some but less than mortgages	Rarely, but in some states protections depend on home titling
Record of loan application, application outcomes, and loan repayment	Home Mortgage Disclosure Act, credit reporting	Home Mortgage Disclosure Act, credit reporting	None
Recording of the originated loan and home that is the collateral (lien)	Lien recorded with the county register of deeds	Lien recorded with the secretary of state and often secured by a UCC-1 statement†	Rarely; land contracts are sometimes recorded at the local level
Legal ownership transfers to buyer at start of financing arrangement	Yes	Yes	Not usually

Opportunities for policymakers to improve manufactured home financing

Many of today's manufactured home buyers who use contract financing could be better served by home-only loans and mortgages. Although federal agencies and the secondary market have made some strides toward making these loans more available to manufactured home borrowers, other opportunities to expand these buyers' access to credit remain untapped. States could consider changing their titling policies to make more manufactured home buyers eligible for mortgages. And at the same time, policymakers should also take steps to ensure that contract financing includes reasonable consumer protections.

Federal programs can expand mortgage and home-only loan access

Federal programs, such as those provided by FHA, USDA, Ginnie Mae, and the GSEs, already back mortgages for manufactured homes. These programs provide a crucial source of liquidity for mortgage lenders by enabling them to sell or insure their loans, which, in turn, makes it easier for credit-ready homebuyers to qualify for mortgage financing. More than 3 in 5 mortgages made in the U.S. use one of these programs.

But some borrowers have been shut out of mortgage access based on technicalities, which federal programs could help address. For instance, several states have laws that prevent manufactured home owners who live on collectively owned land, such as in resident-owned communities or on Tribal lands, from titling their homes as real estate, rendering them unable to get a mortgage. The GSEs can better serve these populations by purchasing home-only loans as they do for mortgages.

Additionally, federal home financing agencies and enterprises can leverage their existing programs to expand credit access to more manufactured home borrowers and strengthen consumer protections. To that end, FHA and Ginnie Mae updated their Title I program in February 2024 to increase the availability of home-only loans.[23] However, the program's consumer protections still need improvements to require the same loss-mitigation strategies that are standard for mortgages and to develop minimum land lease requirements, which may boost borrowers' housing stability and reduce default risks.

Further, the Federal Housing Finance Agency and the GSEs have the option—and resounding support from myriad stakeholders—to launch new home-only lending programs to provide loan insurance and guarantees and to purchase these loans on the secondary market. The net effect of such programs could help reduce barriers to entry for new lenders, increasing access to safe and affordable financing for credit-ready homebuyers. But as of this writing, the agencies have not acted on this potential.[24]

Stronger consumer protections for contract finance borrowers

In addition to providing better access to mortgages or home-only loans, federal and state policymakers can act to strengthen consumer protections for borrowers using contract financing. In particular, they should ensure that contracts are publicly recorded and clarify whether contract borrowers are covered by landlord-tenant laws or homeowner laws. Laws applicable to homeowners afford significant protections and would enable contract borrowers to retain their equity. Landlord-tenant laws would treat borrowers as renters, relieving them of responsibility for home repairs and property taxes and placing those obligations on the landlord/seller until the buyer acquires the deed to the property. Finally, policymakers should make sure that existing and new statutes providing consumer protections for contract borrowers include manufactured home buyers regardless of how the home is titled.

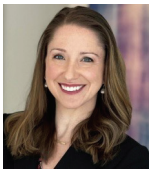
Conclusion

Manufactured homes offer an affordable opportunity to achieve homeownership for many Americans. However, a lack of safe and affordable financing for manufactured homes presents a barrier to taking advantage of this option for many prospective buyers. As a result, borrowers purchasing manufactured homes are four times as likely as those buying site-built homes to use poorly regulated contract financing instead of mortgages or home-only loans.

But this problem is driven largely by land ownership and property titling considerations rather than the borrower's risk profile, so targeted policy action can help provide greater protection for contract borrowers and expand the availability of safe, affordable credit for manufactured home buyers. At the federal level, recent updates to FHA's Title I program should help make home-only loans easier for these buyers to get and reduce barriers to entry into this market for lenders. Federal and state regulators and lawmakers could also consider aligning standards for home-only loans with those for mortgages and authorizing new home-only loan financing programs. In addition, to ensure that new and enhanced protections reach all contract borrowers, state and federal lawmakers will need to include manufactured home owners in all policies designed to improve the safety of contract arrangements. Taken together, these actions could greatly improve access to safe and affordable financing for manufactured home buyers and ensure that they have the same rights and opportunities as any other homeowner.



Alex Horowitz, Project Director, guides research for Pew's housing policy initiative, focusing on how home financing, the housing shortage, and land-use regulations affect household well-being. He has also conducted extensive research on consumer finance issues, including how small-dollar loans and consumer banking can be made safer and more transparent.



Tara Roche, Project Director, leads Pew's housing policy initiative, conducting original analyses of the safety, affordability, and availability of small mortgages and alternative financial arrangements used to purchase manufactured homes and other low-cost housing.

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California Mobile Home Residency Law (MRL) Changes

By Hart Kienle Pentecost

Editor's Note: The use of "mobile home" in this article vs HUD Code manufactured home reflects the California law wording, and possibly also the competence of the California legislature.



AB 661: Existing law, the Mobile home Residency Law, prescribes various terms and conditions that regulate tenancies in mobile home parks. That law requires management to post written notice on the mobile homes of all affected homeowners and residents of a mobile home park of an interruption in utility service at least 72 hours in advance, as specified. This law authorizes management, upon voluntary, written consent, as defined, of the homeowner or resident, to provide that notice through electronic communication, as defined.

AB 2373: Under the Mobile home Residency Law, management of the mobile home park may only terminate a tenancy for certain reasons. These specified reasons include nonpayment of rent, utility charges, or reasonable incidental charges, or change of use of the park or any portion thereof. This law prohibits a tenancy from being terminated and a notice of termination from being issued for the above-described reasons unless the park has a valid permit to operate issued by the enforcement agency in accordance with certain provisions of the Mobile home Parks Act.

AB 2399: Existing law, the Mobile home Residency Law, governs the terms and conditions of residency in mobile home parks and prescribes the content of a rental agreement for a tenancy. Existing law requires that a copy of the Mobile home Residency Law be provided as an exhibit and incorporated into the rental agreement by reference, as specified. Existing law also requires that a copy of a specified notice containing the rights and responsibilities of homeowners and park managers be included in the rental agreement and requires management to provide a copy of the notice to all homeowners each year, as specified. Existing law, the Mobile home Residency Law Protection Act, until January 1, 2027, establishes the Mobile home Residency Law Protection Program within the Department of Housing and Community Development, which requires the department to provide assistance in taking complaints, and helping to resolve and coordinate the resolution of those complaints, from homeowners relating to the Mobile home Residency Law. This law requires the above-specified notice to additionally include information about the Mobile home Residency Law Protection Program, as specified.

SB 1190: This law (codified at CA Civil Code § 798.44.1) makes any covenant, restriction, or condition contained in any rental agreement or other instrument affecting the tenancy of a homeowner or resident in a mobile home park, in a subdivision, cooperative, or condominium for mobile homes, or in a resident-owned mobile home park that effectively prohibits or restricts the installation or use of a solar energy system, as defined, on the mobile home or the site, lot, or space on which the mobile home is located void and unenforceable. The bill would make it unlawful for the management or the ownership to prohibit or restrict a homeowner or resident from installing or using a solar energy system on the home or the site, lot, or space on which the mobile home is located or to take other specified actions in connection with the installation or use of a solar energy system, except as specified. The law exempts the imposition of reasonable restrictions on solar energy systems, as defined. The law requires a solar energy system to meet applicable health and safety standards and requirements imposed by state and local permitting authorities. The law makes any entity that willfully violates these provisions in a subdivision, cooperative, or condominium for mobile homes, or a resident-owned mobile home park liable to the homeowner, resident, or other party for actual damages occasioned thereby, and for a civil penalty paid to the homeowner, resident, or other party in an amount not to exceed $2,000. Please note: The new law does not apply to Master Meter Parks. 798.44.1 states: (e) This section shall not apply to a master-meter park. "Master-meter park" as used in this section means "master-meter customer" as used in Section 739.5 of the Public Utilities Code.

SB 1408: This law prohibits management from removing a vehicle used or required by the homeowner for work or employment, or which advertises any trade or services on the vehicle, from a homeowner's or resident's driveway or designated parking space, or a space provided by management for parking vehicles, unless any part of that vehicle extends into the park roadway or otherwise poses a significant danger, as specified.

Hart Kienle Pentecost, Attorneys at Law, headquartered in Santa Ana, California, focuses on the legal representation of Manufactured Home Industry members.

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MHARR ISSUES & PERSPECTIVES: The Good, The Bad and The Ugly

By Mark Weiss

As 2025 begins, the production outlook for the HUD Code manufactured housing industry remains essentially static. While the nation continues to experience an unprecedented shortfall in the availability of affordable housing and homeownership, with a deficit widely acknowledged to surpass 7 million homes, industry production in 2024 barely exceeded the 100,000 home benchmark, at an annual total of 103,314 new manufactured homes. This follows a year (2023) during which total industry production, at 89,169 homes, fell far below the 100,000-home annual threshold, and itself falls far below the nearly 30-year (1995-2024) industry average annual production level of 145,563 homes/year. The question for the industry, consequently, is why – in an environment where the need for affordable housing and homeownership exceeds demand by millions of units – is the nation's premier source of inherently affordable housing and homeownership mired at production levels that were routinely (and significantly) exceeded earlier in its history?



Photo courtesy of TED

The answer to this question is astoundingly simple. While some may point to an aggregate of reasons for the industry's chronic under-performance since the turn of the (21st) century, arguing that it is attributable to an array of factors, that would miss the point. The point is that not all such factors have an equal -- or even significant – long-term macro-economic impact on the industry. Thus, while an inventory of these factors might be interesting, it would do little to advance the availability of affordable mainstream manufactured homes at levels more in line with existing demand. Instead, it is necessary to "drill down" into those factors. Doing so, it is evident that the most impactful factors underlying the industry's chronic under-performance are, in reality, quite simple, being organically connected to the fundamental economic determinants of supply and demand. Indeed, these factors are so elemental that they were long-ago identified by Congress and, even more importantly, targeted by Congress for remediation through specific legislation.

So what are those most impactful factors? As MHARR has already examined and documented, the most significant policy bottlenecks thwarting the growth and expansion of the mainstream manufactured housing industry on a national basis – in addition to the pending draconian U.S. Department of Energy (DOE) manufactured housing "energy" standards – are: (1) discriminatory and exclusionary zoning which prevents manufactured homes from being placed in large areas of the country; and (2) the lack of federal securitization and secondary market support for manufactured home personal property loans comprising more than 70% of the current manufactured housing finance market.

The combination of these two factors (bottlenecks) has uniquely undermined both essential components of the mainstream manufactured housing economy (i.e., supply and demand). Put differently, while discriminatory and exclusionary zoning has destroyed or limited demand for manufactured homes in large areas (by making the siting of manufactured homes either impossible or extremely difficult), the unavailability of federally-supported consumer financing within the industry's dominant personal property lending sector has limited the supply of competitive-rate consumer financing for the industry's most affordable homes. And, since consumers (for the most part) cannot purchase a home they cannot finance at an affordable rate, the lack of supply of competitive-rate consumer financing for manufactured homes effectively suppresses the supply of manufactured homes per se.

So, that is the "bad." The industry is producing the highest value, highest quality homes in its entire history, yet because of these two primary market-limiting factors within the industry's post-production sector (i.e., exclusionary zoning and lack of federal support for market-competitive loans within the personal property sector) the industry remains mired in a decades-long production slump with no end in sight.

Now, the "good." There is good news – potentially -- regarding these elemental, long-term industry bottlenecks. That good news is the arrival of the second Trump Administration and a renewed possibility of achieving fundamental change within the federal government regarding enforcement of the two laws that directly relate to and impact the two principal industry bottlenecks.

As MHARR has previously documented, the full implementation and enforcement of two existing laws by the federal government would address and, in all likelihood, substantially resolve both of the primary industry bottlenecks.

First, with respect to exclusionary/discriminatory zoning, the enhanced federal preemption of the Manufactured Housing Improvement Act of 2000 (2000 Reform Law) was specifically designed by Congress to extend the reach of federal preemption beyond inconsistent state and/or local construction and safety standards, and to specifically include and address other state or local "requirements" (such as exclusionary zoning) that impair federal superintendence of the manufactured housing industry, including increasing the availability of affordable manufactured homes for "all Americans." And how do we know this? Because members of Congress who were essential to the development and passage of the 2000 Reform Law said so in a 2003 letter to then-HUD Secretary Mel Martinez.

Second, with respect to securitization and secondary market support for manufactured home personal property loans, the applicability of the statutory Duty to Serve Underserved Markets (DTS) provision of the Housing and Economic Recovery Act of 2008 (HERA) to the personal property sector of the HUD Code market also does not require any guesswork. Rather, the DTS provision expressly states that its mandate applies both to manufactured home loans secured by real estate and to homes financed solely as personal property. Again, the provisions that the industry must have enforced are not implied, contextual, or arguable. Rather, they were fully briefed for Congress when the 2000 Reform Law and DTS were under consideration, and were fully included in each law, verbatim, in black and white. The problem, therefore, has not been the existence of remedial law, but instead the implementation or, rather, non-implementation of that remedial law by HUD on the one hand and by the Federal Housing Finance Agency (FHFA) – the federal regulator for Fannie Mae and Freddie Mac – on the other.

Since both of these bottleneck issues, as noted above, fall squarely within the industry's post-production sector, they are – and have always been – the primary responsibility of the industry's national post-production representation, the Manufactured Housing Institute (MHI). While MHARR has acted within both of these policy areas, MHARR does not draw dues from post-production sector businesses and – unlike MHI (which collects dues from retailers, communities, finance companies, insurers, installers, transporters and others) -- does not claim to act as a national-level representative of those businesses. MHI, meanwhile, does collect dues from the post-production sector and does claim to represent that sector. MHI, however, has not taken decisive or effective action to remedy either of these industry bottlenecks.

The first Administration of President Trump presented the industry with a profound opportunity to address both such issues. President Trump entered office in 2017 with an agenda that included both regulatory reform and the promotion of affordable homeownership. MHARR, for its part, took immediate and aggressive steps to spur HUD action on discriminatory and exclusionary zoning and to seek full implementation of DTS within the HUD Code chattel sector by FHFA. MHI, meanwhile, seemed to focus its efforts on hosting HUD Secretary Ben Carson at MHI conferences and events, while placing homes within HUD's "Innovative Housing Showcase" in Washington, D.C. Such "public relations" efforts, however, failed to move the needle either with HUD on zoning preemption or with FHFA, Fannie Mae, or Freddie Mac on chattel sector DTS.

Without anything resembling an aggressive full court press on these fundamental industry bottlenecks by the industry's self-proclaimed national post-production sector representative, President Trump's first term passed without any significant progress on either issue. Fortunately for the industry, however, with the second term of President Trump, it will now get perhaps the rarest of rare opportunities, a second chance to aggressively seek and demand effective action to remedy the bottlenecks that continue to suppress the more widespread utilization of affordable mainstream HUD Code manufactured homes. But that effort will once again require aggressive action by the entire industry – which leads us to the "ugly."

The "ugly" is whether MHI is even institutionally capable of mounting a truly aggressive push to rectify the industry's primary "bottleneck" issues. History (i.e., President Trump's first term) would say that it is not. Even worse, this failure is consistent with a prediction made years ago by the industry pioneers who founded MHARR. Specifically, when MHARR led the successful late 1990's effort to comprehensively reform the original National Manufactured Housing Construction and Safety Standards Act of 1974, MHARR's founders predicted that if the industry did not create an independent Washington, D.C.-based national representative for the post-production sector, there would be trouble down the road for the industry as a whole. Unfortunately, the post-production sector failed to heed this warning, and that failure is now coming back to haunt the industry.

If there were an independent national post-production industry representative, would that representative stand idly by while manufactured homes were excluded from large portions of the country? Or would it force action on such a crucial issue? Would it glad-hand FHFA, Fanie Mae and Freddie Mac – for nearly 20 years – while more than 70% of the industry's consumers (served by personal property loans) were excluded from any benefit whatsoever under DTS? Would it be a cheerleader for benefits for community landlords and purchasers from the Government Sponsored Enterprises (GSEs) while individual consumers and homeowners are shortchanged and left out in the cold, creating a public outcry that is damaging to the industry as a whole? And this is not to mention a myriad of other post-production sector issues facing the industry and consumers in Washington, D.C.

The most likely answer is "no." Instead, an independent national post-production representative would discern the fundamental harm flowing from both the exclusionary zoning and DTS issues, and would have acted firmly and aggressively already to seek and obtain a re-solution to both, instead of letting the entire industry languish in an economic environment otherwise primed for substantial growth.

In the final analysis, the industry faces fundamental challenges to its growth, expansion and evolution. Those challenges are existential, and must be addressed and successfully resolved. The fact that they continue to linger, after decades, is proof in itself that the present representational structure of the industry – with a broad "umbrella" organization collecting dues from all segments of the industry -- is not up to the challenge that they present and, therefore, must be reconsidered and changed. The ultimate question is whether the broader industry will confront this most vexing problem.



Mark Weiss is the President and CEO of the Manufactured Housing Association for Regulatory Reform (MHARR) in Washington, D.C. He has served in that position since January 2015 and, prior to that, served as MHARR's Senior Vice President and General Counsel.

MHARR is a Washington, D.C.-based national trade association representing the views and interests of independent producers of federally-regulated manufactured housing.

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Must MHC Owners Protect Tenants From Rapists, Hooligans, And Thieves?

By Kurt D. Kelley, J.D.

Many landlords are surprised to learn they have a legal duty to protect their tenants from rapists, attackers, and thieves. Claims against multi-family housing providers continue to rise as jurors continue to become more hostile to business owners. Multi-unit housing providers are the target of two thirds of all negligent security claims filed against business owners. Worse yet, 2020 revealed a dramatic increase in both crime and victims' rights protections across the country.



How Bad is the Problem?

A manufactured home community tenant was sitting in his living room watching television when someone broke into his home and shot him in the back of his head. Evidence suggested the culprit was a deranged family member who lived outside the community. The family of the murdered tenant sued the community owner for negligent security practices. The claim was ultimately settled for about $800,000 or a little under policy limits.

A jury awarded the family of a man shot and killed in a housing complex $20 million. They declared the killer was 50% at fault, and the property owner 50% at fault. In another case, the victim was shot and killed in a common area of the housing provider. There were allegations of insufficient lighting, no security guards, and no security cameras, as well as evidence that crime was prevalent in the city surrounding the housing complex. The family of the victim sued the housing project owner. The case settled for $2 million which was the insurance policy limit.

In another case, the plaintiff was shot multiple times in a housing project. The jury awarded his family $5 million. In a Pennsylvania case, a man was shot and killed in a tavern. The patrons entering the tavern were warned, by a tavern employee, about bringing weapons into the establishment, but the shooter's gun wasn't detected. The Jury awarded $1.9 million apportioning fault 90% to the tavern owner, and 10% to the killer. In Georgia, the family of a man shot outside of a convenience store was awarded $52 million. The jury reported they were mad that the store owner had not installed security cameras.

In a Florida case, a supermarket patron was shot and killed in the parking lot. The supermarket had armed security, check cashing with bulletproof glass, and an extensive security system. The case settled for $1million. The biggest "negligent security" judgment in Florida history, $102 million, was granted even though the murder happened across the street from the defendant's business in a parking lot known to be used by the business owners' customers, but not owned by the business.

What Evidence Causes Landlords to Be Found Responsible for Attacks Against Tenants / Customers?

When juries are seeking to place blame for an attack, they are instructed by the courts to consider all types of evidence that establish a landlord knew or should have known about the threat. Liability turns on whether the crime was foreseeable. The most important evidence is the existence of any prior similar events. Jurors often consider the fact something happened as proof that it was foreseeable.

Unfortunately, the word "similar" has been expended to include about any criminal activity. Florida law now allows evidence of any prior crimes in the area to evidence landlord negligence. The theory is that even a criminal trespass or panhandling is evidence of pending assaults, murders, or rapes.

The key question is whether the property owner had a legal duty to employ reasonable security measures that may protect people from foreseeable criminal activity. It's left to jurors to determine whether the business owner was negligent in failing to employ reasonable security measures.

How Do Community Owners Minimize The Risk?

Manufactured Home Community managers should consider the following measures to minimize the risk of criminal activity on their property:

- Implement corporate policies governing tenant and visitor security
- Maintain practices that maximize detection, deterrence, and prosecution of criminal acts on the premises
- Work together with other local business owners and law enforcement to improve safety practices
- Train personnel to identify suspicious behavior
- Install and maintain CCTV – monitored and recorded. Fake cameras should NOT be used
- Document security device placement – lights, video cameras, signs, etc

Must MHC Owners Protect Tenants From Rapists, Hooligans, And Thieves? Cont.

- Hire unarmed security personnel (indemnity contracts with 3rd party security providers are critical) when crime is high in the area
- Remove vagrants and transients from the property
- Implement strict standards with employees to discourage violent behavior
- Ensure parking facilities are illuminated and patrolled / close off unused parking areas and alleys
- Maintain adequate lighting at doors, vehicle entrances, walkways, and parking areas
- Trim foliage to prevent criminals from hiding
- Keep records of crimes discovered and the frequency of patrols
- Implement procedures for employee, tenant, and vendor safety
- Create incident response procedures
- Place appropriate fencing and key controls
- Know your neighborhood crime statistics – more crime dictates more security measures
- Re-key locks after every change of tenancy

Negligent security claims against multi-family housing providers are a large and growing problem. Worse yet, the judgments handed down by jurors against landlords can spell the financial end of the investment property. Review the recommended steps above and test your manufactured home community for compliance. Do not wait until it is too late.



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Kurt Kelley - President

THE CONCERNED COMMUNITY OWNER: Negligent Security Lawsuit Judgment Leads to Bankruptcy Filing of Georgia MHC Owner

In 2023, a jury in Clayton County, Georgia, awarded $31 million to the daughter of a man who was shot and killed at Avalon Mobile Home Park in Jonesboro. The victim was attempting to prevent a car theft when he was fatally shot. The lawsuit alleged that the mobile home park failed to provide adequate security, which contributed to the incident.



The case highlights the concept of negligent security claims against landlords of all types. This cause of loss originated and grew tremendously in Florida. Negligent Security cases have since spread into Georgia and the rest of the country. Georgia is one of the fastest deteriorating states for liability claims against business owners. The plaintiff successfully argued that the property owner had a duty to implement reasonable security measures to protect residents and visitors from foreseeable criminal acts. The community owner claimed that the victim was at fault for confronting an armed individual, but the jury ultimately found in favor of the plaintiff.

This verdict is significant in the context of premises liability and negligent security cases. It demonstrates that property owners can be held responsible for failing to provide adequate security, especially in areas with a history of criminal activity. The substantial award also reflects the serious nature of the case and the jury's assessment of the value of the victim's life.

Tips to Reduce the risk of Negligent Security Claims for MHC operators:

- Implement corporate policies governing tenant and visitor security
- Work with local business owners and law enforcement to improve safety practices
- Train personnel to identify and report suspicious behavior
- Document security device placement – lights, video cameras, signs, etc.
- Hire unarmed security personnel (indemnity contracts with 3rd party security providers are critical) when area crime is high
- Remove vagrants, transients and other trespassers from the property
- Implement strict standards with employees to discourage violent behavior
- Ensure parking facilities are illuminated / close off unused parking areas and alleys
- Maintain adequate lighting at doors, vehicle entrances, walkways, and parking areas
- Trim foliage to prevent criminals from hiding there
- Keep records of the frequency of patrols
- Implement procedures for employee, tenant, and vendor safety
- Place appropriate fencing and controlled gates
- Use License Plate Recognition cameras and software at park entrances and post signage making all aware it is there



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Bridging the Digital Divide: How Manufactured Home Communities Can Improve Connectivity & Economic Opportunity

By Joe Costello



Photo courtesy of Fierce Network

Across the United States, nearly 21 million people call manufactured housing home, with over 43,000 manufactured home communities providing affordable living options for families, retirees, and individuals. While these communities play a critical role in offering cost-effective housing, many residents still face a major obstacle: access to reliable, high-speed internet.

In today's world, internet access is essential—not just for entertainment, but for education, employment, healthcare, and financial stability. Whether applying for jobs, attending virtual school, accessing telehealth services, or staying connected with loved ones, a lack of affordable broadband creates barriers to opportunity and economic mobility. Yet, manufactured housing communities often struggle with limited options for connectivity, as traditional internet providers prioritize infrastructure expansion in urban and suburban neighborhoods.

Challenges in Expanding Internet Access

Despite growing demand, many manufactured home communities remain underserved by major internet providers. Infrastructure challenges, such as the need for fiber-optic cable installation or outdated telecommunications networks, often leave these communities with slow speeds, unreliable connections, or high costs that are prohibitive for residents.

Some key barriers include:

- **Limited broadband infrastructure** – Many manufactured home communities are located on private property, making it difficult for traditional internet providers to justify the cost of new installations.
- **Lack of competitive pricing** – Without multiple providers, residents may be left with only expensive or low-speed options.
- **Reliability issues** – Even when service is available, frequent outages can disrupt work, school, and other essential activities.

Innovative Solutions for Manufactured Home Communities

Recognizing these challenges, some leading broadband providers are taking innovative approaches to bring reliable, high-speed internet to manufactured home communities. Certain broadband providers are developing systems that deliver high-speed internet through compact rooftop devices and working with community owners to offer internet as a utility, ensuring immediate access to broadband. This approach has expanded gigabit-speed internet access to communities across multiple states, transforming connectivity for thousands of residents.

How Connectivity Transforms Manufactured Housing Communities

When high-speed internet becomes a standard utility in manufactured home communities, the benefits extend far beyond individual users. Communities that have successfully implemented affordable, reliable broadband access have seen:

- **Higher resident satisfaction and retention** – A well-connected community attracts long-term residents and enhances property value.
- **Expanded economic opportunities** – With fast internet, residents can access remote work, online job training, and educational programs.
- **Improved quality of life** – From telehealth to smart home features, connectivity empowers residents with modern conveniences.

The Future of Connectivity in Manufactured Housing

As the demand for digital inclusion continues to grow, manufactured housing communities have the opportunity to become leaders in bridging the digital divide. Through partnerships, innovative technologies, and community-driven initiatives, manufactured home communities can provide residents with the connectivity they need to thrive in today's digital economy.

For manufactured home community owners and industry leaders looking to explore connectivity solutions, broadband providers are paving the way to make high-speed internet more accessible and affordable. By taking proactive steps today, these communities can become hubs of economic advancement, ensuring that every resident has the tools they need to succeed.



Joe Costello is the CEO of Kwikbit, bringing over 30 years of experience in the technology and broadband space. He previously served as CEO in the electronic design automation (EDA) industry, where he helped drive innovation and develop leading technologies.

In 2004, Joe was honored with the Phil Kaufman Award for his contributions to the EDA industry. He has also served on multiple boards, including Oracle, Macromedia, and Clarify, among others. Joe holds a bachelor's degree from Harvey Mudd College and a master's degree in physics from Yale and UC Berkeley.

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"Tied Hands": Three Pillar Communities Urges LA County to Lift Restrictions on Emergency Housing for Fire Victims

By Daniel Weisfield

Los Angeles, CA – As devastating wildfires displace families across Los Angeles County, local housing provider Three Pillar Communities is voicing frustration over regulatory roadblocks that are preventing them from offering urgently needed shelter.



Photo courtesy of Los Angeles Times

The company, which owns and operates Off the Grid RV Ranch in LA County, has 108 vacant units ready to house fire victims. However, an obscure county regulation limiting RV stays to just 21 days is preventing them from providing long-term emergency housing for those displaced by the fires.

In an interview with the Los Angeles Times, Three Pillar Communities co-founder Daniel Weisfield expressed his dismay at the situation. "I see no justification to not let people stay in our RV park," Weisfield said. "We have spaces ready and available for people who lost their homes—but the county is literally telling us no.

The rule, which was not waived even in the wake of this crisis, has already led to at least a dozen displaced families being turned away. This stands in stark contrast to state and local leaders' promises to "clear away red tape" to enable rapid disaster relief and recovery.

"We're in the middle of an emergency," Weisfield said. "People have lost everything, and they need a place to stay. This kind of bureaucratic lunacy is exactly why California struggles to respond to crises."

While the county has touted its commitment to housing solutions, critics argue that outdated regulations like these are undermining recovery efforts. Advocacy groups and local officials are now calling on the LA County Board of Supervisors to take immediate action to waive the length-of-stay restrictions.

Maria Lopez, a representative from the Los Angeles Disaster Relief Coalition, criticized the county's inaction. "When families are sleeping in cars or shelters, it's absurd to let regulations block available housing units. These rules need to be suspended now."

Off the Grid RV Ranch could be a lifeline for dozens of families, offering temporary stability during a chaotic time. Weisfield and his team have pledged to work with local authorities to find a solution, but for now, they remain at a standstill.

For families affected by the fires, the stakes couldn't be higher. Many have little choice but to stay in overcrowded shelters or seek refuge far from their communities, delaying recovery and adding to their trauma.

In a direct plea to county officials, Weisfield stated: "LA County Board of Supervisors, please lift your pointless length-of-stay restrictions. This is a moment for common sense and compassion, not red tape."

As the fires rage on, the debate highlights a deeper issue: how bureaucracy and outdated policies can stand in the way of fast, effective disaster response.



Daniel, Co-Founder of Three Pillar Communities, is a third-generation mobile home park investor, operating more than 70 manufactured housing communities in 13 states and serving over 10,000 residents. He believes manufactured housing is the best way to close our country's housing gap and to create affordable home-ownership opportunities.
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For the First Time in More Than Two Years, U.S. Apartments are Filling Up Again

By: American Apartment Owners Association

The multifamily vacancy rate fell to 5.3% in the third quarter, down from 5.5% at the end of June, according to CBRE. Renters absorbed 153,300 units, one of the highest rates of move-ins in 40 years and 72% above the pre-pandemic average for the third quarter.



Photo courtesy of BISNOW

"The first drop in vacant units in more than two years signals a crucial turning point in the multifamily sector," CBRE Multifamily Capital Markets leader Kelli Carhart said in a statement. "This boost will lead to increased investment activity in 2025 as improving fundamentals continue to drive investor confidence [and] capital deployment."

The vacancy dip happened despite the addition of a record 472,000 units to the national supply over the past 12 months, according to CBRE. With development slowing down – there were 661,300 units under construction at the end of Q3, down from the peak of 760,400 in Q1 – CBRE projects vacancy to fall back to its historical average of 5%.

Rent growth nationwide has been basically flat, hitting 0.3% year-over-year in the third quarter, with the average unit now renting for $2,203. But landlords in some parts of the country have been able to push rents up, while rents have continued to fall in many markets, particularly those in the Sun Belt.

The Midwest led all regions with 2.7% year-over-year rent growth, with the Northeast following at 2.3%. Austin was the worst-performing market CBRE evaluated, with average rents falling more than 8% year-over-year. Rents dropped by the second most in Jacksonville, Florida, where they fell 4.9%.

Several factors are influencing the rise in apartment demand. Renter households are growing three times faster than households buying a home. While rents have been flat or negative for the past two years, home prices have climbed more than 10% in that time, according to Redfin.

More companies pushing for in-person office work could also be boosting urban apartment demand. Apartment REIT Equity Residential said Amazon employees are leasing more units in Seattle before the company's five-day-a-week return-to-office policy takes effect in January, The Wall Street Journal reported.

The turnaround in multifamily fundamentals, coupled with increased investor liquidity, is generating more investment activity as well. More than $34B of multifamily sales closed in the third quarter, according to CBRE. While that was a decrease from Q2, without Blackstone's $10B April purchase of Apartment Income REIT, sales volume would have increased by 12%.

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Alabama Supreme Court Corrects Erroneous Civil Judgment Against MH Lender

By Lance Latham

In a case both ACJRC and BCA participated in as amici curiae, Lender v. Robinson, the Alabama Supreme Court on December 20, 2024 reversed a $3 million verdict against Lender and ordered the Baldwin Circuit Court to enter judgment for Lender consistent with its decision. While the case will still be subject to a petition for rehearing by the plaintiff, if it stands it upholds the law in areas ACJRC has worked on since the 90's. The punitive damage explosion in the 1990's and early 2000's was characterized by consumer fraud cases, much like this one, involving relatively small dollar actual losses but huge claims for mental anguish and punitive damages. If it had been upheld the business community likely could expect more such actions to proliferate so this result is very much welcomed.



Photo courtesy of The New York Times

Robinson, the plaintiff in this case, owned an existing home in Baldwin County in much need of repair, so much so that he ultimately tore it down in order to replace it with a manufactured home. He chose a home from Retailer, a manufactured home dealer in Baldwin County who advised him to apply for financing with a Tennessee-based manufactured home mortgage company, Lender.

After submitting his initial mortgage application, which initially was denied by Lender, Robinson and Retailer modified the financing request by increasing the down payment and lowering the purchase price. Lender then issued on November 30, 2016 a "Pre-Approval Notice" with an expiration date of January 29, 2017. It also contained certain "funding conditions" that had to be met prior to closing. The Pre-Approval Notice also included language stating that qualification for the loan was also subject to compliance with the funding conditions and maintaining a specified credit score.

Several days before the expiration of the Pre-Approval Notice, Lender noted in its loan file that it needed a "valuation report", a federally mandated notice prepared by a third-party which provides a three-day waiting period for the manufactured home customer to inspect the manufactured home prior to becoming obligated on a note mortgage. The waiting period can be waived by the customer but here it was not waived and the Pre-Approval Notice expired. There was also a conflict in the evidence over whether Robinson met all of the funding conditions required by the Pre-Approval Notice and the Supreme Court ultimately decided that it was undisputed that several of the funding conditions had not been met.

On January 30, 2017 Lender sent a denial notice to Robinson for his loan request and a "new" loan application since its loan policy was to require the borrower to start over with a new application and new underwriting. By this time Robinson's credit score had deteriorated and Lender declined to make him a loan.

Unfortunately, in reliance on advice supposedly from Retailer, on January 12th Robinson had torn down his existing home to make a place for the manufactured home he expected to purchase. After he was declined a loan, Robinson had to move in with his son and eventually moved a travel trailer onto his lot to live in. Robinson sued both Retailer (which had an arbitration clause and its arbitration proceeding was tried separate from the action against Lender) and he sued Lender in a case which proceeded to a jury trial on claims of promissory fraud and the tort of outrage. The jury awarded him $200,000 in compensatory damages and $1 million in punitive damages on his fraud claim and also awarded him $780,000 in compensatory and $1 million in punitives on his outrage claim for a total of almost $3 million dollars---all for a home in such a state of disrepair it was demolished.

Following established legal precedent, the Supreme Court opinion, authored by Justice Greg Shaw and joined by Shaw's fellow panel members (Chief Justice Parker and Associate Justices Bryan, Mendheim and Mitchell), found that promissory fraud could not be sustained because Robinson offered no evidence that Lender intended to deceive him at the time of its issuance of the Pre-Approval Notice by having no intention of making him a loan. The Court found evidence to the contrary including actions by Lender after issuing the Pre-Approval Notice to proceed to closing the loan up until even several days prior to its expiration. And, the Court found Robinson couldn't have reasonably relied on the Pre-Approval Notice since it contained funding conditions that he knew or

should have known had not been satisfied. The Court also easily dismissed the tort of outrage claim finding that such a claim, if cognizable, is extremely limited to only conduct of the most egregious or barbaric sort and had, in fact, already been found in 1990 not to be applicable in a manufactured home lending case.

This strong opinion from the Court reinforces the Rule of Law and that businesses in Alabama can rely on existing legal precedent to be upheld ultimately even when a trial court has failed to apply the law.



Lance Latham is the Executive Director of the Alabama Manufactured Housing Association. The AMHA is a non-profit organization dedicated to providing members with tools and information to shape a successful business environment and provide manufactured housing and modular housing for Alabama and the Nation.

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Unlocking the Right of First Refusal for Property Tenants and Owners: Five Key Benefits and Challenges for Both Parties

By Ferd Niemann IV

In the world of real estate, few provisions are as intriguing – and sometimes perplexing – as the Right of First Refusal ("ROFR"). This clause offers distinct advantages and disadvantages to both tenants and property owners, shaping the dynamics of a lease agreement and the eventual sale of a property. While tenants often view the ROFR as a safety net for potential ownership, property owners must also carefully consider its impact. Whether you're a tenant or a landlord, understanding the implications of a ROFR is essential for making informed decisions.



Photo courtesy of Illinois State Bar Association

A ROFR allows tenants the first opportunity to purchase the property they are leasing before it can be sold to an outside buyer – this could be the case for tenants of a land-lease community such as MHP or even the tenants of a single building or single family home. When a landlord receives a third-party offer, the tenant has the option to match the offer and purchase the property. While seemingly straightforward, the ROFR can introduce a host of benefits and challenges for both sides, affecting everything from negotiations to property management.

For most real estate asset types, the ROFR is a provision negotiated between the landlord and tenant, but in manufactured housing this is almost never the case; instead, the ROFR is forced upon the landlord by statute, often times with the government determining that providing the ROFR will lead to additional – and purportedly necessary – tenant protections.

Five Benefits for Tenants: How ROFR Empowers Tenants

1. First Dibs on Ownership

Perhaps the biggest draw of a ROFR is the opportunity for tenants to transition from renters to property owners. Tenants often develop a strong personal or professional connection to a property, and a ROFR ensures they won't miss out if the landlord decides to sell. It's like having a built-in safety net, guaranteeing that you'll always have the first option to purchase. For tenants who are long-term occupants, this provision can offer peace of mind and the potential for future investment.

2. Time to Plan for a Purchase

Knowing you have a ROFR gives you the luxury of time. Tenants who plan to stay long-term can prepare for the possibility of ownership by securing financing, evaluating market trends, and strategize for ownership long before the property is put up for sale. While the landlord controls when the property goes up for sale, the ROFR gives tenants a prime window to plan and potentially make the purchase. This foresight can lead to more informed decisions.

3. Protection from Sudden Eviction

For residential tenants, a ROFR can be a lifesaver. Imagine living in a home for years, only to find out your landlord sold it to someone who plans to redevelop the property. With a ROFR, you have the power to keep the property – and your home – within your control (albeit along with your neighbors). This protection is especially valuable in competitive markets where relocating may be difficult. The ROFR empowers tenants to remain in their homes by purchasing the property themselves, providing stability and peace of mind.

4. Bargaining Power

Tenants with a ROFR may hold more sway in negotiations. Landlords know the tenant has a vested interest in the property, which could lead to more favorable lease renewal terms or rent negotiations. Plus, tenants can use the ROFR as leverage to convince the landlord to sell sooner, if both parties are amenable.

5. A Fair Price Guarantee

The ROFR typically allows tenants to match a market-based third-party offer, preventing landlords from hiking up the price simply because the tenant is interested. In this way, tenants can feel confident that they're purchasing the property at a fair price established by the broader market.

Five Benefits for Landlords: How ROFR Can Benefit Property Owners

1. Attract Long-Term Tenants

Offering a ROFR can make a property more attractive to potential tenants, especially those with long-term aspirations of ownership. This provision often appeals to stable, responsible tenants who are invested in the property and its upkeep, leading to a mutually beneficial landlord-tenant relationship.

2. Streamlined Sale Process
When a property owner decides to sell, having a ROFR in place can simplify the sale process by providing a pre-identified buyer: the tenant. This can reduce the need for extensive marketing and negotiation with outside buyers, potentially leading to a faster sale with fewer complications. (In reality, this benefit for landlords may be false hope as the tenants are typically less accustomed to the acquisition process and requirements than the typical MHC buyer.)

3. Improved Property Maintenance
Tenants with a ROFR may treat the property as their future investment, taking better care of it over time. This can lead to improved property condition and less maintenance required from the landlord, ultimately preserving the value of the property.

4. Tenant Retention
Offering a ROFR can help landlords retain high-quality, long-term tenants. Tenants with the option to buy are more likely to renew leases and maintain a positive relationship with the landlord, knowing they have a future stake in the property.

5. Flexibility in Timing
While a ROFR gives the tenant first refusal on the sale, the landlord retains control over when to sell and the terms of the sale. The landlord can still market the property to outside buyers and drive competitive offers, which may result in a more favorable selling price.

Five Tenant ROFR Challenges

1. Financial Pressure
While the right to purchase may seem like a dream come true, tenants need to be ready to act, and act fast. When a landlord gets an offer, tenants usually have a limited time to decide if they want to match it. If the tenants are not ready with the necessary financing or can't match the offer, they risk losing the opportunity. This urgency can create stress and strain, especially for tenants who were not anticipating a purchase.

2. The Unpredictability of Timing
One of the biggest drawbacks of a ROFR is that tenants have no control over when the landlord will decide to sell. The owner may hold onto the property for years, or surprise you with an unexpected proposal to sell. This uncertainty can create frustration for tenants, as they may have to make a substantial financial decision on short notice. Additionally, there's no guarantee that the third-party offer will come at a convenient time for the tenant.

3. Complicated Offers
While a ROFR allows tenants to match an offer, it doesn't guarantee the terms will be favorable. For instance, a third party may present an offer that includes contingencies, unusual financing arrangements, an exorbitant price, or other provisions that could complicate the deal for the tenant. In such cases, the tenant may find themselves in a position where they either have to match the entire offer or let the property go, even if the terms are less than ideal for their own situation.

4. Strained Relationships with Landlords
Sometimes, a ROFR can cause tension between landlords and tenants. Landlords may feel constrained by the ROFR when they want to sell quickly or without complications. On the flip side, a tenant's interest in purchasing the property can change the dynamic of their relationship, potentially leading to awkward negotiations or even strained interactions.

5. Legal and Administrative Headaches
Exercising a ROFR isn't always as simple as it might appear. Tenants often need legal guidance to understand the ins and outs of third-party offers, purchase agreements, contractual obligations, and deadlines. Legal fees, contract reviews, and administrative tasks can add unexpected complexity to the process, making the dream of ownership more cumbersome and expensive than initially expected. Perhaps even more than purchasing the property, a larger headache is that the tenants will need to quickly learn the process of managing the property post-closing.

Five Challenges for Landlords: Potential Drawbacks of a ROFR

1. Restricted Marketability
A major drawback for landlords is that a ROFR can limit the property's appeal to outside buyers. Potential buyers may hesitate to make an offer knowing that the tenant has the first right to purchase. This uncertainty could reduce competitive bids and make the property harder to sell at top dollar.

2. Delayed Sale
If a tenant exercises their ROFR, the landlord may face delays as the tenant secures financing or negotiates terms. This can extend the timeline of the sale, especially if the tenant needs additional time to finalize their decision. For landlords seeking a quick transaction, this can be a frustrating setback.

3. Reduced Negotiation Power
When a tenant holds a ROFR, landlords may have less leverage in negotiations with third-party buyers. Knowing that the tenant has the right to match their offer, potential buyers may be less inclined to make competitive bids, lowering the overall market value of the sale.

4. Strained Relationships with Tenants
A ROFR can create tension between landlords and tenants, especially if the tenants' interest in purchasing the property shifts the dynamic of the relationship. What was once a

straightforward rental agreement can become more complex, leading to awkward or strained negotiations that could affect the landlord's ability to make a smooth sale.

5. Legal and Administrative Complexities

Managing a ROFR can introduce additional legal and administrative burdens for landlords. Ensuring compliance with the terms of the ROFR, managing deadlines, and dealing with legal reviews of third-party offers can create unexpected complications and costs. In some cases, landlords may need to seek legal counsel to navigate the process, adding further expense and complexity to what could have been a simpler sale.

Wrapping It Up: Is a ROFR Right for You?

The Right of First Refusal can offer significant advantages to both tenants and landlords, but it comes with its share of challenges. For tenants, the provision provides a pathway to ownership, financial security, and leverage in negotiations. For landlords, it can attract committed, long-term tenants and simplify the sale process. However, property owners must carefully weigh the potential downsides, including reduced marketability, delayed sales, and legal complexities.



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Addressing Pet Nuisance Complaints in Rental Housing

By: American Apartment Owners Association

As pet ownership in rental housing continues to grow, fostering a community where both pet owners and non-pet owners feel at home is essential. Proactively and fairly addressing common pet nuisances—such as barking, unattended waste, off-leash dogs, or overly enthusiastic jumpers—can build a more harmonious living environment and even boost resident retention and NOI.



Photo courtesy of AAOA

Here's how operators can manage these challenges collaboratively and successfully.

1. Start with Clear and Inclusive Policies

A strong foundation of well-defined pet policies helps mitigate issues early. Make sure your guidelines are practical and address common concerns:

- Pet waste management: Detail proper cleanup and disposal processes and provide resources to make compliance easier.
- Noise disturbances: Specify quiet hours and expectations for minimizing disruptive behaviors.
- Unruly behavior and off-leash pets: Clarify leash requirements, expectations for public spaces, and handling fearful, reactive or overly excitable pets.

These policies should be prominently shared during leasing and in your pet agreement, and reinforced through signage, digital platforms, or community announcements.

Impact: Clear expectations reduce misunderstandings and encourage compliance, which minimizes the number of complaints and creates a better overall experience for all residents.

2. Communicate with Empathy and Solutions

When addressing pet-related concerns, a respectful and solution-oriented tone fosters better outcomes:

- Seek to understand: "We've received reports of your dog barking. Is there a new stressor in their routine that might be causing this?"
- Assume good intent: Most pet owners don't want to cause disruptions and will appreciate help in resolving the issue.
- Frame it as a partnership: Position solutions as mutually beneficial, emphasizing the goal of a peaceful community.

Impact: Empathetic and solution-focused communication transforms pet-related concerns into opportunities for collaboration, strengthening community harmony and trust.

3. Equip Residents with Tools and Resources

Enter Instead of just issuing warnings, empower pet owners to solve problems with accessible tools:

- Noise complaints: Share local trainers' contact information or recommend interactive toys (Kongs, snuffle mats, and automatic treat dispensers can help keep dogs enriched and entertained) and noise-reducing tools (white noise machines can often help mask external noises that trigger barking). Consider partnering with local pet care services to offer discounts.
- Pet waste: Make sure there are an adequate number of waste stations and regularly stock them with bags. Friendly reminders and campaigns like "Community Pet Parent of the Month" awards can encourage positive habits. Leash laws: Know your local community's leash law and have it handy for residents who may not be familiar, and provide maps of nearby off-leash parks to encourage proper exercise.
- Unruly behavior: Dogs will occasionally become excited and jump up on or pull to approach a new person; suggest simple potential remedies like maintaining a minimum distance, utilizing a gentle leader, or changing to a harness with a front- or side-attaching leash.

Impact: Communities offering support to resolve pet challenges see better compliance and happier residents, leading to better community reviews and fewer negatives impacting retention.

4. Leverage Technology to Improve Fairness

Adopting technology tools ensures consistent and objective handling of nuisance complaints:

- Pet DNA tracking: This system identifies waste violators while maintaining fairness and anonymity for compliant residents.
- Pet management platforms: Use apps to communicate reminders, track training certifications, and document incidents for transparency.

Data Point: Communities that integrate pet management tools report up to a 15% decrease in pet-related complaints, streamlining operations and fostering a sense of fairness among residents.

5. Build a Supportive Pet Community

Enter Fostering connections among pet owners encourages accountability and reduces incidents. Offer community-building activities:

- Training workshops: Partner with local trainers for onsite or virtual classes to help address barking, jumping, and other behaviors.
- Pet-friendly events: Host puppy playdates, costume contests, or "meet the pets" socials to strengthen bonds among residents.
- Exclusive pet-owner forums: Create a space for sharing tips, asking for advice, and fostering community accountability.

Impact: Building a culture of community and support reduces isolation-related behaviors like barking and helps pet owners feel valued.

6. Address Persistent Issues Fairly and Transparently

For recurring problems, follow a structured and documented approach:

- Document incidents: Track complaints, responses, and resolutions for accountability.
- Propose solutions: Offer options such as professional training, temporary dog walking services, or mediation between affected residents.
- Set consequences as a last resort: Clearly outline steps for ongoing noncompliance in lease agreements but emphasize resolution over eviction.

Impact: A balanced approach improves relationships with residents, reducing turnover and fostering trust in management.

7. Celebrate Success Stories

- Highlight resolved issues to inspire cooperation and a sense of achievement. For example:
- Share a resident's journey of reducing barking through training.
- Recognize responsible pet owners publicly in newsletters or on social media.

Impact: Celebrating success stories fosters a culture of cooperation and pride, inspiring residents to contribute positively to a pet-inclusive community.

Conclusion: Building a Balanced and Pet-Inclusive Community

Managing pet nuisance complaints is a vital part of operating a thriving rental community. By adopting empathetic communication, providing resources, leveraging technology, and encouraging collaboration, operators can resolve concerns effectively while boosting resident satisfaction.

These efforts don't just benefit the immediate community—they also contribute to long- term retention and NOI growth, making pet-inclusive policies a true win-win.

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MHARR ISSUES & PERSPECTIVES: TRUMP 2.0 – The Industry's Second Chance

By Mark Weiss

Life does not always offer second chances. When it does, those fortunate enough to have that opportunity had better make the best of it. Failure, as the saying goes, is not an option.



Photo courtesy of U.S. Department of Housing and Urban Development

Such is the case for the manufactured housing industry and its position in Washington, D.C., particularly with respect to federal regulation, the availability of affordable, mainstream manufactured housing for all Americans including, most importantly, reasonable state and local zoning laws, as well as federal consumer financing support for all qualified manufactured homebuyers.

When Donald Trump was elected President in 2016, the industry - then suffering from years of lagging production and looming draconian "energy" standards - was presented with an unparalleled opportunity. While unexpected by the pollsters and the usual suspects in the corporate media, that electoral victory brought into office an administration that was fundamentally premised on reducing regulatory burdens and costs, and empowering American industry to produce and compete at unprecedented levels.

In short order thereafter, the Trump Administration, fulfilling an early request by MHARR, withdrew the then-pending U.S. Department of Energy (DOE) proposed manufactured housing "energy" standards rule. It also took strong action on MHARR's initiative to reform the leadership of the federal manufactured housing program, leading to a new program administrator. After those key actions, it then solicited broader comments at both DOE and the U.S. Department of Housing and Urban Development (HUD) to identify other regulations that could/should be withdrawn or terminated.

In each instance, MHARR submitted extensive comments, seeking the complete withdrawal, not only of the DOE energy rulemaking, but also elements of the HUD manufactured housing regulations that were either outdated or needlessly punitive. Simultaneously, MHARR held extensive meetings with Administration officials to press for the federal preemption of exclusionary zoning edicts that bar manufactured homes from too many areas of the country, and to promote and advance federal support for manufactured home consumer lending via the "Duty to Serve Underserved Markets" (DTS) mandate. Put simply, MHARR dedicated all four years of the first Trump Administration to exerting "maximum pressure" for reasonable federal regulation of the industry as well as more robust federal action to support the availability and utilization of inherently affordable HUD Code homes as prescribed by federal law, and eliminate the principal bottlenecks to such greater availability and utilization.

Thus, in accordance with its role as the industry's regulatory "watchdog" organization in the nation's capital -- rather than a run-of-the-mill "trade association" -- MHARR was at that time (and as it always has been) laser-focused on:

1. regulatory burdens and related costs, and alleviating those burdens to the maximum extent possible, consistent with both existing law and proper consumer protection and safety; and
2. providing opportunities for homeownership by promoting the greater availability of affordable, mainstream manufactured housing through elimination of the principal bottlenecks and barriers to full market participation, consistent, again, with existing law.

And again, the first Trump Administration offered a prime opportunity to achieve those crucial goals and once again expand industry production into hundreds-of-thousands of homes each year - where they rightly should be at a time when the affordable housing supply is (and has been) millions of units below existing demand.

Unfortunately, though, the broader industry did not share this intense and aggressive regulatory and opportunity-oriented focus (and still does not). To be sure, the broader industry and its representation in Washington, D.C., the Manufactured Housing Institute (MHI), went through all the motions - submitting comments and testimony and the like - but when it came to exerting the influence of the industry's largest corporate conglomerates and the millions in dues raked-in from others along for the ride, the results produced were more a matter of "show" than actual substance. Thus, when it could have counted the most, the broader industry was (and still is)

largely missing in action (i.e., not utilizing all means available as the organization collecting the largest representation dues from the industry's post-production sector).

For example, there were manufactured homes (from the largest manufacturers, naturally) featured at the HUD "Innovative Housing Showcase" pioneered by Trump Administration HUD Secretary Ben Carson. And Mr. Carson even addressed MHI's "Congress and Expo." But to what end? There were glowing words and praise. But, without sufficient pressure from the entire industry, including MHI, for genuine reform (i.e., using all available means to compel HUD to fully and properly implement the enhanced federal preemption of the 2000 Reform Law, 42 U.S.C. 5403(d)), it became a matter of promises made, but not kept. In the end, notwithstanding the talk and the promises, the only regulatory changes - if they could even be called that - were the withdrawal of unofficial regulatory commentaries offered by a former HUD program administrator in a series of newsletters.

Thus, at the conclusion of Trump 1.0, the industry remained in the crosshairs of a still dangerous DOE energy standards directive, nothing of substance regarding the HUD program and its preemptive regulatory authority had changed, localities were still targeting manufactured homes and manufactured homeowners with discriminatory and exclusionary zoning, and DTS remained an unfulfilled promise with absolutely no support forthcoming for the vast bulk of the manufactured housing consumer financing market represented by personal property (chattel) loans. As a result, the industry - and production levels of manufactured homes - remained mired within the diminished range that has now characterized nearly two decades.

The reality then, is that the broader industry, through MHI (and unlike MHARR), wasted the four years of the first Trump Administration with endless posturing and virtually nothing in the way of concrete, on the ground results to significantly grow and expand the industry and its place in the housing market (i.e., resolution of the discriminatory and exclusionary zoning suppressing the industry and consumers and the expanded availability of federal support for manufactured home consumer financing under DTS).

While that, in itself, is - and should be - unpardonable, the paramount lesson coming out of those four years for the industry, is that with a second Trump presidential term about to begin, and with a renewed and even more vigorous emphasis on regulatory reform and the availability of affordable housing being two of the central features of that impending administration, the industry cannot and must not fail yet again to achieve fundamental and long-overdue reform. Instead, the entire industry should be focused on tackling, addressing and, most importantly, resolving and remedying, once and for all, the three principal bottlenecks (previously addressed and analyzed by MHARR in a May 2, 2024 News Release entitled, "Bottlenecks Suppressing [the] Manufactured Housing Industry Continue Unabated") that have stunted the growth and expansion of the HUD Code industry, i.e.:

c. destructive and discriminatory DOE energy regulation;

d. discriminatory and exclusionary state and local zoning laws; and

e. non-implementation of the DTS mandate with respect to manufactured housing personal property consumer loans.

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MHARR, in the wake of the November 5, 2024 election, has already reached out to President Trump and his Transition Team with respect to these central issues (with particular emphasis on the looming DOE standards) and has already received an acknowledgement from the Office of the President-Elect. After the inauguration on January 20, 2025, MHARR will aggressively follow-up with the President and his appointees with respect to all of these issues. But as history shows, MHARR cannot, should not, and must not be alone in these fights (particularly when these fights are industry fights, and the bulk of industry representation dues go to others). Rather, it is up to the entire industry and all of its representatives to seek, demand and achieve the reforms that are clearly needed to unleash the industry's full potential and cement its place as the nation's premier source of affordable, non-subsidized homeownership.

In short, the start of a second Trump presidential term provides the industry with a remarkable second chance. A second chance to clear away unnecessary and debilitating regulation. A second chance to eliminate (or significantly reduce) the discriminatory and exclusionary zoning edicts that have wrongly restricted its availability, and a second chance to demand - and push through to fruition - much needed federal secondary market and securitization support for the vast bulk of manufactured home consumer chattel loans in accordance with DTS.

Second chances are rare. And failure is not an option. Nor will there be any excuses now for further failure.



Mark Weiss is the President and CEO of the Manufactured Housing Association for Regulatory Reform (MHARR) in Washington, D.C. He has served in that position since January 2015 and, prior to that, served as MHARR's Senior Vice President and General Counsel.

MHARR is a Washington, D.C.-based national trade association representing the views and interests of independent producers of federally-regulated manufactured housing.

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THE CONCERNED COMMUNITY OWNER: Why These Next Four Years Will Be Among The Best For Park Owners

They say that timing is everything – and these next four years under the Trump administration should be among the mobile home park industry's best. Of course, the bar has been set extremely low by the disastrous Biden era in which park owners suffered through four long years of Covid, eviction moratoriums, 40-year high interest rates and 40-year high inflation. But the platforms, appointees and ideologies of Trump mesh perfectly with the mobile home park industry's priorities – as do a few Megatrends that nobody can hold back. Here's why these next four years should be great.



Photo courtesy of CNN

A real estate guy as President who understands how the world works

America has never had a "real estate guy" as President before. And that's an exciting development as Trump understands the necessity of lowering interest rates, which is job number one for the mobile home park business – and all real estate sectors – to prosper. It may take him a while to make a significant move on rates, but just the fact that he will be replacing Jerome Powell in May of 2026 (if not sooner than his term expiration) should give hope that a new Fed leader can get rates down. Whoever runs the Fed has different tools at his disposal (quantitative easing, the "twist" of swapping long term debt for short term, etc.) but Trump needs a willing Fed chairman to implement them. I believe it will happen no later than May of next year.

Scott Turner and his new mission at HUD

Trump selected Scott Turner to lead the Department of Housing and Urban Development, which will usher in some terrific new platforms for park owners including 1) a focus on removing red tape 2) a new focus on non-urban areas (where the majority of parks are located) 3) releasing federal land to developers which should put more rooftops and housing focus in rural markets. Turner is even looking at removing the word "Urban" from HUD altogether. Since virtually all mobile home parks are located in suburban, exurban, super-commuter and rural locations – and not city centers – Turner is spot-on for the interests of park owners.

The war on red tape

What could be better than the elimination of thousands of government workers and their endless red tape initiatives? Literally nothing. As thousands of destructive Federal bureaucrats lose their jobs, business owners from coast to coast are ringing bells of celebration. The impact on HUD, FEMA, CFPB, OSHA, IRS – the list goes on and on – should be crushing and that's terrific. The free market is what built this country and bureaucrats never built anything, only hindered that success.

The destruction of the Free Rent Movement

In the 1960s and 1970s we had the Free Love Movement in which a bunch of hippies loudly protested against marriage, claiming that it was a byproduct of "evil" capitalism and society rules. Now those same idiots are back at it with the Free Rent Movement which declares that landlords are "evil" and need to be abolished. And, just like in the 1960s, the game plan for these revolutionaries is to get what they want with endless shouting and protesting. But, just like big babies, they only flourish when parents are weak and give in to their demands to shut them up. The Biden pandering era is over and Trump gives the nation the backbone to say "shut up" as opposed to "tell me more how I can help you?"

The endless demand for affordable housing

Trump did not create the need for low-cost housing, but it will continue to grow regardless of who is in power. This Megatrend is flourishing right now as single-family homes are at the highest level in U.S. history (with an average of $400,000) and apartment rents are at an average of $2,000 per month. With prices at that strata, the mobile home park market rent of around $400 per month is absolutely ridiculously cheap. The Dollar Store flourishes even when Walmart declines, and mobile home parks have become the de facto kings of inexpensive dwellings. This will push park rents up continuously and occupancy will stay at 100% for the foreseeable future.

Major reduction in the "trailer park" stigma

As Millennials have become the dominant age group in America – now displacing Baby Boomers for the top position

– the things that amused Boomers don't carry on to the next generation. And Boomers were huge fans of the whole "trailer trash" schtick that flourished in the 1980s and 1990s. Don't forget James Carville's quote about Bill Clinton's mistress Paula Jones in which he said "drag a hundred-dollar bill through a trailer park, you never know what you'll find". People loved to pick on mobile home park residents as nobody saw that as being in bad taste. However, it seems that the average Millennial has never heard of any of these things and their only frame of reference regarding "trailers" is their love of RVs and tiny homes. As that negative stigma dies off, the type of customers who would consider living in a mobile home park escalates in terms of demographics. This is a Megatrend that just gets better with age.

The bottom line is that mobile home park owners, during these next four years, should enjoy some of the best business positioning they have ever experienced. Lower rates, endless demand, fewer regulations, the end of the Free Rent Movement, and the further evaporation of the "stigma" are things that all park owners will appreciate. Yes, it's going to be a great ride. Enjoy it.



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Do you have a perspective to share? Submit your article to: staff@manufacturedhousingreview.com –contrary opinions welcome!



RV/MH Hall of Fame - Class of 2025



The Manufactured Housing Review proudly congratulates Kurt Kelley on his nomination to the RV/MH Hall of Fame, Class of 2025. A leader in the industry, Kurt has made significant contributions as President of Mobile Insurance, Co-Founder of the American Insurance Alliance, Co-Founder of the Texas Community Owners annual convention, former Chairman of the Texas Manufactured Housing Association, and Publisher of Manufactured Housing Review.

The RV/MH Hall of Fame honors the pioneers and key figures who have played a pivotal role in shaping the Recreational Vehicle and Manufactured Housing industries. This year's induction ceremony and celebratory dinner will take place on August 18, 2025, at 5:00 PM ET at 21565 Executive Parkway, Elkhart, IN 46514.

Join us in celebrating this well-deserved recognition! Event tickets are available for purchase at RVMH Hall of Fame 2025 RSVP.

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Arbitration Clauses and Class Action Waivers in Residential Leases: Are They Enforceable?

By: American Apartment Owners Association

Landlords and property managers are increasingly adding arbitration clauses with class action waivers to their residential leases. These lease provisions can protect landlords from the significant time and costs associated with litigating claims brought by residents, including potential



Photo courtesy of AAOA

class claims that present high exposure risk for multifamily owners and managers. But the enforceability of these types of provisions remains an open question in many states.

Arbitration Clauses in Residential Leases

Arbitration—the out-of-court resolution of a dispute through a formal process—is typically faster, less expensive, and less complex than traditional litigation. Many contracts include provisions requiring disputes arising out of the contract to be resolved through arbitration. Residential leases are contracts and can include such provisions.

Some states have statutes prohibiting contractual provisions that require a resident to arbitrate disputes arising out of a lease or otherwise waive a resident's right to a jury trial. However, under the Federal Arbitration Act (FAA) and the Supreme Court's 2011 decision in *AT&T Mobility L.L.C. v. Concepcion*, arbitration provisions in otherwise valid contracts are generally enforceable.

And because the FAA is a federal law, it preempts contrary state laws. If the FAA applies to an agreement that contains an arbitration clause, the agreement will likely be enforced even in the face of a contrary state law (with some limited exceptions).

The key question for landlords is therefore whether the FAA is applicable to residential leases. The FAA applies to contracts "evidencing a transaction involving commerce." In 1985 in *Russell v. United States*, the Supreme Court stated that the "rental of real estate is unquestionably" an activity that affects commerce.

Based on Russell, it is likely that a court would conclude that a residential lease is subject to the FAA and an otherwise valid arbitration provision within it is enforceable. Recently, federal courts in California and Louisiana, in *Payan v. Owen Village, LLC* and *Turnipseed v. APMT, LLC* respectively, have taken this approach and held that the FAA applied to a residential lease, upholding an arbitration provision in it.

Class Action Waivers in Residential Leases

A class action waiver is a provision included in a contract that prohibits a party to the contract from filing a class action lawsuit against the other party. Class action litigation can be costly, particularly for landlords or property managers who own or manage hundreds or thousands of units in a particular state or nationally.

Class action waivers can protect landlords from a single resident bringing an individual grievance and claiming that all other current and former residents in that building or others owned by the same landlord suffered the same grievance—and seeking hefty monetary relief on behalf of all of those other residents, along with a very large attorney's fee award (as is permitted in class actions).

Class action waivers can be standalone or embedded within or accompanied by an arbitration provision. When a class action waiver is embedded within an arbitration provision, it may be deemed enforceable under the FAA by extension if the arbitration provision is.

For example, following the Concepcion decision, in 2013 the Massachusetts Supreme Judicial Court in *Feeney III* held that a class waiver included in an arbitration clause "may not be invalidated on the grounds that it effectively denies the plaintiffs a remedy." This decision eliminated an argument previously available to consumers in Massachusetts that a class action waiver in an arbitration clause was unenforceable because it rendered an individual's claim "nonremediable."

When a class action waiver is included separately in a lease (i.e., as a "standalone" provision), it does not benefit from the same FAA preemption, and is subject to review under state law. Some states consider class action waivers to be contrary to public policy, and may find them unenforceable.

In Rhode Island, in *Metcalfe v. Grieco Hyundai LLC*, a federal

court concluded that a standalone class action waiver in a car leasing agreement, unaccompanied by an arbitration provision, violated Rhode Island's public policy and was unenforceable. Under Massachusetts precedent, decisions from the Supreme Judicial Court articulating a public policy favoring consumer class actions could serve to defeat a class action waiver in a contract that is not otherwise subject to the FAA.

However, a Massachusetts court could consider other policy arguments, such as the existence of a dedicated housing court in Massachusetts giving tenants a viable option for pursuing individual relief against a landlord, in evaluating whether to uphold a class action waiver clause.

Other jurisdictions, on the other hand, have upheld freestanding class action waivers. Recently, in July 2024, the New Jersey Supreme Court held in *Pace v. Hamilton Cove* that class action waivers not tied to arbitration provisions in residential leases are not per se contrary to public policy, and can be enforceable so long as they are not unconscionable or otherwise violative of tenants' rights under state law.

These examples show that different states may reach opposite conclusions, particularly when applying state laws that take a stance on whether class action waivers comport with public policy.

Recommendations for Landlords

Landlords and property managers operating in states that do not yet have clear precedent upholding arbitration clauses and class action waivers in residential leases should take the following steps toward protecting themselves from costly litigation:

- Include an arbitration clause that clearly states that any claims arising from or relating to the lease will be subject to binding arbitration under the FAA;
- Ensure that the arbitration clause is sufficiently broad to encompass the types of claims that would be suitable for arbitration, and excludes those that may be better suited for court (e.g., eviction proceedings);
- Ensure that any class action waiver is embedded in or accompanied by an arbitration clause;
- Ensure that the lease contains a severability provision so that if one of these provisions is found unenforceable, the rest of the lease remains enforceable; and
- Consult counsel to ensure the arbitration and class action waiver provisions are drafted in a manner consistent with applicable laws, and to discuss whether to allow residents to opt out of the class action waiver to address any concerns under those laws.

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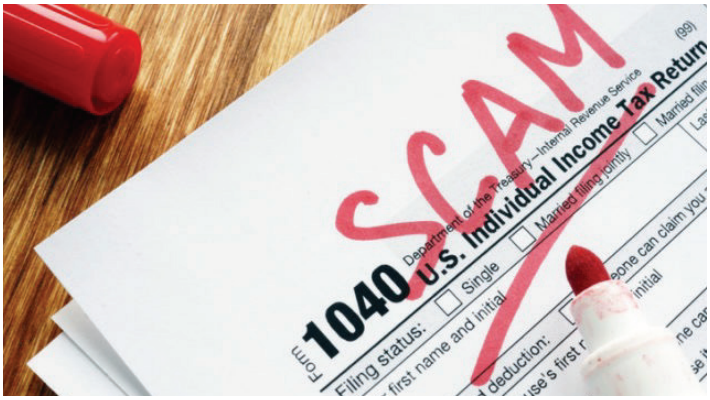
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6 Tips to Help Avoid Common Tax Scams

By: Laurie Miller

Tax season can be stressful enough without the worry of falling prey to tax scams, but that's the reality taxpayers face. Consumers reported losing over $10 billion to fraud in 2023, an increase of more than 14% compared to the prior year.



Here are three common types of tax scams:

- **IRS imposter scams:** Someone purporting to work for the IRS contacts you (typically by phone or email) and asks you for confidential information. They can use it to access your financial accounts, steal your identity or a bevy of other crimes.
- **Tax ID theft:** Someone files a return using your Social Security number and steals your refund before you have filed your return.
- **Tax prep scams:** Shady tax preparers take the fee for preparing your taxes but then don't file them or sign them, leaving you financially responsible for any filing mistakes or late fees. Anyone who prepares or assists in preparing federal tax returns for compensation must have a current preparer tax identification number (PTIN) from the IRS.

Educating yourself and knowing what to look out for can help protect yourself from becoming a victim. Here are some tips to help safeguard yourself from these increasingly frequent crimes.

1. Be wary of unsolicited communication from the "IRS."

As a rule, the IRS will not call or email you without sending you prior written notification in the mail. If you do get a phone call appearing to be from the IRS, pay attention to how the caller acts. A good indicator of a scam is if they use a sense of urgency or even threats (such as calling the police, hefty fines, etc.) to get you to hand over information or money. You can ignore any email or text message claiming to be from the IRS that asks for personal information. As stated on irs.gov, the IRS does not:

- Initiate contact with taxpayers by email to request personal or financial information.
- Leave pre-recorded, urgent or threatening messages in a voicemail.
- Threaten arrest by police or other law enforcement groups.
- Call to demand immediate payment with a prepaid debit card, gift card or wire transfer.
- Ask for checks to be sent to third parties.
- Demand payment without giving the taxpayer an opportunity to question or appeal the amount owed.

If you'd like to communicate with the IRS electronically, you can set up an account on their website where you can view your balance, set up payments and access prior tax records.

2. Freeze your credit with the major credit rating bureaus.

A credit freeze can help protect you from identify theft by making it more difficult for someone else to open new credit accounts in your name. The Federal Trade Commission has more information regarding how to contact the credit rating bureaus should you decide to freeze your credit.

3. File your taxes as early as possible (once you have all necessary documents).

There are lots of reasons for not waiting until the last minute to file your taxes, including preventing tax ID thefts. In general, the earlier you can file your taxes, the harder it is for someone to steal your refund by fraudulently filing your tax return before you can.

4. Get an Identity Protection PIN from the IRS.

An Identity Protection PIN (IP PIN) is a six-digit number only known to you and the IRS that prevents someone else from filing a tax return using your Social Security number or Individual Taxpayer Identification Number (ITIN). Visit the IRS website for instructions on how to get an IP PIN.

5. Work with a reputable tax preparer.

In addition to wanting your taxes filed correctly and on time, working with a reputable and trustworthy tax preparer can help protect you from tax prep scams. Some red flags to be on the lookout for when choosing a tax preparer include:

6 Tips to Help Avoid Common Tax Scams Cont.

- "Pop-up" tax preparers who do not have a brick-and-mortar office
- No preparer tax identification number (PTIN)
- Asking you to sign a blank return
- Promising a big refund before looking at your records
- Charging fees based on a percentage of your refund instead of a set price up front

Usually, if it's too good to be true, then it's probably a scam. If you're unsure of how to go about finding a reputable tax preparer, the IRS provides some helpful tips and your Financial Advisor may be able to provide recommendations.

6. Report tax fraud to the IRS.

Should you come across tax fraud or suspected tax fraud, report it to the IRS.



Laurie Miller is a dedicated financial advisor at Edward Jones, committed to helping clients navigate their financial journeys with confidence. She believes in taking the time to understand each client's unique goals before making investment decisions. By aligning strategies with individual risk tolerance, Laurie helps clients build a balanced path toward achieving their long-term financial success.

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25 Questions Every Landlord Should Ask Potential Tenants

By: American Apartment Owners Association

The tenant selection process can be very unpredictable. Sometimes, you might get lucky with your first applicant. Other times, you might have to screen multiple candidates before finding the right match for your rental.



Photo courtesy of AAOA

Whether you screen one applicant or one hundred, it's important to follow a detailed tenant screening process to ensure you find the best fit. By asking the right questions and following the correct screening protocols, you'll find a trustworthy tenant who respects you and your property throughout their lease.

Below, we've compiled a guide on how to properly screen potential tenants, including the best screening practices and questions to ask your applicants.

Understanding the Tenant Screening Process

Tenant screening is a multi-step process that takes some time and patience. However, it's well worth the investment, as it's the best way to verify applicants and guarantee a respectful, trustworthy occupant for your property.

Read below as we break down each step to sharpen your understanding of screening rental applicants.

- Review the tenant's application
- Check fair housing laws
- Conduct a background check
- Check criminal record
- Review rental history
- Run a credit check
- Look at employment history
- Request proof of income

25 Questions You Should Be Asking Rental Applicants

Now, let's move on to the part you've all been waiting for: the questions! These could be things you ask on a rental application, in a tenant interview, or both. These questions can be as general or specific as you'd like, ranging from questions about their income to their regular living habits. This is your chance to learn everything you want to know directly from the renter.

1. Do you currently rent? If so, where?
2. When do you plan to move out of your current home?
3. Why are you moving from your current home?
4. What are you looking for in a new place?
5. Do you have a pet? If so, describe their type, breed, and typical behavior.
6. Are you aware of our pet deposit/pet rent charges, and are you willing to abide by them?
7. How many parking spaces would you need?
8. How long have you lived in your current home?
9. Have you ever been evicted?
10. Have you ever broken a lease agreement?
11. Can I request a reference from your current or former landlord?
12. How many people will be living in the unit?
13. Will everyone living with you be able to pass a criminal background check?
14. Do you or anyone living with you smoke?
15. Do you have frequent overnight guests?
16. Where do you currently work?
17. How long have you worked there?
18. Do you foresee any interruption in your income and ability to pay rent?
19. Will you submit to a credit check?
20. Have you recently filed for bankruptcy?
21. Can you provide evidence of your monthly income?
22. Can you pay the mandatory fees and deposits upon signing the lease?
23. Should I know anything before I run a criminal background check?
24. Will you sign a (x) year lease agreement?
25. Do you have any questions for me?

Red Flags to Watch Out For

In a perfect world, your potential tenant passes their background check with flying colors. However, this won't always be the case. If an applicant has something to hide, their background check will bring it to the surface. Whether it be insufficient income, criminal history, or past evictions, be alert of potential red flags like the following:

- Low credit score
- False references and contact information
- Felony charges
- History of evictions
- Conflict of interest references, such as friends or family members
- Lower income than what was reported on their application
- History of frequent moving
- History of getting fired often
- Rush to move in
- Offer of advance payment
- Over-denial of background check findings

Questions You Can't Ask Rental Applicants

Before you start screening tenants, you should know that there are certain questions you cannot ask. As mentioned earlier, fair housing laws protect rental applicants from discriminatory practices based on race, color, religion, sex, national origin, familial status, and disability. That said, asking questions about any of these protected traits is prohibited.

Though you might be asking with the best intentions, tenants might feel discriminated against when asked the following questions:

- What is your religion?
- Will you be looking for a church in the area?
- Where were your parents born?
- Were you born in the US, or did you move here?
- Do you have children?
- Are you pregnant or planning to become pregnant?
- Are you married?
- What is your sexual orientation?
- Are you disabled?
- Will you need special accommodations for a disability?

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