

February 2019

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A New Home for \$70k? The American Dream Gets a Remodel

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Publisher's Letter

By Kurt D. Kelley, J.D.
Publisher

The third annual TexCO event was held in The Woodlands Texas on Thursday, January 24th. Over 220 attendees traveled to The Woodlands Waterway Marriot to attend. This event is a one-day information packed symposium created specifically for manufactured home community owners and operators. Attendees reported that the content was valuable, the speakers excellent and that they truly loved the short speaking intervals. Special thanks go to the sponsors of the event including - all regular supporters of the manufactured housing industry:

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- RHP
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- Cavco Industries
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- Cascade Financial

Also, beginning with the March 15, 2019 edition of the Manufactured Housing Review, we will become a quarterly publication. If you'd like to be part of the most management focused information packed publication in the industry and share valuable industry information, please submit your article to us for publication (at Della@MobileAgency.com) and we will respond promptly.



Kurt D. Kelley, J.D.
Publisher
kkelley@manufacturedhousingreview.com

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CALENDAR OF EVENTS

AMHA.net = Arkansas Manufactured Housing Association	2/28 = AMHA's Day at the Races
FSMHA = First State Manufactured Housing Association	5/22 = Spring Membership Meeting 9/12 = FSMHA Annual Crab Feast 11/20 = Fall Membership Meeting
IMHA = Illinois Manufactured Housing Association	4/28 = IMHA Annual Conference
Legacy Housing Georgia	2/20 = Bluk Mobile Home Sale
MHAO = Manufactured Housing Association of Oklahoma	1/16 = MHAO Board meeting 1/30 = Louisville Manufactured Housing Show 2/6 = Installation 101 Workshop 6/18 = MHAO ANNUAL CONVENTION
MHI = Manufactured Housing Institute	2/18 = Winter Meeting 5/6 = National Congress and Expo 10/11 = Summer Legislative Fly-in 9/22 = Annual Meeting 11/13 = National Communities Council Fall Leadership Forum
MHISC = Manufactured Housing Institute of South Carolina	7/17 = MHISC Convention
MMHA = Michigan Manufactured Housing Association	2/21 = Tenant Debt Collection Seminar
MSMMHA = Mississippi Manufactured Housing Association	1/25 = Education Conference Call 3/26 = TUNICA Show 5/16 = General Membership Meeting
NARPM = National Association Residential Property Managers	7/17 = Southern States Conference
PMHA = Pennsylvania Manufactured Housing Association	2/12 = In-Person ACM Course 3/12 = 2019 Industry Networking Conference & PMHA's 70th Anniversary Celebration
SECO = Southeast Community Owners Symposium	10/9 = SECO10
TMHA = Texas Manufactured Housing Association	1/23 = Second Quarter Board Meeting 1/24 = TexCO19 Houston Conference 06 = Third Quarter Board Meeting 9/8 = TMHA Convention 9/10 = Fourth Quarter Board Meeting
WMHC = Western Manufactured Housing Communities Association	3/23 = Spring Seminar
WHA = Wisconsin Housing Alliance	3/13 - Retailer Seminar 3/14 - Installation Seminar 5/15 - Community Management Seminar

To have your event noted, please email Staff@ManufacturedHousingReview.com

Getting to Know Amy Bliss, Executive Director of The Wisconsin Housing Alliance

Ms. Amy Bliss is the leader of the Wisconsin Housing Association (WHA). She started with the Wisconsin Manufactured Housing Association (WHA's previous name) in 1991. Her main duty was to bring the accounting in house using accounting software. Through the years she was promoted to Director of Finance and Administration, Deputy Director and now Executive Director.

Thanks for taking time from your busy schedule to be interviewed for the Manufactured Housing Review and its new format focused on the actions taking place in the state MH Associations.

You took over on the heels of long-time State Executive Director Mr. Ross Kinzler. What were some of the changes you made when you did?

My first task was to "replace myself". In fact, I have since added two amazing employees who join another long-term employee that has been here for almost 29 years. The reason for the additions was because in addition to taking over the helm for WHA, I was asked by a group of Wisconsin RV dealers to start an association for them. Not that I didn't have enough work to do, but it made economic sense and anyone who knows me knows I love a good challenge and am not afraid of hard work.

What were you doing prior to joining WHA as the Executive Director?

Prior to joining WHA, I worked for AT&T in sales and customer service. It was a tough job working for a communications company that didn't know how to communicate. They demanded excellent customer service from their employees, unfortunately, they did not give their employees the time, the authority or the resources to provide it. I am thankful for that experience though because it taught that providing services to the members is the most important aspect of my job. It also taught me to allow my staff the independence to make decisions that will keep our member happy and appreciative of the services we provide.

What's something most of your Members don't know about you?

I think there is a lot that my members may not know about me. They mostly see me at conferences and talk with me on the phone about business issues. I'm guessing they don't know that I have more hobbies than I have free time. I love to ATV, snowmobile, fish, golf, swim and most of all, I am an avid quilter. I also have a new mini-goldendoodle puppy that gives me great joy. I'm a little obsessed with dogs. If my husband

didn't put his foot down, I'd have a house full of them.

What training and personality attributes make you such a great MH Association Executive Director?

Well, first of all, thanks for the compliment! I haven't ever really thought of myself as great, but if you say I am, I'll go with that. I would have to say that having a fantastic board and staff is key to the success of WHA. Always having in mind what would be good for the membership is another aspect that can never be neglected. My motto has always been: "You get what you want by helping others get what they want." I think this motto is reflected in the members services we provide. If someone asks for something, our first thought is always, "How can we make that happen?" We never dismiss an idea without first giving it some thoughtful consideration.

What's the biggest challenge to acting as the leader of the Wisconsin Housing Alliance?

For me, the blatant hypocrisy of Federal, State and local governments. They all talk about wanting affordable housing and workforce housing, but when it comes down to it, they exclude manufactured homes at every turn. They feel the only acceptable form of affordable housing should be apartments. It frustrates me that most of the grant funding always excludes land lease community residents and they are the people that often need the help the most.

Can you tell us a few pressing issues facing manufactured housing in Wisconsin?

The industry in Wisconsin is doing well. The most pressing issues I hear from my members is lack of installers and transporters, municipalities increasing fees or eliminating services for community owners and of course the number one issue is lack of financing. Another item of concern is older communities that have not been managed well. The biggest reason for community closures is because the municipality revokes the license to operate because the owner has let the community go into a state of disrepair. I hate to see Wisconsin lose sites and it is extremely sad for the tenants.

If you could ask for more of something from your Members, what would you ask for?

Political involvement from them and even their tenants. Wisconsin's manufactured housing communities are mostly in rural small towns. If the community owner and the tenants got involved with their town boards, I think most of the disparagement of communities would go away.

One of my members got so frustrated with her village

Getting to Know Ms. Amy Bliss Cont.

administrator that she had three tenants run for village board as write in candidates. Two of the three one their election and the village administrator ended up out of a job. It is a shining example of "the power of the people."

What industry and association concerns wake you up at night?

I worry about another downturn in the industry. We lost a tremendous number of retailers and we had to live off our reserves for several years. That was not a fun time for anyone in the industry and I would hate to see that happen again. I am fully aware that the housing industry in general has cycles, but I hope it never goes that low again. Wisconsin lost a manufacturer that had been in business for over 50 years.

What's the smartest move you ever made as the Executive Director?

Starting the Tomorrow's Home Foundation back in 2000 was the smartest move we ever made. Our Foundation has helped thousands of families with critical home repairs. We step in when people need water heaters, furnaces, roof replacements and much more. Many of these people would have homes that were uninhabitable if we didn't help them. It feels awesome to know we are making a difference.

In addition to the wonderful assistance our program provides, we get great public relations out of it. Legislators and other agencies really appreciate having an organization to refer their constituents to when they are in dire need. It is a win-win for everyone. Our members also feel good about donating to a cause that helps their customers.

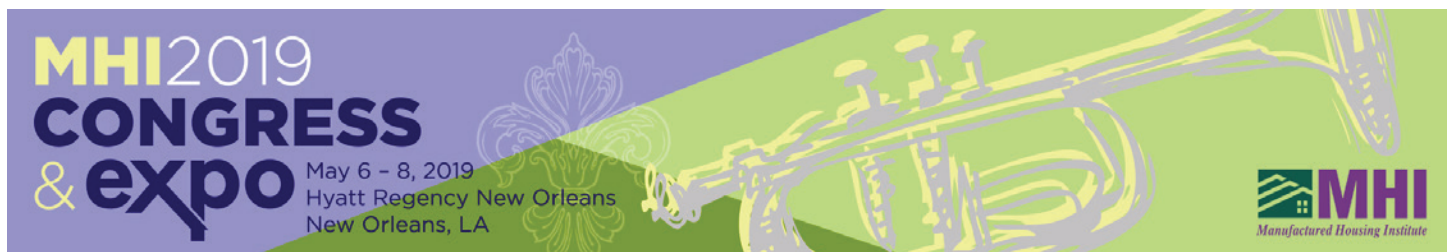
What's your advice to business owners entering the Wisconsin MH Industry today?

JOIN! Wisconsin Housing Alliance prides itself on making their business run smooth. We are confident that the money spent on their membership dues will save them money in the long run. We provide everything from leases to eviction forms and everything in between for community owners. This saves

them thousands on attorney bills. For dealers, we provide sales tools such as state compliant purchase contracts and we provide training on everything from the installation process to sales and use tax applications. In addition to making their life easier, we keep our members educated which keeps them out of hot water. Oh, and by the way, we advocate for favorable laws and regulation for the industry.

What advice would you give the younger you who started in this position so many years ago?

I would advise myself to be patient. Being a lobbyist, you must learn quickly that just because something makes sense, getting regulations passed can take years even if nobody opposes it.





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Talk about destroying a narrative. On Friday, the Labor Department reported 312,000 new jobs in December, with an additional 58,000 from upward revisions to prior months. Recession talk got crushed.

The Pouting Pundits of Pessimism claim jobs are a lagging indicator, but the pace of payroll growth starts declining well before a recession starts. In the twelve months ending in June 1989 nonfarm payrolls increased a robust 225,000 per month. In the next twelve months payrolls rose a softer 153,000 per month and then a recession officially started in July 1990.

A similar pattern happened before the next two recessions, as well. In the twelve months ending in February 2000, payrolls rose 250,000 per month before decelerating to 137,000 per month in the next twelve months. A recession started in March 2001.

In the twelve months ending in November 2006, payrolls rose 173,000 per month and then slipped to 101,000 per month in the following twelve months. After the financial crisis started, the National Bureau of Economic Research dated the start of the Great Recession to December 2007.

By contrast, nonfarm payrolls are up an average of 220,000 in the past twelve months versus a gain of 182,000 per month in the twelve months before that. On a quarterly basis, from Q2-2017 to Q4-2018, job growth has been 473,000, 553,000, 556,000, 632,000, 634,000, 623,000 and 670,000. In other words, no sign of the kind of slowdown in job creation that normally precedes a recession; instead, job creation appears to be accelerating.

Yes, the unemployment rate did rise to 3.9% in December from 3.7% in November, but that's because the growth of the labor force was a healthy 419,000. A slower decline in the unemployment rate combined with faster economic growth signals that potential GDP growth has increased, exactly the response we would expect with lower marginal tax rates and deregulation.

If the partial government shutdown continues into the employment survey week, the unemployment rate may rise in January, but that'll be temporary, unwinding when the political showdown ends.

Perhaps the best part of Friday's report was that workers' wages are accelerating. Average hourly earnings rose 0.4% in December and are up 3.2% from a year ago. And

that's excluding extra earnings from irregular bonuses and commissions like those paid out after the tax cut was passed.

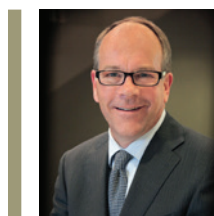
Another piece of hard data and good news last week also undermines the recession theory: automakers reported that Americans bought cars and light trucks at a 17.55 million annual rate in December, the fastest pace since November 2017, when sales were still surging in the aftermath of Hurricanes Harvey and Irma. We don't expect auto sales to stay this strong, but recent strength shows consumers are not under stress.

Yes, the ISM Manufacturing report for December fell short of consensus expectations, but since this is a survey, it's easier to pick up temporary noise, as human emotion can be a factor over the short term. Still, even at 54.1, it still shows healthy expansion and is well above recession territory. The last three recessions started with the ISM at 46.6 (July 1990), 43.1 (March 2001), and 50.1 (December 2007). In the past year manufacturing jobs are up 24,000 per month, as opposed to the contraction in these jobs usually seen before a recession starts.

Monetary policy is not tight and is unlikely to be anytime soon. Companies are still adapting to lower tax rates, full expensing, and less regulation. Consumers will be surprised with their larger than anticipated tax refunds. A trade deal has been struck with Mexico and Canada and negotiations with Europe and Japan should result in lower tariffs on US exports. The sore spot is China, but the US has lots of leverage given the large trade deficit.

At some point the US will have a recession. But none of the data we're looking at suggests a recession will start anytime in the near future. In turn, we think profits will continue to grow and that even at the current level of profits, US equities remain cheap.

Brian S. Wesbury, Chief Economist, First Trust Advisors
Robert Stein, Deputy Chief Economist, First Trust Advisors



Brian S. Wesbury, Chief Economist, and Robert Stein, Deputy Chief Economist with Morgan Stanley. Brian Wesbury is an American Economist focusing on macroeconomics and economic forecasting, and regular author with the "American Spectator" as well as a regular on such television stations as CNBC, Fox Business, and Bloomberg.

Company Operating Agreement Compliance for Partnership & LLC's – New Federal Rules

By Brian Albert

In November 2015, the federal government enacted a new audit regime for partnerships and entities classified as partnerships for federal income tax purposes under the Bipartisan Budget Act of 2015 (the "New Audit Rules"). The New Audit Rules, which were made effective for audits of partnership tax years beginning on or after Jan. 1, 2018, significantly alter the procedures for partnership audits by providing for the assessment and collection of tax at the partnership level, rather than against the individual partners, amongst other changes.

One of the more significant changes made by the New Audit Rules is the replacement of the tax matters partner ("TMP") under the prior audit regime, the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), with a new concept called the "Partnership Representative." Under TEFRA, the TMP had to be a partner that satisfied certain criteria, the TMP had to give notice to the other partners of examinations and audits, and other partners were permitted to be present and participate directly in relevant proceedings. The Partnership Representative, on the other hand, is the sole designee with the ability to act on behalf of the partnership in relation to the Internal Revenue Service (IRS). The Partnership Representative has authority to bind both the partnership and the partners in administrative proceedings and judicial actions, and individual partners do not have the ability to appeal or challenge the decisions of the Partnership Representative.

A second material change under the New Audit Rules, as noted above, is that when a partnership is audited, the IRS makes one set of adjustments at the partnership level. If the adjustment results in an imputed underpayment, the underpayment

must be paid by the partnership in the year the adjustment is finalized unless the partnership requests a modification or elects to "push out" the imputed underpayment to the individual partners. This is a critical aspect of the New Audit Rules in that the partners in the adjustment year may not be the same as those in the reviewed year, resulting in current partners bearing the cost of decisions (or benefits) of prior partners.

Therefore, existing partnerships should plan on reviewing and likely revising their partnership agreements to account for these new procedures. Newly formed partnerships should include appropriately tailored provisions in their agreements addressing the New Audit Rules, as well. Such amendments or new agreements can address the Partnership Representative and any allocation or contribution requirements desired by the partnership.



By Brian Albert, Shareholder, originally joined The Strong Firm P.C. in 2012 having prior experience with multiple Fortune 500 companies. After a brief departure from the Firm to spend time working for a large, publicly-traded waste management company as in-house counsel handling a variety of commercial and municipal transactions and litigation matters, Brian rejoined the Firm as a Shareholder in 2018. Brian's practice focuses on the Firm's corporate and business transactions practice groups where he utilizes his skills and experience in representing clients in a variety of business transactions and counseling on general corporate, real estate, and other business matters.



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A New Home for \$70k? The American Dream Gets a Remodel

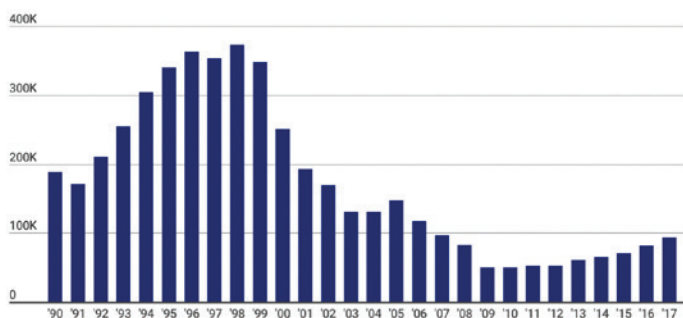


Owning a home has long been considered an essential part of achieving the American dream. But with skyrocketing housing costs and stiffer borrowing requirements following the Great Recession, many have struggled to make that dream their own reality. In the midst of America's ever-present housing crisis, a once-familiar, low-cost alternative to traditional site-built homes has reemerged—the manufactured home.

Demand for manufactured housing plummeted in the early 2000s as subprime loans made traditional home-buying more accessible. But since bottoming out in 2009 after a long period of weak demand, shipments of new manufactured homes have been increasing, according to data from the [U.S. Census Bureau](#).

A resurgence of manufactured housing in the U.S.

Shipments of new manufactured homes: 1990-2017



Source: Construction Coverage analysis of U.S. Census Bureau Manufactured Housing Survey

Nationwide, new manufactured homes still represents just 10 percent of all new single-family home starts, a number that has held relatively steady since 2009. But in certain areas, that allocation is shifting in favor of factory-built options.

In the past, manufactured housing was largely considered out of necessity—as a more affordable alternative to site-built homes. But today, the industry is working hard to shed that stigma by providing compelling high-end offerings. According to the [Manufactured Housing Institute](#), most of the cost savings are the result of efficiencies in the factory-building process and economies of scale, not from the use of lower-quality materials. Additionally, technology advances in the factory have allowed manufactured home builders to provide buyers with a wide-range of styles and customizations to fit their needs.

Despite these improvements, the average price per square foot for a new manufactured home is still less than half of what traditional single-family site-built homes sell for. According to the U.S. Census Bureau, the price per square foot (excluding land) of a new manufactured home in 2017 was \$50.42, compared to \$111.05 for a traditional home. That amounts to around \$48,000 for a single and \$93,000 for a double-wide factory-built home.

To see where manufactured housing is on the rise, researchers at Construction Coverage, a review site for financial products and software in the construction industry, analyzed the most recent data on new home starts from the U.S. Census Bureau.

A New Home for \$70k? The American Dream Gets a Remodel Cont.

For each state, Construction Coverage calculated how much manufactured housing shipments increased from 2009-2017, and how that number compared to that of all new home starts (including both manufactured and single-family site-built homes). Here's what they found:

The States with the Biggest Increase in Manufactured Housing



Photo Credit: Sean Pavone / Alamy Stock Photo

15. New Hampshire

- New manufactured housing growth: 1.92X all single-family home starts
- Change in new manufactured housing since 2009: 133%
- Change in all single-family home starts since 2009: 70%
- New single-family homes (2017): 392 manufactured / 2,711 site-built
- Average sale price for manufactured homes (2017): \$100,500
- Median list price for all homes (2017): \$276,425



Photo Credit: RSBPhoto / Alamy Stock Photo

14. Mississippi

- New manufactured housing growth: 2.07X all single-family home starts
- Change in new manufactured housing since 2009: 70%
- Change in all single-family home starts since 2009: 34%
- New single-family homes (2017): 3,665 manufactured / 6,531 site-built
- Average sale price for manufactured homes (2017): \$61,900
- Median list price for all homes (2017): \$175,575

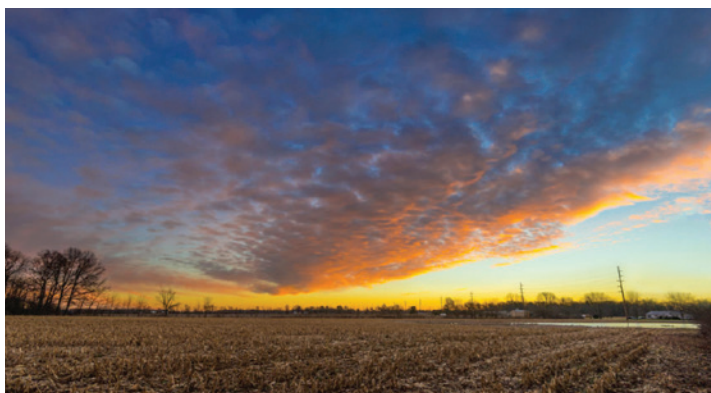


Photo Credit: JG Photography / Alamy Stock Photo

13. Indiana

- New manufactured housing growth: 2.47X all single-family home starts
- Change in new manufactured housing since 2009: 180%
- Change in all single-family home starts since 2009: 73%
- New single-family homes (2017): 1,694 manufactured / 16,075 site-built
- Average sale price for manufactured homes (2017): \$58,500
- Median list price for all homes (2017): \$163,187



Photo Credit: Natalia Kuzmina / Alamy Stock Photo

12. Iowa

- New manufactured housing growth: 2.84X all single-family home starts
- Change in new manufactured housing since 2009: 126%
- Change in all single-family home starts since 2009: 44%
- New single-family homes (2017): 470 manufactured / 8,067 site-built
- Average sale price for manufactured homes (2017): \$73,400
- Median list price for all homes (2017): \$168,375

A New Home for \$70k? The American Dream Gets a Remodel Cont.



Photo Credit: Bruce Len / Alamy Stock Photo

11. Alabama

- New manufactured housing growth: 2.93X all single-family home starts
- Change in new manufactured housing since 2009: 165%
- Change in all single-family home starts since 2009: 56%
- New single-family homes (2017): 6,046 manufactured / 12,233 site-built
- Average sale price for manufactured homes (2017): \$68,200
- Median list price for all homes (2017): \$190,695



Photo Credit: Jeremy Francis / Alamy Stock Photo

10. New York

- New manufactured housing growth: 3.56X all single-family home starts
- Change in new manufactured housing since 2009: 36%
- Change in all single-family home starts since 2009: 10%
- New single-family homes (2017): 1,429 manufactured / 10,361 site-built
- Average sale price for manufactured homes (2017): \$71,300
- Median list price for all homes (2017): \$347,683



Photo Credit: Jon Bilous / Alamy Stock Photo

9. Maryland

- New manufactured housing growth: 3.56X all single-family home starts
- Change in new manufactured housing since 2009: 204%
- Change in all single-family home starts since 2009: 57%
- New single-family homes (2017): 851 manufactured / 12,384 site-built
- Average sale price for manufactured homes (2017): \$88,700
- Median list price for all homes (2017): \$302,920



Photo Credit: Michelle Himes Studio / Alamy Stock Photo

8. Ohio

- New manufactured housing growth: 3.59X all single-family home starts
- Change in new manufactured housing since 2009: 221%
- Change in all single-family home starts since 2009: 61%
- New single-family homes (2017): 1,912 manufactured / 16,153 site-built
- Average sale price for manufactured homes (2017): \$62,500
- Median list price for all homes (2017): \$152,092

A New Home for \$70k? The American Dream Gets a Remodel Cont.



Photo Credit: Keith Homan / Alamy Stock Photo

7. Wisconsin

- New manufactured housing growth: 3.76X all single-family home starts
- Change in new manufactured housing since 2009: 196%
- Change in all single-family home starts since 2009: 52%
- New single-family homes (2017): 612 manufactured / 11,769 site-built
- Average sale price for manufactured homes (2017): \$60,000
- Median list price for all homes (2017): \$191,504



Photo Credit: Susan Montgomery / Alamy Stock Photo

6. Michigan

- New manufactured housing growth: 5.11X all single-family home starts
- Change in new manufactured housing since 2009: 1144%
- Change in all single-family home starts since 2009: 224%
- New single-family homes (2017): 4,791 manufactured / 16,652 site-built
- Average sale price for manufactured homes (2017): \$66,500
- Median list price for all homes (2017): \$165,600



Photo Credit: Vespasian / Alamy Stock Photo

5. Pennsylvania

- New manufactured housing growth: 5.63X all single-family home starts
- Change in new manufactured housing since 2009: 22%
- Change in all single-family home starts since 2009: 4%
- New single-family homes (2017): 1,545 manufactured / 15,703 site-built
- Average sale price for manufactured homes (2017): \$72,200
- Median list price for all homes (2017): \$192,308



Photo Credit: joel zatz / Alamy Stock Photo

4. New Jersey

- New manufactured housing growth: 5.64X all single-family home starts
- Change in new manufactured housing since 2009: 251%
- Change in all single-family home starts since 2009: 45%
- New single-family homes (2017): 471 manufactured / 10,148 site-built
- Average sale price for manufactured homes (2017): \$87,300
- Median list price for all homes (2017): \$302,704

A New Home for \$70k? The American Dream Gets a Remodel Cont.



Photo Credit: John Sirlin / Alamy Stock Photo

3. New Mexico

- New manufactured housing growth: 5.76X all single-family home starts
- Change in new manufactured housing since 2009: 27%
- Change in all single-family home starts since 2009: 5%
- New single-family homes (2017): 1,253 manufactured / 4,114 site-built
- Average sale price for manufactured homes (2017): \$75,200
- Median list price for all homes (2017): \$219,066



Photo Credit: Sean Pavone / Alamy Stock Photo

2. Massachusetts

- New manufactured housing growth: 5.81X all single-family home starts
- Change in new manufactured housing since 2009: 267%
- Change in all single-family home starts since 2009: 46%
- New single-family homes (2017): 213 manufactured / 7,278 site-built
- Average sale price for manufactured homes (2017): \$145,800
- Median list price for all homes (2017): \$418,450



Photo Credit: Chris Boswell / Alamy Stock Photo

1. Nebraska

- New manufactured housing growth: 10.30X all single-family home starts
- Change in new manufactured housing since 2009: 226%
- Change in all single-family home starts since 2009: 22%
- New single-family homes (2017): 186 manufactured / 5,436 site-built
- Average sale price for manufactured homes (2017): \$71,600
- Median list price for all homes (2017): \$193,496

Methodology & Full Results

Data on new manufactured housing (shipments and sale prices) is from the U.S. Census Bureau Manufactured Housing Survey. Data on new single-family site-built home construction is from the U.S. Census Bureau Building Permits Survey. The median list price for all homes by state is from Zillow.

For each state, the change in new manufactured housing and the change in all single-family home starts (including both manufactured housing and site-built homes) was calculated comparing 2017 to 2009. Because new housing development bottomed out in 2009, it was chosen as the point of comparison. Using this data, states were ranked according to how much their change in new manufactured housing outpaced that of all single-family home starts. Hawaii, Rhode Island, Alaska, and District of Columbia were excluded due to insufficient data on manufactured housing.

While the U.S. Census Bureau provides average sale prices for new manufactured homes by state, it does not provide the same data for new single-family site-built homes. Because of this, the median list price for all homes (sourced from Zillow) is provided for each state for comparison.

Visit the original story on Construction Coverage for a complete list of results.

<https://infogram.com/1pq9q5ngwek2gqcqjep3101065s03qp2w1p?live>



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SECO Veterans Assistance Program, our opportunity to say, "Thank You"

By David Roden

During the 2018 SECO (South East Community Owners) event in Atlanta, a new program was announced by SECO members. The program was called the SECO Veterans Assistance Program.

Our Manufactured Housing Community Owner members represent almost all 50 states. Most attend this unique gathering where owners help owners and all learn valuable information and gain important insight from the experience of seasoned Community Owners.

All members of SECO benefit, all Community Owners benefit and this benefits the Manufactured Housing industry in general. Reflecting upon the benefits of our association the question was brought up how we, as an organization, might give back to our communities. Members took time to conceptualize a community benefit and came up with a program to assist the honorably discharged veterans living in our communities.

SECO would like to fill every need of every honorably discharged veteran but unfortunately funds are limited and there are qualifying needs. All community owners attending SECO can submit the name of an honorably discharged veteran residing in their park. Should this serviceman have a need that SECO can meet, we will!

Last year the SECO Veterans Assistance Committee reviewed an application from Aaron and Barbara Crockett in Wildwood Florida. Mr. Crockett, a Marine Veteran suffers from breathing issues that were exacerbated by an extremely old A/C unit which would not cool properly.

Community owner, Chuck Frey, Wildwood Village Country Estates, verified the need and assisted in the entire process of the purchase and installation of a new Heat Pump. It was a team effort and a huge success making the Crockett's the first recipients of our assistance program.

SECO will now begin the process of raising funds for new applicants. Many of our veterans are living in manufactured homes across the nation and it's the hope of all SECO members to Reach out to as many as possible. <https://www.mhvillage.com/pro/seco-offers-financial-assistance-for-veterans/>

David Roden and his wife Judy are owners of Mountain View Estates, a manufactured home community in Georgia. David is well known for sharing good information and community management counsel with community owners throughout the country. David is also one of the founding partners of the Southeast Community Owners (SECO) event held each Fall in the Atlanta Area. DavidRoden@yahoo.com



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Freddie Mac Announces 'Choicehome' Pilot Program – Potentially an Improved Finance Choice for Manufactured Home Buyers

Freddie Mac will soon see no difference between certain manufactured homes and traditional single-family housing from a financing standpoint. The mortgage giant recently announced the rollout of financing program that will bring conventional financing options to the factory-built housing market. The program - called CHOICEHome - is a two year pilot that will allow for conventional financing for certain manufactured homes.

To be eligible for the program, Freddie Mac will require that homes have: 'permanent foundations', pitched roofs, and a number of energy-saving features - including Energy Star windows, programmable thermostats and enhanced minimum insulation packages. According to Freddie Mac, it will treat loans secured by CHOICEHome like other loans secured by single-family, site-built homes. In addition, Freddie announced that under the new program - appraisers will be able to use site-built housing as comparable home sales for loan underwriting purposes.



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Occupational Safety and Health Administration (OSHA) Reporting Requirements for Community Owners and Retailers

By Della Holland

OSHA requires employers to post an OSHA form 300A prior to April 30, 2019. This report is a summary of the total number of job-related injuries and illnesses that occurred in 2018. If you've had no job-related injuries or illnesses, non-exempt businesses must still file a report saying they've had none.

Businesses with less than 10 employees are exempt from this requirement as are a number of other business types including investment fund operators (i.e. Home office employees for MHC investment funds). Neither Manufactured Home Community Operators or Retailers appear on the exempt list. For a fillable e-copy of the form, put the following link into your web browser:

<https://files.constantcontact.com/3c7f39ae001/73cb2ba7-b48c-4291-8763-b452f220f94d.pdf>

For a list of business types that are exempt from this requirement, put this link into your web browser:

<https://www.osha.gov/recordkeeping/ppt1/RK1exempttable.html>

The form is only one page and simple to file. Federal law requires that non-exempt businesses post a copy of this annual summary in a conspicuous place where notices to employees are customarily posted.

By Della Holland, Corporate Administrator for Mobile Insurance located in The Woodlands, TX



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Skyline-Champion to Open Plant in Louisiana

According to a recent press release, Skyline Champion Corporation is slated to open a 127,000 square-foot production facility in Leesville, Louisiana this month with an anticipated production launch in the spring. The plant will be the only manufactured housing facility in the state of Louisiana. The site, which had previously been a home production facility, is being retooled and reconfigured to incorporate innovative production techniques and state-of-the-automation. The plant is expected to create 200 new jobs for area. The new facility will allow Skyline Champion to increase production capacity to meet growing demand and increase market share by in Louisiana and surrounding states - including Arkansas.

"It's an honor to be the only operating manufactured housing facility in the state of Louisiana," said Keith Anderson, Chief Executive Officer. "We are thrilled to bring our high-quality, cost-effective homes to an even wider customer base, as well as to offer the exceptionally-skilled local workforce hundreds of new job opportunities."

With home transportation costs now often exceeding \$7/ mile for each home section, geographic proximity to retailers and consumers is becoming a more important factor in home choice. Louisiana is one of the largest retail manufactured home markets in the country.



Last year was a difficult one for investors and portfolio managers. Santa Claus showed up with a large sack of coal for investors just in time for Christmas.

The S&P 500 peaked at 2,925 on October 3, and then sharply descended to 2,351 on Christmas Eve, a drop barely shy of 20%. A drop of 20% or more is the traditional definition of a bear market.

For the first time since 1972, not a single one of the eight main asset classes was up at least 5% in a single calendar year, according to Ned Davis Research. In fact, most asset classes were down significantly in 2018.

It was a very difficult year for investors and portfolio managers. The US stock market outperformed international markets by a wide margin until the US stock market plunged in October. The volatility seems to be coming from uncertainty surrounding: 1) Fed policy, 2) the trade war with China, 3) the government shutdown, and 4) worries about a slowdown in global growth. When markets are volatile, I like to go back and make sure I am executing on my fundamentals. Here are twelve of my best investing tips for volatile markets.

1) Understand why you are investing in the first place.

Most of us are not investing for entertainment or to pass time. We are saving and investing for our long-term goals and objectives. During market turbulence, go back to your goals and objectives. Before making any changes, ask yourself if those changes are consistent with your long-term goals and objectives.

2) Use an asset allocation - please.

I get the privilege of looking at a lot of investment portfolios. The difference between a portfolio designed by a professional and a novice is the asset allocation. The professional uses one, and the novice doesn't. The novice investor usually brings me a collection of investments that they have acquired over the years, and there is no rhyme or reason to that collection. If you are not using an asset allocation, evaluate your overall balance of stocks and bonds across all your investment accounts. Control the risk in your portfolio by paying attention to the balance between these two asset classes and move incrementally.

3) Taking risk means occasionally suffering losses.

When markets are down and losses are mounting, it's very tough not to be fearful, or even angry. But if you are invested correctly, the right move is usually not to abandon your

portfolio and search for something "smarter." Take the long view. Disciplined, long-term investors usually finish ahead. Yes, there are the occasional bear markets, but the bull markets are longer and more sustained.

4) Invest, don't speculate.

Investing occurs when natural resources, skilled labor, intellectual capital and financial capital are skillfully combined in an enterprise to generate profits. This is how capitalism works, and it has been working very well for a long time. Speculating is not investing. It involves making a bet against someone else that the value of something is going up or down, usually on a short-term basis. To win as a speculator, you must be right many more times than you are wrong over a long period of time. This can be a very daunting and expensive task. We have a much better chance of financial success when we act as long-term investors the great majority of time.

5) Diversify.

Diversification means not having so much of one thing that we make a killing, but also not being killed by any one thing. A properly designed investment portfolio must be properly diversified. Even though every investor knows they should be diversified, I frequently see a dangerous lack of diversification in a lot of portfolios, especially vested holdings of employer stock. Unwind concentrated positions over time.

6) Risk and return are related - always.

The higher the potential return of an investment, the higher the risk and the potential for loss. During periods of market stress, many investors go in search of "better" alternatives. Do your homework and read the fine print. When any investment promises high returns with low volatility, great risk is always lurking.

7) Market timing won't save you from experiencing losses. Stay invested.

I am the first to admit that the lure of market timing never goes away, but a Morningstar study has shown that the average stock mutual fund has earned 12% per year on average over the last 20 years. The average stock mutual fund investor has earned just 2%. Why? It's because they are jumping in and out of the market. They would have done much better if they had simply remained invested. Simply stay invested. Jumping in and out of the market is usually a mistake.

8) Avoid panic and euphoria. Keep your emotions in check.

As an investor, your temperament is important. When it

Proper Investing Strategies - Christmas Bear Attack Cont.

comes to your investments, tune out the noise. Stay focused and disciplined. Separate your political passions from your investment strategy. Keep calm and carry on.

9) Learn how to be a contrarian and stop running with the herd.

Human beings are naturally wired to believe that when something is happening, it will continue to happen. If markets are dropping, they will continue to drop (this makes us fearful, obviously). If they are moving up, they will continue to move up (this makes us greedy and overconfident). This is how most of us are wired to think, but it's not how markets actually work. When markets are dropping, they don't keep dropping forever. Eventually, after sellers are done panicking, prices drop to a level that attracts bargain hunters. Asset prices bottom and start to rise again. As Warren Buffett has said, be fearful when others are greedy and be greedy when others are fearful.

10) Listen to fiduciaries, not salespeople.

For the most part, the investment industry is really a sales-driven, commission-based business. This means there is an inherent conflict of interest between many professionals and their clients. A market downturn energizes the sales force. They will be coming out with products that promise consistent returns and low risk. Be skeptical. If you seek advice, look for a fiduciary whom puts your interests first.

11) Don't reach for yield.

Many retirees believe they should live off their interest and dividends and not touch principal. But that is simply not possible in today's low-rate environment. Even so, some retirees reach for extra yield by investing in junk bonds and other risky income-producing investments. Resist this thinking. Do not get overly focused on yield in this low interest rate environment. Think more about safety. Just because an

investment pays interest or a dividend doesn't mean the underlying value of that investment can't go down sharply during turbulent markets.

12) There are no shortcuts, secrets or free lunches.

Many investors believe there is a secret club of smart, rich and connected people, and only those people have access to proprietary trading strategies that make them even richer. It's just not true. There are no shortcuts or free lunches. A solid, long-term investment strategy is no secret, but it works. Many investors can't execute a long-term strategy because they lack discipline and perseverance. Stop digging for gold that doesn't exist.



Austin Lewis is a wealth manager at Lewis Wealth Management, a firm he founded in 2010. He focuses on providing wealth management solutions to a select number of affluent clients in a boutique setting. He is a CERTIFIED FINANCIAL PLANNER professional.

Austin has over 25 years of experience in advising clients as a banker, attorney, and financial advisor. Austin started his career as a business banking officer with Wells Fargo Bank. Upon graduation from law school, Austin practiced law for nine years at two prestigious San Francisco law firms: Gordon & Rees and Craigie, McCarthy & Clow, where he specialized in advising businesses on litigation and transactional matters. When Austin returned home to Colorado in 2001, he served as senior in-house counsel to two Colorado companies: Graphic Packaging and Qwest. Since 2005, he has been advising affluent clients on all their financial matters.

Austin received a B.S. in Business Administration from the University of Colorado in 1986, an M.B.A. from San Francisco State University in 1989, and a law degree from Marquette University in 1992.

Lewis Wealth Management is a fee-only, investment advisory firm based in Greenwood Village, Colorado. www.LewisWM.com.

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