

# THE ARIZONA HOUSING NEWSLETTER

A Publication of the Arizona Housing Association

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## IDEAS ON IMPROVING APPRAISALS



Ken Anderson  
President

One of the many benefits of our membership to our national trade association (MHI) is the exchange of ideas and successes with other state executives. If one exec has a question on a topic, they simply send an email to all the execs. Within hours, responses will be coming from all parts of the Country.

One comes from MHI of Virginia, from Mark Dillard their executive director. He writes, "much of what happens with appraisals is the lack of sufficient information." One of Mark's retailers, Clay Dellinger in Greer, S.C. provides the following tips:

**Full Color drawings of the specific model, constructed on site with landscaping.** This would include front and rear renderings as well as colored interior photos. The rendering makes it easier for appraisers to visualize the full appeal of the home in its proper setting instead of just relying on a floor plan and square footage data.

**Feature sheets listing all pertinent items included in the sale.** This would include fireplaces, Granite countertops, Energy Star construction, tape and texture interiors, 2"x6" exterior walls, permanent foundation system plus any other pertinent features.

Retailers can develop these items by working with a local designer or they can look to their respective manufacturers to help produce colored renderings. Once you see a good valuation, you can then grow favorable comparables throughout your market.

He recommends giving this package to the lender and asking that they pass it on to the appraiser. Needless to say, it is also in the lenders best interests to get a good appraisal. Margaret Taylor of Nova Home Loans goes one step further by suggesting her retailers add high cost items (block foundations, heat pump, etc.) separately on the Form 500.

Getting a good comp is only the first step. Making sure appraisers know about favorable comps is the next step. I participated in a CFED webinar just last week and there were suggestions that states develop a data base for industry appraisals. I asked how a state association would develop such a site. Unfortunately, no one that was participating could answer the question. Should this method be accepted by the lending and appraisal industries, your association will pursue it aggressively. It would require that retailers genuinely support the program and provide the information and may additionally require AHA to join the MLS.

Comparables require a land and home transaction. This has to be exposed to the market as a land/home combination. Conventional homebuilders have it down to a science, particularly when building a subdivision.

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## IDEAS ON IMPROVING APPRAISALS *(continued)*

They build a spec home, sell it for either cash or with a large down payment, record it and they now have a comp for their subdivision. Very few of our homes are marketed this way (as a spec home). A way to accomplish this would be to advertise a specific model home at a specific location – without actually having to place the home at that location. On the occasion when it sells it now becomes a legitimate comp. It is essential that these homes be listed on the MLS as that is where appraisers go for comps. Even after paying a commission, these sales can prove very profitable.

In order for this to count as a good comp, the model advertised must be the one sold. A way others have accomplished this is to partner with local landowners to offer your home with their land.

If your customer is the landowner, another acceptable method is to have the client quit claim the land to the Retailer. When recorded, it is then considered a one-piece transaction and can then be used as a comp.

While we have seen an improved lending environment, appraisals will continue to be a challenge. Even the appraisal issue will dissipate over time but will remain on the forefront in the near future. These are a few ideas on how you may immediately improve your sales. Your association will research other methods for improving appraisals to include a possible statewide data base.

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## FEATURED LEADER: CODY PEARCE LENDERS COUNCIL MEMBER TO THE BOARD



Cody Pearce  
Lenders Council

Cody Pearce is the President and Co-Founder of Cascade Financial Services, LLC. Cascade was founded in Mesa in 1999 and now does business in 30 states while employing 130 people. Since inception Cascade has dedicated 100% of its origination efforts to Manufactured Housing. In 2011 Cody earned his Certified Mortgage Banker (CMB) designation.

He currently sits on the MBA's national State and Legislative Reform Committee as well as MORPAC. Cody is heavily involved with several state Manufactured Housing Associations and spends much of his time actively working at both the state and national level on the issues that face both the Manufactured Housing Industry as well as the Mortgage Banking Industry.

Cody was elected as the Lenders' Representative to the AHA Board of Directors in August 2012 and was recently appointed to the Government Relations & Zoning Committee. Cody attended MHI's Legislative Conference and Capitol Hill Visits with AHA President Ken Anderson and Joe Stegmayer, Chairman & CEO of Cavco Industries, in February. His knowledge and expertise in the field of manufactured housing finance issues was essential during the meetings with several Arizona Congressional Representatives, including Congresswoman Kyrsten Sinema who sits on the House Financial Services Committee (see photo on page 9).

Cody lives in Gilbert with his wife Kristine and their 4 sons.

# SHEILA CASSERLY IN MEMORIAM



It is with deep regret that we report that our dear friend, Sheila Casserly, lost her battle against pancreatic cancer on March 29, 2013. Sheila was born in St. Louis, Missouri to Bernadine and Neuman Phillips. She married husband, John Casserly, in 1977 and they raised four children together in St. Louis before moving to Arizona in 1997. She is remembered for her fighting spirit and passionate love of animals. Sheila is survived by her loving husband, John and her dog, Lupe; her four children, Mark Voelkerding (Amy), Patti Fink (Bradford), Carol Hannagan (Patrick) and Kenneth Voelkerding (Brenda); aunt, Adrienne; brother, James; and ten grandchildren; predeceased by her parents; brother, Steve; and many furry companions.

John and Sheila, with their company, Old Pueblo Resellers, have been members of the Arizona Housing Association since 2001. Sheila was very active in the Tucson Chapter, being a former Secretary and President of the Chapter, as well as Tucson Chapter Representative to the AHA Board of Directors from 2009 - 2012. Sheila was also very dedicated to the Chapter's annual Boxing for Troops charity.

Sheila's body was donated to the U of A School of Medicine, Willed Body Program, in hope that it would further research for a cure. Her ashes will be spread in the Florida Keys at her favorite places and a Life Celebration will be planned at a later date when all can attend. With regards to the celebration of her life, earlier this year she told her kids that she wanted to put the F-U-N back into funerals. Only Sheila could have that attitude.

John and the family ask that we think only happy thoughts and memories. She will be deeply missed, but her legacy will live on in our hearts forever.



Translational Genomics Research Institute (T-Gen) is an organization that was very dear to Sheila and her family. They gave her treatment that allowed her to enjoy her life with family and friends for many months. Memorial donations can be sent to The T-gen Pancreatic Cancer Fund by clicking the following link: <https://www.tgen.org/tgen-foundation.aspx>.

Messages of sympathy can be sent to the family by posting on her CaringBridge webpage: <http://www.caringbridge.org/visit/sheilacasserly>.

## AHA Leadership

### Executive Committee

Amber Boles, Chairwoman  
Joshua Wendt, Vice Chairman  
Harold Burtzloff, Treasurer  
Rick Busbee, Secretary  
Keith Paplham, Past Chairman

### Board of Directors

Sam Baird  
Norman Ball  
Amber Boles  
Rick Boles  
Brian Brastad  
Michael Bryant  
Harold Burtzloff  
Rick Busbee  
Rick Gastineau  
Keith Paplham  
Cody Pearce  
David H. Roe, Sr.  
Scott Townsend  
Joshua Wendt

### Chapter Presidents

Shane Willson, Northwest  
Amber Boles, Phoenix  
Michael Bryant, Southwest  
Scott Townsend, Tucson  
Mark Coble, White Mountain

### Gov't & Zoning Committee

Irv Hill, Chairman  
Norman Ball  
Brian Brastad  
Paul DeSanctis  
Cody Pearce  
Lyle Richardson

# THANK YOU FOR RENEWING YOUR MEMBERSHIP...

We Would Like to Thank and Recognize the Following Companies for Renewing their Membership for 2013! If you have not already done so, please send your membership dues renewal ASAP to ensure continuation of your membership benefits. *Thank You for your continued support!*

2-10 Home Buyers Warranty  
21st Mortgage Corp.  
AAA Homes - South Tucson  
Adams Agency (The)  
Adobe Homes LLC-Corp. Office  
All American Mobile Homes dba  
Repo Depot  
Alta Cima Corp dba The Home  
Outlet  
American Patriot Management  
Arizona Home Supply  
Arrowhead Ranch  
B & M Excavating & Hauling Inc  
Bennett Truck Transport  
Blount's Mfd Hsg Contractors  
Blue Diamond Home & RV  
Blue Ribbon Industries Inc  
Bob Wallin Insurance Inc  
Bronco Homes Inc  
Buena Vista of Arizona LLC  
Buffalo Ridge Mobile Estates  
Busbee's M/H Sales Inc -  
Glendale  
Busbee's Schult Home Center -  
Chino Valley  
Busbee's Schult Home Center -  
Kingman  
Cardinal Homes Inc  
Cascade Financial Services  
Cavco Home Center - Mesa  
Cavco Home Center - Tucson  
Cavco Industries - Durango Div  
Cavco West  
Champion Home Builders Inc -  
AZ  
Champion Home Builders Inc -  
CA  
Champion Home Builders Inc/  
Silvercrest  
Chariot Eagle West  
Clayton Homes #392  
Clayton Homes #281  
Clayton Homes #283  
Clayton Homes #297

Clayton Homes dba Oakwood  
Homes #284  
CMH Arizona  
CMH Mfg - Golden West Homes  
CA  
CMH Mfg - Karsten Homes New  
Mexico  
CountryPlace Mortgage  
CU Factory Built Lending  
Dealers Network, LLC  
Desert Gardens Mobile Home  
Sales  
Dolce Vita at Superstition  
Mountain  
Draperies By Muriel Inc  
Factory Expo Home Center  
Far Horizons East LLC  
Fidelity National Title  
Five Star Home Center  
Fleetwood Homes Inc  
Freeway Home Transport LLC  
Garcia Development LLC  
Gila Valley Mobile LLC  
Gleeson Mobile Home Svc  
Highland Sales Inc  
Home Source Inc (est 2001) dba  
The Home Source  
Homes Direct of Arizona  
Homes of the Old Pueblo LLC  
John Randel MH Service & Sales  
Leisure Home Sales LLC  
Little Dipper Transport & Crawler  
Service  
Lyle Richardson  
MCI Homes Inc  
MHC Sitebuilder LLC  
MHVillage.com  
Mohave Rancho Lumber Inc  
Nalico General Agency  
NOVA Home Loans  
Old Pueblo Resellers LLC  
Old Trails Mobile Home Transport  
Oliver Technologies, Inc  
OrePac Building Products

Pacesetter Homes  
Palm Creek Golf & RV Resort  
Pantano Vista MH Community  
Perico's Construction, LLC  
Petersen Communications Inc  
Pine Lakes  
Pine Lawn Ranch (office)  
Pioneer Title Agency Inc  
Polar Cooling LLC  
Prestige Homes  
Primavera Foundation  
Quality Home Center, Inc  
Raindance M/H Sales  
Redmond Construction LLC  
Resort Homes  
Rogers Civil Engineering LLC  
Rosewood Estates  
Sierra Pacific M H P  
Silver King Companies  
Silver Springs Homes  
Southwest MH Service  
Steve Kay M/Hs LLC  
Stewart Title & Trust  
Stone & Son Transportation LLC  
Su Casa MH Service  
Sunwest Enterprises Inc  
Tom Strand Homes LLC  
Trend Star Homes, Inc  
Triad Financial Services Inc  
Tucson Newspapers  
U S Mobile Home Transport Inc  
U.S. Bank MH Finance  
Universal American Mortgage  
Company  
Valley Manufactured Homes  
Valley of the Sun Home Sales  
Valley Vista Homes Sales LLC  
Valley Wide Awnings Inc  
W5 Construction  
Western American Housing Corp  
Western American Housing Corp  
Westland Distributing Inc  
Weststar Mortgage  
White Sheet

# HUD ANNOUNCES APPOINTMENTS TO THE MANUFACTURED HOUSING CONSENSUS COMMITTEE

On January 28th HUD announced new appointments to the Manufactured Housing Consensus Committee (MHCC). The MHCC is a 22 member Federal Advisory Committee that includes seven voting members in each of three categories. The three categories are Producers; Users; and General Interest and Public Officials. In the producer category, MHI and AHA member **Manuel Santana, P.E., Cavco Industries, Inc.** was reappointed for a second two-year term, as was Gregory Scott, ScotBilt Homes, Inc. Dominic C. Frisina, of RoMar Homes, Inc., a retailer from Pennsylvania, was selected for a one-year appointment to fill a vacancy left by the departure of Bill Stamer from Champion Home Builders, Inc.



In the User Category, Michael Lubliner, Washington State University, was reappointed to a third two-year term. Timothy O'Leary with the Idaho Office of Energy Resources was appointed as a new member in the User category. A new member, **Debra Blake, with the State of Arizona's Office of Manufactured Housing**, was appointed to serve a two-year term from the General Interest-Public category.

MHI members Leo Poggione, Craftsman Homes; Michael Wade, Southern Energy Homes; and Theresa Desfosses, a community owner and former manufacturer, with State Manufactured Homes, Inc., continue to serve on the MHCC with terms that expire December 2013, and December 2014.

According to HUD, two face-to-face meetings are planned for the MHCC in 2013, one in the spring, and one in the fall. A spring meeting has not yet been scheduled.

MANUFACTURED HOUSING FINANCE

The advertisement features a blue background with a sky and clouds. Large, stylized letters spell out "LOOK UP" in white. A red paper airplane with "US" written on its wings is flying towards the "UP". Below the "UP" is the text "with US" in white and red. At the bottom, it says "Contact Manufactured Housing Finance at 866-300-8345".

**LOOK UP**  
with **US**

Contact Manufactured Housing Finance at  
**866-300-8345**

**Fly high.  
Go far with U.S. Bank**

There has never been a better time to look up and look ahead with us. With U.S. Bank you can get the financing you need to take your business to a higher level.

All of **us** serving you®

**usbank**

**usbank.com**

Not a consumer advertisement. Loan and mortgage products are offered through U.S. Bank National Association, NA.

# 2013 AHA ANNUAL CONVENTION AT TALKING STICK RESORT - NOVEMBER 7 - 8, 2013

Mark your calendars and make your plans to attend the 2013 Annual Convention & Golf Tournament at the Talking Stick Resort and Casino on November 7 & 8, 2013.

Talking Stick Resort is a luxurious Four-Diamond Scottsdale resort, where fun is limited only by your imagination. Play in style on our 240,000 square foot casino, one of the largest in Arizona. Savor the flavors and take in the panoramic views from the award-winning Orange Sky Restaurant. Check out Vegas-style entertainment and local favorites as they take the stage in the TSR Showroom. Test your skills on 36-holes of championship golf at Talking Stick Golf Club, one of the most scenic and challenging golf courses in Scottsdale. Then when it's time to relax, head up to The Spa at Talking Stick and enjoy a relaxing spa treatment overlooking incredible views of the Valley.



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## NEW CFPB ADVERTISING RULES

The FTC has long had rules regulating how retailers could advertise credit. With the advent of Dodd-Frank, retailers cannot advertise credit terms unless they are in fact a licensed lender. It is illegal to advertise interest rates and payments.



The FTC has not been a very vigorous enforcer but here comes the Consumer Financial Protection Bureau (CFPB). The CFPB does not have the powers of the FTC to regulate advertising but instead has taken the position that advertising expensive goods generally results in a consumer credit transaction and thus they can regulate how retailers express those transactions. They have done so in a new Reg N which becomes a part of Reg Z.

**Retailers who are not licensed lenders cannot advertise that “financing is available” and certainly cannot advertise rates, payments or other terms.** Generally, the law would also require a retailer who is a licensed lender or loan originator to also mention their license number in any such ad.

**Advertising Rent to Own or Lease to Own homes would also violate these rules since such transactions are regulated as mortgage transactions.** Industry consultant Ken Rishel also warns that now with the CFPB and the FTC both having advertising rules, a finding of a violation from one agency could well mean a violation and fine from both agencies. A double jeopardy situation that would be unpleasant to say the least. He also warns that the past practice of using tiny print or rapid fire verbalization of terms and conditions in a radio or television spot are likely to be unacceptable to the CFPB since they give scant information to the customer.

# GAY WESTBROOK JOINS MHI AS VICE PRESIDENT OF POLITICAL & PUBLIC AFFAIRS



MHI is pleased to announce that Gay Westbrook has joined MHI as Vice President of Political and Public Affairs. In this role, she will be responsible for developing, promoting and executing MHI's legislative and political priorities through increased industry participation in MHI-PAC, as well as strengthened coordination with state association executive directors to advance MHI's legislative, grassroots, and fundraising initiatives at the state level.



Westbrook's advocacy experience in grassroots development, strategic fundraising, and policy communications spans over two decades. Prior to joining MHI, Westbrook was Vice President of Government Relations at the Brick Industry Association (BIA) for nearly four years. She managed and directed BIA's grassroots lobbying initiatives and political action committee, Brick PAC, increasing fundraising 88 percent in the 2010 election cycle. She also formulated and led Congressional advocacy programs for federal legislative and regulatory issues impacting the clay brick industry, serving as chief lobbyist on behalf of brick manufacturers, distributors and suppliers.

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**CU FACTORY BUILT LENDING IS A TRUSTED AWARD-WINNING LENDING PARTNER WITH SPECIALIZED PROGRAMS FOR:**

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- New & Used Homes
- Primary & Secondary Homes
- Home Only
- Purchases
- Refinances
- Low Fixed & Step Rates
- Short Term Borrowers - 5-7-10
- Equity Purchasers - Equity Edge

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**Jean Lewis | 866.595.7228 x.6215 | jlewis@sacu.com**

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Westbrook worked in the U.S. Senate for more than seven years, managing two respective Senate Leadership offices chaired by former U.S. Senator Kay Bailey Hutchison of Texas. She served as Deputy Director of the Senate Republican Policy Committee for two years, developing and executing policy programs to provide legislative analyses for Senators and their staff.

For five years, she was Staff Director of the Senate Republican Conference Vice Chairman's office, directing efforts to build strategic support and communications to enact the Conference's legislative agenda.

In her role as Legislative Representative for the National Restaurant Association, she directed federal legislative activities on small business, trade, health care, and food safety issues for the association which then had a \$1 million political action committee.

Westbrook is a graduate of Baylor University's Hankamer School of Business, receiving a B.B.A. in business broadcasting and marketing.

# PREFABRICATED RESIDENTIAL HOUSING TO 2017

## US demand to expand 15% annually through 2017

Demand for prefabricated housing through 2017 will benefit from an expected recovery in overall US housing demand from the subdued 2012 level. Prefabricated housing demand is forecast to expand 15 percent annually through 2017 to 135,000 units. The US prefabricated housing industry encompasses a number of shelter products -- manufactured, modular, precut, and panelized housing -- that reduce the need for on-site construction. While the rebound in overall housing demand will boost demand for all prefabricated housing, the trends will differ for manufactured housing and other prefabricated types. Manufactured housing's market share is projected to drop from that of the 2007-2012



period as conventional mortgages become easier to obtain. Thus growth in manufactured housing demand will trail that of overall single-family housing demand. For other prefabricated housing, market shares will be little changed, and demand increases will be similar to that for single-family housing overall.

## Manufactured housing has gained share of total prefabricated housing market

Over the past decade and a half, the fate of manufactured housing has differed markedly from that of the other prefabricated housing products. Manufactured housing suffered declines in demand almost every year for the past decade. The decline actually began in the late 1990s, when manufacturing housing lenders increased approvals to subprime borrowers for low and no down payment loans. As the US economy cooled at the turn of the millennium, some of these borrowers defaulted on their loans, generating a rise in repossessed units, which then competed with new units. From 2002 through 2006, the easy availability of mortgage credit led many potential purchasers of manufactured housing to opt instead for conventionally built units. The result was a declining market share for manufactured housing from 1998 through 2005.

The collapse of overall US housing demand from 2006 through 2009 further reduced the absolute demand for manufactured housing, but it also contributed to a slight rise in market share. As mortgage credit terms tightened and lenders were less willing to write loans for conventional housing, some households turned to manufactured



housing, especially for smaller, single-section units. Other prefabricated housing types maintained a relatively steady market share over the 2002-2012 period, and as a result, the level of demand was related to overall US housing demand. As housing demand boomed, other prefabricated housing saw gains in unit demand. When housing demand collapsed, unit demand dropped as well.

## US shipments to reach \$4.6 billion in 2017

Trade in prefabricated housing is minimal, and shipments will generally track domestic demand. Manufactured housing shipments are expected to reach \$4.6 billion in 2017, a vast improvement from the 2012 level, but still below that in 2002. Through 2017, shipments of other prefabricated housing types are projected to rise to \$3.0 billion. Advances will be fueled by rising unit growth after a period of depressed demand. Price increases will account for a significant portion of this growth, as increased raw materials prices and a shifting product mix raise the average cost of units produced.

Study coverage: This upcoming Freedonia industry study, Prefabricated Housing, presents historical demand data (2002, 2007, 2012) plus forecasts for 2017 and 2022 by prefabricated housing product and US regional market. This study also considers market environment factors, evaluates company market share, and profiles 27 industry competitors.



# MHI HOLDS PRODUCTIVE LEGISLATIVE CONFERENCE & WINTER MEETING

MHI's 2013 Legislative Conference and Winter Meeting, held February 24th through 26th in Crystal City, VA just outside of Washington, DC, proved to be a success with 83 industry leaders attending, similar to last year's meeting of 84 attendees. The two-day meeting was filled with informative and well-attended division, committee, and council meetings with the focus on the primary issues to be addressed with the Congressmen in Tuesday afternoon's meetings. The following is a recap of the many productive meetings and events that took place during the 2013 MHI Legislative Conference and Winter Meeting.

## MHI Legislative Conference Participants Press Legislative Priorities with Members of Congress

During MHI's Legislative Conference and Winter Meeting, attendees and MHI staff participated in more than 70 visits with U.S. Representatives, Senators and Congressional staff. The conference offered meeting participants a unique opportunity to learn about key issues impacting the manufactured housing industry, get the latest policy updates from Washington insiders and key Congressional staff, as well as encouraging their Members of Congress for reform on issues of critical importance to the industry.



L to R: Eric Hamilton, Vanderbilt Mortgage; Tim Williams, 21st Mortgage Corp; Cody Pearce, Cascade Financial Services; Congresswoman Kyrsten Sinema; Ken Anderson, AHA; Susan Brenton, MHCA; Joe Stegmayer, Cavco Industries, Inc; & Sinema Staffer, Justin Jeffries.

## Conference Speakers

MHI's Legislative Conference and Winter Meeting was keynoted by Byron York, Chief Political Correspondent for The Washington Examiner, at a general session breakfast sponsored by Hometown America. York provided an overview of the political climate and how the recent election will impact U.S. Policy in the near term.

At the same session, Dr. Frank Nothaft, Vice President and Chief Economist for Freddie Mac provided a briefing on the housing market to include predictions of housing performance in 2013, mortgage rates, vacancy data, rental markets, loan defaults and delinquencies.

During Monday's luncheon, sponsored by CIS Home Loans, Representative Stephen Fincher (R-TN) addressed the membership. Rep. Fincher encouraged MHI members on delivering their message regarding CFPB and Dodd-Frank changes that are necessary to provide relief to the industry, stating that these changes are necessary to preserve affordable housing options.

On Monday afternoon, Senator Joe Donnelly (D-IN) addressed the attendees. He emphasized his commitment to helping the industry move forward with its finance priorities on the Hill, and in ensuring that individuals with the ability to pay for a home have access to financing. He stated that he is more confident about the strength of the U.S. economy and that manufactured housing provides the quality and pricing needed to serve families in America.

Later on Monday afternoon MHI members heard a "Housing, Finance and Political Outlook" panel discussion moderated by Dwight Fettig of Porterfield, Lowenthal & Fettig, LLC. Panel members included The Honorable Robert Ehrlich, Jr. of King & Spalding; The Honorable Paul Kanjorski; The Honorable Blanche Lincoln of Alston & Bird; John Savercool of UBS Americas, Inc.; and Warren Tryon, of the Housing Financial Services Committee.

# MHI LEGISLATIVE CONFERENCE *(CONTINUED)*

## Financial Services Division

During the meeting of MHI's Financial Services Division, attendees received a briefing on several key mortgage finance rule-makings that were unveiled by the Consumer Financial Protection Bureau (CFPB) in January. Presenters provided detailed summaries and analysis of regulations governing appraisals for Higher-Priced Mortgage Loans (HPMLs), Qualified Mortgages (QMs), High-Cost Mortgage (HCM) guidelines, and Loan Originator Compensation. Copies of the presentations are available to MHI members at the links below:

- [Qualified Mortgage Rule Overview](#)
- [High-Cost Mortgage Rules Analysis](#)
- [Loan Originator Compensation Guidelines](#)

In light of recent CFPB rule-makings, the Financial Services Division adopted a formal measure recommending the MHI Board of Directors formally establish three key priorities for reform within Dodd-Frank that would guide the advocacy activities of MHI's staff. The specific issue areas include:

**HOEPA High-Cost Mortgage Triggers:** Final CFPB rules fail to provide the manufactured housing industry relief from the APR, or points and fees triggers outlined in the Dodd-Frank statute. The task force recommends MHI continue efforts begun in the 112th Congress to enact legislation amending HOEPA's High Cost Mortgage triggers, and that additional outreach to the CFPB be conducted to seek regulatory relief.

**HPML Appraisal Requirements:** Rules developed by the CFPB exempt loan transactions (both personal and real property) on new manufactured homes and mobile homes (pre-1976 and non-HUD Code homes) from these appraisal requirements. CFPB is in the process of developing a supplemental proposal to potentially exempt existing manufactured homes. The task force recommends MHI continue its work with regulatory agencies developing these rules to extend this exemption to transactions on existing manufactured homes.

**Loan Originator Compensation Exclusion for Manufactured Home Retailers:** Legislation is needed to definitively exclude retailers from the CFPB definition of Loan Originator, as long as they are only compensated for the sale of the home, and neither the retailer nor their employees received compensation from a lending institution, broker or loan originator as part of the home sales transaction.

## MHI Board of Directors

The MHI Board of Directors met on Monday, February 25th. Nathan Smith, a partner in SSK Communities, assumed the position of Chairman at the beginning of the meeting after Triad Financial Services, Inc. CEO Don Glisson, Jr. announced his decision to step down as Chairman. The Board officially recognized and expressed appreciation to Glisson for his many years of service to MHI.

MHI President and CEO Richard Jennison introduced Gay Westbrook as MHI's new Vice President of Political and Public Affairs. In this role, she will be responsible for developing, promoting and executing MHI's legislative and political priorities through increased industry participation in MHI-PAC, as well as strengthened coordination with state association executive directors to advance MHI's legislative, grassroots, and fundraising initiatives at the state level.

Jennison also discussed MHI's newly agreed upon partnership with MHARR to work together on three industry

# MHI LEGISLATIVE CONFERENCE *(CONTINUED)*

goals: 1) to have a non-career administrator appointed at HUD to oversee the manufactured housing program; 2) to have two non-lobbyist association representatives appointed to the MHCC; and 3) to work on GSE reforms that would provide more financing opportunities for manufactured homes.

The Federated States Division recommended that MHI consider protection of retail sales centers from the CFPB definition of a loan originator through commercial speech laws. It was noted that the Finance Lawyers Committee is exploring options at this time. The Dodd-Frank/CFPB Task Force recommended that MHI's financial services policy priorities be focused on reforming three key areas of CFPB regulation that would, both individually and collectively, significantly limit the availability of credit in the manufactured housing market. They are: 1) HOEPA High Cost Mortgage Triggers; 2) HPML Appraisal Requirements; and 3) Loan Originator Compensation Exclusion for Manufactured Home Retailers. The Board members heard a report from the Suppliers Division Chairman regarding membership recruitment and research regarding the development a consumer oriented Web site. The MHI-PAC Chairman reported on contributions and donations as well as changes made to the MHI-PAC bylaws to have the sitting Chairman of MHI sit on the MHI-PAC Board of Directors.

## **Government Relations Committee**

During a meeting of the MHI's government relations committee, MHI Vice President of Government Affairs Jason Boehlert provided an overview and update on the association's key legislative and regulatory policies for the 113th Congress. Over the coming year, MHI will be working with Congress and the administration to:

- Provide industry members relief from provisions within Dodd-Frank that restrains credit available for the purchase of affordable manufactured housing.
- Require the Department of Energy (DOE) to collaborate with the Department of Housing and Urban Development (HUD) in developing energy efficiency standards for manufactured housing and utilize HUD to enforce and update any standards.
- Preserve and extend the New Energy Efficient Home Credit (I.R.C. 45L) for manufactured and modular housing, which is currently slated to expire at the end of calendar year 2013.
- Require that any new secondary mortgage finance mechanism developed by Congress and the administration as part of their efforts to reform Fannie Mae and Freddie Mac provide equal and open access to manufactured home loans, including those secured by personal property.
- Urge Representatives to show their support for manufactured housing by joining the Congressional Manufactured Housing Caucus.

Members can learn more about these issues by viewing the following MHI issue briefs:

- [HOEPA Triggers](#)
- [45L](#)
- [Loan Originator Compensation](#)
- [GSE Reform](#)
- [DOE Energy Efficiency Standards](#)
- [Congressional Manufactured Housing Caucus](#)

# 2013 DFBLS NOTICE

## Engineers' Review of International Residential Code Relative to Stainless Steel Fasteners

February 14, 2013: The Department of Fire, Building and Life Safety ("Department") adopted the 2009 International Codes in June 2012. Subsequently, the topic of using stainless steel fasteners in below grade applications for wood wall skirting came to the attention of the Department. The specific code references are:

- 2009 IRC Section R317.3.1 requires fasteners for preservative-treated wood shall be of hot dipped zinc-coated galvanized steel, stainless steel, silicon bronze or copper; and
- Section R402.1.1 requires fasteners used below grade to attach plywood to the exterior side of exterior basement or crawl-space wall studs, or in knee wall construction shall be type 304 or 316 stainless steel.

Department staff sought review and feedback from local Arizona engineers who regularly work with the manufactured housing industry. The engineers stated that their design plans allow the use of hot-dipped zinc-coated galvanized steel or stainless steel fasteners below grade for wood wall skirting and opined that this complies with the code and that the wood skirting does not carry any load; therefore, is not part of the structure. The Department accepts the engineers' review and will inspect below grade wood skirting to comply with the engineers' design plan.



## CALENDAR OF EVENTS

### MAY

- 7th Phoenix Chapter Meeting**, 5:30 pm  
Nellos Restaurant, Tempe  
Amber Boles, Chapter President  
[amber.boles@jameshardie.com](mailto:amber.boles@jameshardie.com)

### JUNE

- 5th Tucson Chapter Meeting**, 6:30 pm  
Chad's Steakhouse, Swan & Ft Lowell  
Scott Townsend, Chapter President  
[stownsend@westernamericanhousing.com](mailto:stownsend@westernamericanhousing.com)

### JUNE (*continued*)

- 12th Government Relations & Zoning Committee**  
**12th Board of Directors Meeting**

### NOVEMBER

- 7-8 AHA Annual Convention & Golf Tournament**  
Talking Stick Resort & Casino  
For more information contact Kim at  
(480) 456-5630 or [kim@azhousing.org](mailto:kim@azhousing.org)

Visit our website [www.azhousing.org](http://www.azhousing.org) for an archive of past newsletters, shipment reports and other information!

### Arizona Housing Association

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