MHI Holds 78th Annual Meeting

MHI held its 78th Annual Meeting in Scottsdale, Arizona last week with 143 members and guests in attendance. MHI thanks the following sponsors for their generous support of MHI's Annual Meeting.

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MHI Annual Awards Dinner

The MHI Annual Awards Dinner was held on Monday evening and began with a reception sponsored by UPF Services. The awards dinner was sponsored by YES! Communities and the evening’s awards presentations were emceed by Steve Schaub, Chief Operating Officer of YES! Communities. Four members of the manufactured housing industry were honored during the annual awards dinner. Terry Dullaghan, Director of Industrial National Sales at Senco Brands, received the Frank Walter Standards Award which is selected by the MHI Technical Activities Committee. The award was presented by Michael Wade, Director of Engineering and Manufacturing Operations at Cavalier Homes Inc. Mary Gaiski, Executive Director of the Pennsylvania Manufactured Housing Association, was honored with the Jim Moore Excellence in Communications Award which is selected by the Manufactured Housing Executives Council (MHEC) and was presented by Sheila Dey, Executive Director of the Western Manufactured Housing Communities Association. Andy Gallagher, Executive Director of the West Virginia Housing Institute, Inc., was presented with the State Association Executive of the Year Award which is a peer award selected by the state association executive directors. Past recipient DJ Pendleton, Executive Director of the Texas Manufactured Housing Association, presented the award to Gallagher. The 2014 Chairman’s Award was presented to, Richard “Dick” Ernst, President of Financial Marketing Associates, by MHI’s current Chairman, Nathan Smith.

After the awards presentation, the MHI–PAC annual raffle drawing was held. 2014 raffle winners are:
1st prize – David Barton, Vanderbilt Mortgage; 2nd prize – Ton Raeburn, Vanderbilt Mortgage; 3rd prize (eight winners)—Michelle Carlson, Mike Ives Realty; Eric Fletemeyer, Palm Harbor Homes; Charley Lott, Fleetwood Homes; Steve Nelson, Clayton Homes; Terry Patoka, Synergy Homes; DJ Pendleton, Texas Manufactured Housing Association (donated prize back); Steve Schaub, YES! Communities; and John Weldy, Clayton Homes; 4th prize (five winners) – Jim Bramlage, YES! Communities (donated prize back); Ronnie Cudd, Fleetwood Homes; Kevin McEachern, Freedom Homes; Ben Roche, Palm Harbor Homes; and Lois Starkey, MHI (donated prize back). Silent Auction winners also were announced.

General Sessions and Annual Membership Meeting

At the Monday morning breakfast, sponsored by Lippert Components, Inc., attendees heard from Barry Cole, Past Chairman of the Board and Darrell Searer, President and Chairman of the Board, RV/MH Hall of Fame, regarding the current financial status of the hall. At the meeting, “Ready, Set, Go” pledge cards were distributed and MHI members were encouraged to make financial commitments for donations to the hall.

During the Monday morning general session attendees were briefed by MHI staff and lobbyists on the following topics: Dodd-Frank reform and the industry’s legislation H.R. 1779; DOE’s Working Group developing new manufactured home energy efficiency standards via negotiated rulemaking; the HUD
Manufactured Housing Program; New Energy Efficient Home Credit; and GSE reform. For a copy of the presentation, click here.

Dick Ernst, President of Financial Marketing Associates, Tom Hodges, General Counsel for Clayton Homes, and Tim Williams, President of 21st Mortgage Corporation, gave a presentation regarding the HPML Appraisal Final Rule which will be effective on July 18, 2015. For a copy of the presentation, click here.

To end the Monday morning general session, Dr. Gerald Swanson, Professor of Economics, University of Arizona, gave a presentation entitled “Is the Great Recession Really Over.” For a copy of the presentation, click here.

At the MHI Annual Membership Meeting luncheon, sponsored by Cavco Industries, Inc., officers for 2015 were elected as follows: Chairman – Nathan Smith, SSK Communities; Vice Chairman – Tim Williams, 21st Mortgage Corporation; Treasurer – Howard Walker, Equity LifeStyle Properties; and Secretary – Kevin Clayton, Clayton Homes.

After elections were held, Chairman Nathan Smith addressed the attendees. Smith thanked the membership for the opportunity to serve as Chairman of MHI for another year and asked the MHI Board of Directors to stand and be recognized. He spoke of MHI’s highlights for the year and key priorities for 2015. He noted that shipments were up for the industry in 2014 and so was the mood of the industry. The inaugural NCC Fall Leadership Forum in Chicago was a great success as were the industry regional shows in Louisville and Tunica. The annual Congress & Expo in Las Vegas had increased attendance and busted through its budget goals.

He added that progress has also been made on MHI’s legislative and regulatory priorities. The Preserving Access to Manufactured Housing Act has 114 bipartisan cosponsors in the House; 14 bipartisan cosponsors in the Senate; was favorably reported out of the House Financial Services Committee; and is currently pending in the House. MHI obtained language in both the House and Senate versions of the GSE Reform bills. MHI is also well positioned to get language into any energy bill that starts to move. He pointed out that MHI’s new advocacy efforts have made the industry ready to act on a moment’s notice when bills start to move. Nearly 9,000 emails and tweets have been sent to the Hill through MHI’s new advocacy system.

Lastly, he noted that in 2015 MHI looks forward to continuing to rebuild and restructure the professional team decimated by the economic downturn in order to deliver better service to all MHI members.

During Tuesday morning’s breakfast sponsored by Clayton Homes, Tom Hodges, General Counsel at Clayton Homes addressed the attendees.

**MHI Board of Directors**

The MHI Board of Directors meeting sponsored by Shaw Industries, Specialty Markets was held at the end of the Annual Meeting. The board approved a budget for 2015 and reviewed August 2014 financials and audit review documents for 2013 prepared by Raffa, P.C. MHI President, Dick Jennison, introduced Carol Anderson, the newly selected Vice President of Finance and Administration for MHI. Carol has a strong background working in both the profit, and non-profit sectors. Jennison reported that three additional staff members would be added to the staff in 2015. Those positions are Manager of
Government Relations; Office Manager/Administrative Assistant; and Vice President of Membership & Revenue Development. The MHI-PAC Board of Governors presented its slate of trustees that were elected at an earlier meeting and they were unanimously approved.

**Government Relations Committee**

MHI’s Government Relations Committee had an extensive discussion regarding the two new initiatives undertaken in 2014 to improve its legislative activities — CQ/Roll Call Engage grassroots advocacy and MultiState legislative tracking.

During the past year, MHI developed an interactive web page that was seamlessly integrated into the association’s existing web site and social media. The new advocacy page allowed users to contact their Members of Congress supporting MHI’s legislative agenda. Specifically emails were developed for the following issues: Dodd-Frank reform, GSE reform, tax extenders (IRC 45L), and dual-regulation of the industry (HUD v DOE).

The Engage system allows people to contact elected officials using pre-written emails and tweets. It takes “four clicks” for a user to register and send a communication. Other links on the site allow advocates to learn more about MHI’s legislative agenda by downloading traditional “Action Alerts,” track federal legislation and identify their state and local elected officials by zip code.

The response to the system has far exceeded expectations as manufactured housing professionals have sent over 8,800 emails to Capitol Hill in just a few months. Half of the states have sent at least one email to each of their Congressional Districts. And overall 81% of House Congressional Districts have gotten emails about MHI’s issues. MHI’s Chairman, Nathan Smith, encouraged all industry professionals to aggressively recruit their employees and contractors for the system.

Also over the summer, MHI has been tracking legislation in the following fifteen (15) states (picked on the basis of shipments and communities): CA, FL, NC, TX, OH, PA, KY, OR, MI, AZ, NY, IN, SC, IL and AL. MHI is also tracking local ordinances in 1,829 local jurisdiction within those states. Under the program, staff works with MultiState Associates to search proprietary data bases for pending state legislation and local ordinances in the target states. Once identified, a MultiState staffer reviews the “hit” and forwards to MHI those determined to be pertinent to the industry. Following contacting the local state association executive director, MHI forwards the alert along to MHI members who have signed up for the service.

Currently, seventy-nine people are signed up to receive tracking emails. State emails are being sent twice weekly. Over twenty Local Alerts have been forwarded by MHI staff. When state legislatures get into full swing in January, persons on the mailing list will be able to directly access an MHI MultiState visitor page detailing state-by-state activity. To receive state and local tracking updates, please forward your email address to Rick Robinson at rrobinson@mfghome.org.

**MHI-PAC Board of Trustees**

The MHI-PAC Board met to review fundraising activities and progress toward strengthening the industry’s political resources for federal advocacy. The political action committee (PAC) events discussed included the reception at the Louisville Show co-hosted with the Kentucky Manufactured Housing Institute; the golf tournaments in Las Vegas and Scottsdale; the industry fundraiser hosted by MHI-PAC
for U.S. Senator Joe Donnelly (D-IN); and the industry’s largest annual fundraiser, the PAC raffle and silent auction during the Annual Meeting. The 2014 raffle exceeded fundraising goals due to generous participation from employees at MHI-member companies, notably Clayton Homes and its family of companies, Cavco companies, particularly Fleetwood Homes, YES! Communities, and Lippert Components.

The board approved electing the following trustees for a two-year term beginning January 1, 2015, and forwarded these nominations to the MHI Board of Directors for approval: Mark Brunner, Manufactured & Modular Home Association of Minnesota; Kevin Clayton, Clayton Homes, Inc.; Nancy Geer, New York Housing Association, Inc.; James McGee, Deer Valley Homebuilders, Inc.; Scott Oliver, Oliver Technologies, Inc.; Cody Pearce, Cascade Financial Services, LLC; DJ Pendleton, Texas Manufactured Housing Association; Leo Poggione, Craftsman Homes; Brad Shechtman, AMHC Management; and Nathan Smith, SSK Communities, LLC. For questions about MHI-PAC, please contact Gay Westbrook, MHI-PAC Treasurer, at gwestbrook@mfghome.org or (703) 229-6212.

Financial Services Division

During MHI’s Financial Services Division meeting, sponsored by U.S. Bank, attendees received a briefing on the association’s legislative and regulatory activities related to Dodd-Frank and CFPB rulemakings impacting the manufactured housing industry.

Participants then were provided an update on activities, spearheaded by MHI, to allow the industry to comply with appraisal and valuation rules that will become effective for the industry in July 2015. Dick Ernst, Financial Marketing Associates, discussed MHI’s recent outreach activities to the Consumer Financial Protection Bureau (CFPB) related to the impact of Loan Originator rules on manufactured home retailers. Marc Lifset of McGlinchey Stafford provided an overview of the American Association of Residential Mortgage Regulators (AAMR) annual meeting that took place in August. He provided a summary of the sessions that took place and the applicability to the manufactured housing industry.

Member of the Financial Services Division elected representatives to the Board of Governors. Four seats were filled with terms expiring in 2018, those elected include: Sean Dalton, MHD Empire Service Corp.; Mark Lifset, McGlinchey Stafford; Barry Noffsinger, CU Factory Built Lending; and Dan Rinzema, Datacomp Appraisal Services. A special election was held to fill a vacancy on the Board of Governors, with a term expiring in 2016. Cody Pearce, Cascade Financial Services was elected to fill the vacancy.

In addition, the Board of Governors elected the following officers of the Financial Services Division: Dick Ernst, Financial Marketing Associates was elected Chairman; and Jed Gleim, Triad Financial Services was elected Vice Chairman.

For more information, contact MHI Senior Vice President of Government Affairs, Jason Boehlert at (703) 558-0660 or jboehlert@mfghome.org.

National Communities Council

The National Communities Council (NCC) held a meeting which was sponsored by Aegis Security Insurance Company with almost forty participants in the room and quorum of both the membership as well as the Board of Governors present. Discussion began with outgoing Chairman David Lentz asking the attendees about local market conditions. While there was variation by geography, several
attendees shared that they were seeing interest in new development opportunities, others stated they were seeing more “foot” sales traffic, and that “overall, business is better but still room to grow.” Given the interest in new development, Don Westphal shared that he and a small group of volunteers were working with MHI staff to again offer the Builder/Developer Seminar for the first time in years on the day prior to the official opening of the 2015 Congress & Expo.

MHI Staff Liaison Jenny Hodge provided an update regarding NCC membership which then led to discussion regarding member engagement and recruitment. After discussion regarding recruitment opportunities during the Congress & Expo and events such as the upcoming NCC Fall Leadership Forum, a small group volunteered to form a membership committee to study some of the ideas and generate additional suggestions for recruiting. Hodge also provided an update on the planning of the upcoming 2014 NCC Fall Leadership Forum in Chicago as well advising the group that there would be a call for volunteers to outline the program content for the 2015 Spring Forum in Las Vegas.

Another topic of discussion related to FHA Title I Leasing Requirements. HUD is in the process of updating its FHA Title I handbook and had informally reached out to MHI during this process. While there is no change currently proposed to the existing requirement for an initial three-year lease with subsequent annual renewal, it was discovered that while MHI had previously provided formal comments on other aspects of the FHA Title I program, there were no official formal comments from MHI (or its members) on the actual lease requirement. The meeting attendees were generally supportive of the existing requirement and MHI staff will be providing a copy of the existing requirements for informational purposes.

DJ Pendleton, executive director of the Texas Manufactured Housing Association, walked the attendees through certain portions of Revisions to the 1972 Uniform Residential Landlord Tenant Law (RURLTA) which had its second reading at the National Conference of Commissioners on Uniform State Laws meeting this summer, and is scheduled for a second reading in 2015. In order to provide a “heads up” to the group, Pendleton indicated concern about unintended consequences of proposed language regarding “personal property” which could include a manufactured home while the proposed revision was likely envisioning smaller effects such as furniture, appliances, or small household items. Similarly, RURLTA also contains changes with respect to the handling of security deposits which may impact current operational procedures for some community operators. While there is still plenty of time before these revisions would be adopted by the states, meeting attendees were encouraged to go to the Web site and register to receive updates regarding the proposed revisions. Visit http://uniformlaws.org/Committee.aspx?title=Residential Landlord and Tenant Act to view the Act.

Elections for the Board of Governors and leadership roles were held. The following slate was adopted by acclamation for the NCC Board of Governors: Stephen Braun, Hometown America; Brad Schechtman, AMHC Management; and Richard Winkelman, HomeFirst Certified Communities for the direct community owner/operators. For the state certified representatives, Jim Ayotte, Florida; Joel Harper, New York; Chris Parrish, North Carolina; and Gary Fordham, Mississippi were elected. Steve Adler, Murex Properties was elected Chairman and Patrick Waite, Equity LifeStyle Properties was elected Vice Chair.
Technical Activities Committee

The Technical Activities Committee held a meeting sponsored by T.R. Arnold & Associates. Debra Blake, Arizona’s (SAA) was a guest of the committee, and provided her observations about the manufactured housing program. She said the new Subpart I rules regarding the review of service records by the IPIA is redundant, as the SAA’s also have recordkeeping and review responsibilities in this area. She said the Institute for Building Technology and Safety (IBTS) needs to change its focus to support the IPIA and manufacturers with education and mentoring as needed. IPIAs must be allowed to function as the regulations require. She said that Data Plates need to be something other than an 8 ½ x 11 piece of paper. She sees challenges in the coming months for plants to maintaining the level of quality on production lines in the face of increasing production.

The committee discussed concerns regarding the On-Site Completion of Construction proposed rule setting forth new procedures for completing manufactured home construction on site and are pleased that HUD will consider additional comments before publishing the final rule. It was suggested that MHI recommend that HUD reopen rulemaking on this issue. On a related topic, staff was directed to resend its July 2014 memo to all state association executives regarding attached garages and ask that they resend the memo to their retailers.

The final rule setting forth testing for ground anchors was published on September 10th, and was amended to address the concerns of the ground anchor manufacturers. All anchor designs that are currently listed will be grandfathered. New designs will have to be tested in accordance with the new testing requirements. The effective date of the final rule is November 10, 2014.

The next meeting of the Manufactured Housing Consensus Committee is December 2 - 4. There will be a Technical Systems Subcommittee Call on September 16th to discuss ventilation requirements, and several other outstanding recommendations, such as the need for tamper resistant and ground arc receptacles. Staff will send contact information and directions for submitting proposals to the MHCC. MHI will be submitting proposals on roof assemblies, egress, toilet seats, decorative trim, and label fees.

Several Committee members reported on their work with the DOE ASRAC (Appliance Standards Rulemaking Advisory Committee) Working Group on Manufactured Housing. Slow progress is being made to develop a consensus energy standard. The deadline for the group to complete its work is September 30th, but an extension will likely be needed. If a consensus standard is agreed to by the Working Group, DOE would publish it as a proposed rule, and would solicit public comment, with a final rule to be published sometime late next year. The rule would become effective at the earliest sometime in 2016.

Manufactured Housing Division

The Manufactured Housing Division held a meeting sponsored by RADCO. Fred Hallahan of Hallahan Associates gave a presentation on Modular Housing Trends. Click here to view the presentation. Members received a report from the TAC committee, and briefly discussed the DOE energy standards. There was discussion about the GAO report, and the possibility for a Congressional Oversight hearing next spring. The committee directed staff to develop an outline for possible changes to the Manufactured Housing Construction and Safety Standards Act, with the objective of having a policy proposal for discussion and approval at the Winter Meeting next February.
Chairman Daily briefed the members on the FEMA Request for Proposal, saying that awards would be announced in the near future. He also discussed with the committee a meeting he recently had with the Director of the Affordable Housing Program at CFED and suggested that there are opportunities to partner with affordable housing advocates and nonprofits to offer manufactured housing as an alternative to traditional stick built housing.

Elections were held and Charley Lott, Fleetwood Homes; Jayar Daily, American Home Star Corp.; and Michael Wade, Cavalier Homes; were elected to the Board of Governors.

National Retailers Council

The National Retailers Council held a meeting sponsored by CU Factory Built Lending. Discussion was held on the data collection on home sales for the HPML Appraisal Rule which will become effective in July 2015. Currently the five largest lenders in the manufactured housing industry are organizing data collected on home sales and providing that data to DataComp and NADA for the development of independent valuation systems that will meet the requirements of the appraisal rule. Once that data has been captured, the MHI Appraisal Task Force has identified collecting data on cash sales as the next priority for data collection. The collection of the data will require support from independent retailers, land-lease communities and state associations to accomplish proper reporting methods and communication regarding the need for the data. Detailed discussion was held on the problems existing today in obtaining appraisals on homes, especially land-home transactions.

Elections were held. Karl Radde (TX), Southern Comfort Homes, was elected Chairman and Leo Poggio (NV), Craftsman Homes, was elected Vice Chairman. Jimmy Russell (VA), Valley Custom Homes, was elected to the board of governors.

Federated States Division

The Federated States Division held a meeting sponsored by McGlinchey Stafford PLLC. The members of the Federated States Division heard from members of the MHI Suppliers Division, George Waechter, Knute Chauncey and Mike Zeman, regarding the requirement that ground anchor manufacturers have their anchors tested and listed with a national testing laboratory. Ground Anchor Assembly Test Protocol has been developed to fulfill the role of a “nationally recognized testing protocol” as required in the Model Manufactured Home Installation Standards: Final Rule (24 CFR Part 3285, Section 3285.402(a)) [2]. Because prior to the Ground Anchor Assembly Test Protocol there was no generally accepted method for rating and certifying ground anchors, states had adopted different requirements for certifying ground anchor performance. The suppliers asked for assistance in getting the approximately 10 states that still require additional requirements for certifying ground anchor performance to drop those requirements and accept the listing with the nationally recognized laboratory. It was suggested that a letter be requested from Pamela Danner explaining the new HUD requirements to help communicate with the states that continue to have additional anchor testing and certification requirements.

Discussion was held on data collection on home sales for the HPML Appraisal Rule which will become effective in July 18, 2015. Currently the five largest lenders in the manufactured housing industry are organizing data collected on home sales and providing that data to DataComp and NADA for the development of independent valuation systems that will meet the requirements of the appraisal rule. Once that data has been captured, the MHI Appraisal Task Force has identified collecting data on cash
sales as the next priority for data collection. The collection of the data will require support from independent retailers, land-lease communities and state associations to accomplish proper reporting methods and communication regarding the need for the data. The staff from DataComp and NADA will provide information on the data needed and help the industry devise a mechanism for obtaining information on cash sales.

Elections were held and Ross Kinzler (WI), Wisconsin Housing Alliance, was elected Chairman and Nancy Geer (NY) New York Housing Association, was elected Vice Chairman. Jimmy Russell (VA), Valley Custom Homes was elected to serve on the board of governors.

**MHI Suppliers Division**

Lois Starkey, MHI’s Vice President, Technical Activities, reported on the progress of efforts of the DOE Appliance Standards Rulemaking Advisory Committee (ASRAC) Working Group on Manufactured Housing and that the Ground Anchor Final Rule which was published by HUD on September 10th was everything MHI and the Ground Anchor Manufacturers had asked for.

George Waechter and Jenny Hodge, MHI’s Vice President, National Communities Council, reported on the wind test that was conducted by the Insurance Institute for Business & Home Safety (IBHS) on July 22, 2014 and the division was informed that coverage of this event would be shown the next day during the luncheon. They briefly discussed the phases of the test and the outcome.

Ann Parman, MHI’s Vice President of Education briefed the division about the recently awarded contract to run the HUD “default state” installation program in approximately 13 states. Staff has been in contact with the contractor regarding MHEI’s online installation training course being approved and utilized for the training of installers prior to their initial licensing. MHEI will need to update its current curriculum to meet the requirements outlined in 3286 (the Manufactured Home Installation Program Regulations) and staff has been in contact with the Systems Building Research Alliance (SBRA) to assist with the update of the curriculum. MHEI may need financial contributions to pay for curriculum development and discussion was held on the 501(c)(3) status of MHEI. It is anticipated that the HUD installation program will kick off by the end of 2014 or beginning of 2015.

A report was provided on the video project. Dr. James Wren at the University of North Carolina has shown interest in all phases of the project where the college students would handle the acting, filming and editing videos promoting manufactured housing. A small group from the Suppliers Division Board of Governors would work with him on this.

Elections were held and Knute Chancey, Tie Down Engineering, Inc. was elected Chairman, and Cecil Aylon, PolyVulc USA, Inc. was elected Vice Chairman. Ron D’Ambra, Professional Warranty Service Corporation and Kurt Barrett, Shaw Industries, Inc. were elected to the board of governors.

**Manufactured Housing Educational Institute**

Staff briefed the members of the board about the recently awarded contract to run the HUD “default state” installation program in approximately 13 states. Staff has been in contact with the contractor regarding MHEI’s online education being approved and utilized for the training of installers prior to their initial licensing. MHEI will need to update its current curriculum to meet the requirements of 3286.
Staff has been in contact with SBRA to assist with the update of the curriculum. It is anticipated that the program will kick off sometime at the end of 2014 or beginning of 2015.

The board of directors discussed educational offerings for the 2015 Congress & Expo for Manufactured and Modular Housing. Suggestions were given for keynote speakers related to the best seller books Mastering the Rockefeller Habits and Good to Great. The board also discussed potential workshop topics for the Congress & Expo.

Manufactured Housing Executives Council

The state association executive directors held two MHEC meetings in conjunction with the MHI Annual Meeting. First, an all-day meeting was held on Saturday prior to the MHI meeting where members of MHEC participated in group brainstorming exercises on five different topics: How to Grow Association Membership; How to Better Tell the Industry’s Story; Top Challenges in Your State That You Think May Spread; How to Increase Engagement of Members in Legislative Issues; and Best Practices in Working with State Regulators. The second meeting was held on Sunday where agenda items included an update from the MHEC Technology Task Group, maintaining MHEC records, energy/utility incentive programs, 40th anniversary of the HUD Code, and positives and negatives of strategic plans.