

Donnelly, Toomey, Manchin, Cotton: Preserve Access to Manufactured Housing

**** FOR IMMEDIATE RELEASE ****

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Contacts:

Donnelly: Donnelly_Press@Donnelly.Senate.Gov, 202-224-0972

Toomey: ER_Anderson@Toomey.Senate.gov, 202-224-8609

Manchin: Jonathan_Kott@Manchin.Senate.gov, 202-228-1810

Cotton: Caroline_Rabbitt@Cotton.Senate.gov, 202-224-2353

Washington, D.C. —U.S. Senators Joe Donnelly (D-IN), Pat Toomey (R-PA), Joe Manchin (D-WV), and Tom Cotton (R-AR) today reintroduced the *Preserving Access to Manufactured Housing Act*, bipartisan legislation that would protect the ability of manufactured home customers to buy, sell, and refinance homes, while maintaining important consumer protections.

Donnelly said, “The decision to purchase a home is one of the most significant investments Hoosier families make. We should do everything we can to preserve access to affordable housing, including manufactured housing. I am grateful Senators Toomey, Manchin, and Cotton are joining me in this bipartisan effort to fix an issue impacting families trying to buy manufactured homes.”

Toomey said, “The manufactured housing industry is an important source of jobs and affordable homes for thousands of Pennsylvanians. Unfortunately, financing for the product has been jeopardized by one-size-fits-all regulations that fail to recognize the unique nature of manufactured housing loans. By easing these ill-conceived rules, our bipartisan legislation will protect those jobs and ensure that Pennsylvanians can find financing to purchase an affordable home.”

Manchin said, “Homeownership is an important goal for so many West Virginians and Americans. This bipartisan bill will help keep the American dream of owning a home alive by improving guidelines that have negatively impacted consumers’ ability to purchase a home. I truly believe that these necessary improvements will help West Virginians access quality, affordable housing for themselves and their families.”

Cotton said, “Manufactured housing plays an important role in homeownership options, which have unfortunately been constrained by excessive regulations by the CFPB. As we’ve seen, unintended consequences of these regulations have limited the housing and mortgaging choices of hard-working Americans in many rural areas, like my home state of Arkansas. I was proud to support this bill last year on the House Financial Services Committee, and I’m glad to join my colleagues on the Senate Banking Committee in pushing for this small but important measure of regulatory relief.”

The Consumer Financial Protection Bureau (CFPB) issued guidelines in 2013, as required under the Dodd-Frank Wall Street Reform and Consumer Protection Act, to expand the range of loan products that can be considered high-cost mortgages under the Home Ownership and Equity Protection Act (HOEPA). Unfortunately, the CFPB failed to recognize the uniqueness of manufactured home loans compared to the rest of the housing industry. The guidelines went into effect in January 2014, classifying a large percentage of small-balance loans used for the purchase of affordable manufactured housing as high-cost loans. This has negatively impacted the manufactured housing

industry, and as a result there are increased lender liabilities associated with making and obtaining a HOEPA high-cost mortgage — which can lead to a loss of credit available to those seeking to purchase manufactured housing.

The *Preserving Access to Manufactured Housing Act* would help adjust HOEPA thresholds so fewer manufactured home loans are classified as high-cost. Under the HOEPA guidelines, if a transaction is for less than \$50,000 and the home is considered personal property, then the interest rate on a mortgage cannot exceed Average Prime Offer Rate (APOR) by more than 8.5% or else it is considered 'high-cost' and subject to added liability and disclosure. The bill would change that threshold to APOR + 10% for transactions under \$75,000.

Donnelly has discussed the challenges of the rules for manufactured housing with CFPB Director Richard Cordray and previously joined his colleagues in sending a [letter to Director Cordray requesting a delay of the rules for manufactured housing](#) until CFPB could have a chance to fully study the issue.

Donnelly helped introduce the bipartisan *Preserving Access to Manufactured Housing Act* in 2013 and continues to work on the issue in his role serving on the Senate Banking Committee.

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