

# **DESTIGMATIZING MANUFACTURED HOUSING**

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# POP QUIZ

# WHAT DO YOU SEE?

- **A- MOBILE HOME**
- **B- TRAILER**
- **C- MANUFACTURED HOME**



# MOBILE HOME/TRAILER



# WHAT DO YOU SEE?



- **A- TRAILER PARK**
- **B- MOBILE HOME PARK**
- **C- MANUFACTURED HOUSING COMMUNITY**

# TRAILER PARK



# OCTOBER IS ANTI-STIGMA MONTH

**Stigma involves three elements:**

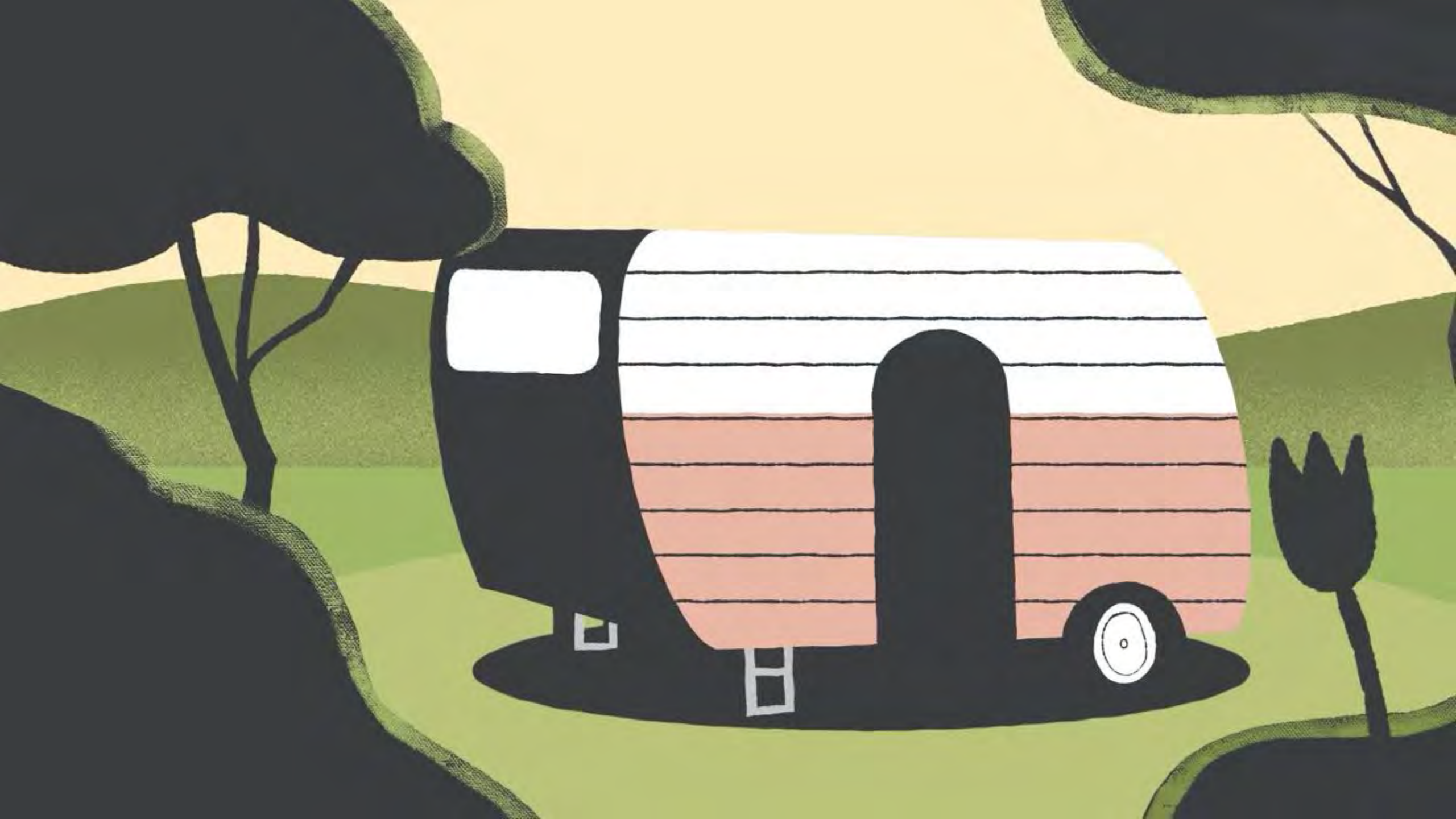
- **a lack of knowledge (ignorance),**
- **negative attitudes (prejudice)**
- **people behaving in ways that disadvantage the stigmatized person (discrimination)**



# THE MYTHS OF MANUFACTURED HOUSING

- **Manufactured homeowners are poor**
- **There is no value in a manufactured home**
- **Manufactured Homes are unsafe and may fall apart or even blow away**
- **Few people live in Manufactured Homes**





# WHY DOES IT MATTER?

- STIGMA HAS LONG TERM EFFECTS ON HOUSING AND NEIGHBORHOODS
- STIGMA MAY LEAD TO LONG TERM HEALTH AND SOCIAL OUTCOMES FOR RESIDENTS
- RESIDENT IDENTITY
- LONG TERM IMPACT ON HOUSING CRISIS IN MAINE AND COUNTRY

**STATE OF  
MANUFACTURED HOUSING  
IN THE US AND MAINE**

# THE RIGHT KNOWLEDGE

- Truth- an estimated 18 Million Americans live in Manufactured Homes- about 6% of nation's housing stock.
- Truth- median manufactured homeowner spends only 16% of their income on housing and less than 25% are cost burdened- making this a stable housing option for young families, single working or fixed-income individuals and retirees.
- Truth- Manufactured Homes are well built and well designed and have similar lifespan as stick built homes. They are also energy efficient.
- Truth- Manufactured homes are not like vehicles- they do NOT depreciate in value. Price is typically driven by area market home sales and more often they appreciate in value!
- Truth- Most manufactured homes are are placed on privately owned land and about 30% are on leased lot property.



# THE COMMUNITY ASPECT

- There are more than 600 manufactured housing communities in Maine.
  - More than any other New England State.
  - Leased land provides an increased opportunity for homeownership and affordability.
  - Homeowner leases the land and still pays property taxes on home as community owner pays taxes on land and business.
  - Communities' ownership can be small local family business, real estate investment corporations, high equity investment owners or the residents



# REAL CHALLENGES FOR MANUFACTURED HOMEOWNERS

- HOME FINANCING IS LIMITED- PERSONAL PROPERTY ISSUE
- PARK RENT MAY INCREASE OR POSSIBLE PARK CLOSURES
- LACK OF ACCESS TO HOME IMPROVEMENT FUNDS
- STIGMA DISCOURAGES THE OPPORTUNITY FOR MANY AMERICANS



# **Manufactured Housing Association of Maine (MHAM) [mhamaine.com](http://mhamaine.com)**

**Tinamarie Smith**

**Dick Bradstreet, Executive Director**

- **Established in 1986**
- **member companies build, sell, site, and finance manufactured and modular housing and develop and operate communities and developments.**
- **dedicated to the protection and promotion of the state's manufactured home industry through legislative representation, continuing industry education, public relations and communications efforts.**



# HUD 1976- present

- What is HUD?
  - June 1976
  - Exterior red seal
  - State seal & HUD seal
  - Engineered Plans and “in plant” 3<sup>rd</sup> party inspections
  - Maine Manufactured Board seal
    - consumer complaint review
    - code change review
    - industry funded
  - Pre-occupancy inspections
    - State Administrative Board (SAA) - states vs HUD states
    - Maine Manufactured Housing Board (MHB)





# HUD Code

- Engineered plans from factory
- 3rd party engineering companies & inspectors
  - factory inspection
  - onsite inspection
- Energy Star Certified
- Building standards are superior or equal to on site homes - only homes built in compliance with a national code



# MANUFACTURED HOUSING BOARD

- UNDER DEPT. OF PROFESSIONAL & FINANCIAL REGULATION
- PROFESSIONAL STAFF & CITIZEN BOARD
- REGULATES HUD & MODULAR HOMES
- STATE OF MAINE SAA FOR HUD
- ENFORCES LAWS AND RULES
- DOES PRE OCCUPANCY INSPECTIONS
- INSPECTS COMMUNITIES
- RECOMMENDS CODE UPDATES
- HANDLES CONSUMER COMPLAINTS
- CONDUCTS ADJUDICATORY HEARINGS



# HUD Vs Modular Vs Site Built



## HUD homes

- Federal Certified
- Built in controlled environment
- Self contained – built on permanent chassis
- Licensed
- Affordable
  - Manufacturing process
  - Bulk purchasing power
  - Stability & efficiency

## Modular

- State certified- Maine Modular Building Code
- Built in controlled environment
- Utilities added on site
- Licensed
- Affordable
  - Manufacturing process
  - Bulk purchasing power
  - Stability & efficiency

## Site Built

- Town certified
  - Mubec
- Exposed to weather
- Requires many subcontractors
- Builders not licensed
- Less efficiency
- Less predictable costs

# JEANEE WRIGHT- COOPERATIVE HOUSING SPECIALIST

## COOPERATIVE DEVELOPMENT INSTITUTE

- PROVIDES OWNERSHIP TRANSITION ASSISTANCE TO BUSINESS OWNERS AND INDIVIDUALS THROUGHOUT NEW ENGLAND
  
- NEROC- PART OF ROC USA NETWORK
  - SERVING 16 STATES
  - MORE THAN 245 RESIDENT OWNED COOPERATIVES
  - MORE THAN 17,000 HOMEOWNERS



COOPERATIVE  
DEVELOPMENT  
INSTITUTE  

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The Northeast Center  
for Cooperative Business



# WHAT WE DO



- ENGAGE WITH PARK OWNERS AND RESIDENTS TO NEGOTIATE FAIR MARKET SALE OF PARK
- WORK WITH RESIDENTS TO PROVIDE TRAINING AND ASSISTANCE FOR SUCCESSFUL OWNERSHIP TRANSITION
- PARTNER WITH MANY STATE AND NATIONAL PARTNERS FOR FINANCING
- LONG TERM TECHNICAL ASSISTANCE TO HELP EMPOWER COMMUNITY RESIDENTS TO OPERATE AND GOVERN THE BUSINESS

# WHY WE DO IT

- LONG TERM AFFORDABILITY OF COMMUNITY
- REDUCE RISK OF FUTURE PARK CLOSURES
- OWNERSHIP TRANSITION IS INVESTMENT IN THE PEOPLE
- OPPORTUNITIES FOR RESIDENT LEADERSHIP DEVELOPMENT



# LONG TERM OUTCOMES FOR RESIDENTS



- PERMANENT STABLE HOUSING
- INCREASED RESIDENT ENGAGEMENT
- EMPOWERED CITIZENS
- ACCESS TO MORE SERVICES



# MaineStream Finance

Chris Linder, CEO

[www.mainstreamfinance.org](http://www.mainstreamfinance.org)

- Established in 2000
- Nonprofit, community development financial institution (CDFI) – certified by the US Treasury and a subsidiary of Penquis CAP in Bangor
- Provide advice, financial services, and home & business loans to Mainers who may not otherwise have access.

**MaineStream**  
a subsidiary of Penquis **FINANCE**



# Our Path – Why Manufactured Housing Lending?

- Turn 2-3 families away a month (capital won't allow us)
- Feedback from board members and sister department at Penquis working in MH repair and replacement
- Feedback from partners, including Genesis Loan Fund, CDI, MaineHousing, DECD, and especially the New Hampshire Community Loan Fund
- Conclusion:
  - a significant need/demand
  - not enough local lenders involved
  - we will be paid back and not lose our shirts (we're a nonprofit but not a charity)
  - MH can be a solid component to solving the affordable housing issue

# Lending for Manufactured Housing/Mobile Homes in Maine

- Predominantly by 3 national lenders (new units): 21<sup>st</sup> Century, Vanderbilt, Triad
- 3-5 local banks or credit unions proactively underwrite these loans
- 4/5 buyers have chattel loan w/higher interest rates of up to 12-13%
- 70% of used mobile home transactions are privately funded

# Mainstreaming MH Owners into Traditional Finance

- Adequate debt-to-income is required – flexible on credit scores
- Require an appraisal
- Loan terms of between 20-30 years
- Report to all three credit bureaus
- Work with local banks and credit unions for referrals and refinancing when ready
- Work with owners to convert to “real property” over time

# **Q & A FROM AUDIENCE**