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January 21, 2022

To: The Honorable Kumar Barve
Chair, Environment and Transportation Committee

From: Kira Wilpone-Welborn, Assistant Attorney General
Consumer Protection Division

Re: House Bill 71 – Manufactured Homes – Conversion to Real Property and Sale of
Manufactured Housing Communities (Manufactured Housing Modernization Act)
(SUPPORT)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports House Bill 71 sponsored by Delegate Vaughn Stewart, which would create additional protections for owners of manufactured homes that comprise a vital component of the affordable housing market. Specifically, House Bill 71 would allow owners of manufactured homes to convert the home to real property even when the land on which the manufactured home sits is not owned by the homeowner. Additionally, House Bill 71 would require that an owner of a manufactured housing community containing two or more manufactured homes notify the homeowners of a pending sale of the community and its terms; offer homeowners the opportunity to purchase the manufactured housing community; and negotiate, in good faith, with homeowners seeking to purchase the manufactured housing community.

Consumers who purchase manufactured homes are often excluded from traditional financing options that are available to the purchasers and owners of other residential real property. As a result, consumers who purchase manufactured homes are forced to seek financing at higher interest rates and with shorter payment terms, making the purchase of a manufactured home more expensive for consumers in the affordable housing market. Allowing consumers to convert their manufactured home into real property expands the financing options available to such consumers and should reduce the overall cost of purchasing and owning a manufactured home.

Moreover, moving a manufactured home from a manufactured home community to another location is prohibitively costly for many consumers who own manufactured homes and subjects

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such consumers to the whims and fees of new lot owners.¹ Requiring manufactured housing community owners to provide homeowners a fair opportunity to purchase the manufactured housing community before it can be sold to a third party provides will also help provide stability in this affordable housing market.

The Division supports House Bill 71 because it should reduce financing costs when consumers purchase manufactured homes and, after the purchase of a manufactured home and help provide consumers housing stability. For these reasons, the Division requests that the Environment and Transportation Committee give House Bill 71 a favorable report.

cc: The Honorable Vaughn Stewart
Members, Environment and Transportation Committee

¹ See https://www.washingtonpost.com/business/economy/a-billion-dollar-empire-made-of-mobile-homes/2019/02/14/ac687342-2b0b-11e9-b2fc-721718903bfc_story.html