

## **Multiple new costs in line for manufacturers and housing industry**

Federal authorities are seeing fee increases and design changes that could add substantially to the cost of individual homes – including as much as \$6,000 more for each future singlewide, the industry's manufacturers were told in April.

Immediately, the industry's regulators, the U.S. Department of Housing and Urban Development, is seeking a 54 percent increase in charges it makes per floor to financing its contribution to state regulatory agencies, said Lois Starkey, vice president for regulatory affairs for the industry trade association, Manufactured Housing Institute in Arlington, VA.

HUD's new budget for 2012 proposes to take the current \$39 per floor charge to \$60 to provide \$7 million more to help finance the agency's program next year, Starkey told the Manufacturers' Forum. That would give HUD's manufactured housing section a budget of \$14 million, \$3.7 million of which would go to the state administrative agencies.

MHI told HUD the proposed fee increase is "excessive," Starkey said.

Starkey said MHI has grave concerns about new energy proposals being worked on by the U.S. Department of Energy for manufactured housing. Congress passed legislation in 2007 to increase energy standards for HUD-code housing. It also said DOE would issue these new standards, removing that power from HUD.

"This legislation is pretty onerous," Starkey said.

She said the proposed new standards are expected to be issued sometime this year. Although DOE is required to implement a final standard by Jan. 1, 2012, that date is likely to slip.

If DOE proposes new standards as the law envisions, they are so substantial that "it may not be cost-effective" to build homes for some northern climate zones anymore, Starkey noted.

The changes could add a cost of between \$2,500 and \$6,000 to each singlewide and up to \$6,500 for a doublewide, she said. She added that the higher number is a "worst-case scenario." She said further financial analysis is needed of the proposal to refine the final number once DOE's proposal is made public.

"We are also asking that DOE not propose any new standard whatsoever," she said.

Jason Boehlert, vice president for government affairs with MHI, said the industry has drafted legislation for Congress to move the energy standard to HUD and to "balance affordability with energy efficiency."

"HUD seems to agree it ought to enforce it or work on it," Boehlert said.

Starkey said HUD is also looking at changing the wind standard for HUD homes to reflect new wind zone maps and current minimum design loads for buildings. "Although new standards are probably several years from being finalized, an industry task force has been working hard to determine the cost impact, which could be as much as \$1,050 per home nationwide," Starkey said.

In other news:

--HUD is considering expanding the required width for outside doors on manufactured houses to 32 inches on both doors from 30 inches on one now; and expanding to 30 inches from 28 inches the required hallway space. The industry Consensus Committee agrees with the exterior door width, but it divided on expanding the hallways measurement.

MHI believes most models can handle only the smaller hallways.

It would be helpful if retailers would comment on this proposal by email to Starkey at [lstarkey@mfghome.org](mailto:lstarkey@mfghome.org).

--HUD could issue by the end of the year a final rule on new roof truss testing requirements as well as a package of updates to the construction standards, and possible changes to current on-site completion of construction requirements.

--HUD continues to work on its procedures for dealing with consumer complaints within the industry, the so-called "subpart I."