



Home on the Road

Voice of West Virginia's factory-built housing industry

December 2008

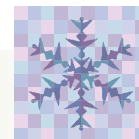


Image campaign nixed by manufacturers

CHARLESTON — A national image campaign for the factory-built housing industry has been shot down by the manufacturers.

The Manufactured Housing Division of MHI met by teleconference Oct. 21 and refused to endorse a \$100-a-floor assessment approved by the National Retailers Council and endorsed by MHI's board of directors.

The members of the division were supportive of improving the industry image by building a foundation for a broader campaign in the future, according to Laura Armstrong, spokeswoman for MHI.

The manufacturers recommended that MHI's Image Public Outreach Task Force work with member company marketing and public relations professionals to develop a plan that would identify steps to

(Continue on p. 5)



Snowy Summersville — Photo by Anne Johnson

HUD blesses state program

CHARLESTON — The U.S. government has signed off on West Virginia's regulatory control of the new federal installation program.

Mitch Woodrum, director of manufactured housing in the West Virginia Division of Labor, said the U.S. Department of Housing and Urban Development on Oct. 29 agreed to DOL regulating the changes, which Woodrum believes will be minimal.



Woodrum

Program Begins Jan. 1

HUD, meanwhile, extended the deadline for the new program to begin.

Instead of it being activated Oct. 20, the program will now begin Jan. 1, according to HUD.

SAA says informal talks can get under way

CHARLESTON – Informal discussions between state regulators and those they oversee can begin immediately, the chairwoman of the West Virginia Manufactured Housing Construction and Safety

Standards Board said.

The West Virginia Housing Institute Inc. has sought for a year to implement a less-rigid dialogue with state regulators that would allow issues to be discussed in an informal setting before advancing to a formalized system.

Deputy Labor Commissioner Fran Cook, who chairs the State Board, said informal talks can begin as soon as WVHI tells the DOL the issues it wishes to discuss.

If the industry submits issues it would like to address, Cook said she

(continued on p. 5)



Fran Cook

THE PODIUM

The glass remains half full; Wishes for the new year from WVHI



Kevin Wilfong
CO-President
WVHI board

By Kevin Wilfong

The shock to our economic system has been severe this year.

Some of our retailers have complained they have made only a fraction of the sales of previous years. Sadly, some dealers will be closing their doors.

No matter the exact details, the picture is increasingly grim. The shudder and fall of the Stock Market can only add to the woes our industry has faced in its crippling decline over at least the last six years. Will this ever end?

Shipments were down in West Virginia an astounding 46.3 percent when this August's statistics was compared to last. That was at a time when the national decline for that month was 24.3 percent.

The shocking August statistic followed the concern-heightening drop in shipments of 22.8 percent when compared to July 2007. Those figures fell another 21.6 percent in October.

Through August, West Virginia shipments were down a total of 14 percent from 2007. We can take little comfort from the fact that we fared better off in the poor shipments category than any of the other 11 states in the northeast region.

During the eight-month period, fewer than 10 states reported increases in shipments.

Our neighbors are not doing much better. Virginia and Kentucky shipments were down 6 and 12 percent respectively. But Pennsylvania, which has been forced to cancel the Hershey Show this year, was down 23 percent; Maryland was off 38 percent; and Ohio was down 33 percent.

Let's hope our state and national officials are taking these statistics as seriously as we.

We can take comfort in knowing our cause is being heard by Gov. Joe Manchin, who has shown himself to be a loyal and steadfast supporter of our industry.

Fran Cook, chair of our regulatory board, has for many years been dealing with our industry and knows and understands this is an unprecedented situation in which we find ourselves. Likewise, our chief regulator, Mitch Woodrum, is aware of the crisis we face. While it remains their duty to regulate us, we all know if our numbers keep dwindling then there soon will be nobody to regulate.

We still have trying times ahead. But I can only hope that for all of us in the industry this Christmas is going to bring some herald of improved times in the new year. We can choose to see the glass as half full or empty. As for me I'm preparing for an interesting year with the attitude that my glass is half full. How about you!

On behalf of Co-President Steve Brown and the 14-member board of directors of WVHI, let me wish you a merry Christmas and express our combined gratitude for the honor of you allowing us to serve on your board



Want to keep up on the latest with the factory-built housing industry in West Virginia? Want to be listed on our website or linked to it?

The West Virginia Housing Institute Inc. is at www.wvhi.org. Take a look at what we have on the site. Tell us what you want added or improved.

The inside scoop is in the members-only section. And you only have to call Andy Gallagher at (304) 346-8985 to join.



Industry news

Pool blues for communities

If you are a manufactured housing community owner with a pool, listen up.

Congress has given community pool owners until Dec. 19 to get in line with new safety regulations concerning swimming pools in communities.

The changes require all pools to have new drain covers and also to have alternative disablement devices when they have suction and pumps in operation.

If your pool is closed, you don't have to get into compliance until you re-open. If it is currently open, it has to comply by Dec. 19.

"This thing has moved fast, and the information has not necessarily been getting out there as it should be," said Thayer Long, MHI's executive vice president. There are different requirements depending on how many drains your pool has. If you are a community pool owner, get in touch with your pool and spa service provider immediately. Make sure they are aware of these new requirements, and put a place in place to implement these new requirements, as they may apply to you, as soon as you can.

No continuing education classes necessary, the feds say

CHARLESTON — New installation standards that are effective in January do not require an ongoing education component for the manufactured housing industry.

Mitch Woodrum, director of the manufactured housing section for the Division of Labor, said the U.S. Department of Housing and Urban Development no longer believes the states have to develop continuing education programs for licensees.

It has been a widespread belief in the industry that HUD would require the education programs at some point.

West Virginia's installation program was approved by HUD in October, which means the DOL, not the federal government, will administer the state plan.

Banking issues could affect the industry

State legislatures across the country are getting nudged to promote legislation that may require factory-built industry retailers to be regulated as loan originators.

MHI in Washington and the West Virginia Housing Institute Inc. are working to shape a recommendation coming from the Conference of State Banking Supervisors. CSBS has developed a model bill that is being distributed to the 50 states to follow.

The proposal broadens the definition of loan originators in an earlier federal act. Under a current draft of the model legislation, if a retailer even takes a loan application, he or she will have to be licensed as a mortgage loan originator, said Brian Cooney, senior vice president, public policy & governmental affairs with MHI.

MHI is discussing this matter with Rep. Barney Frank, D-Mass., and chairman of the House Financial Services Committee, to clarify Congress never meant to sweep factory-built housing retailers into the bill. He is seeking similar assurances from William Matchneer, the U.S. Department of Housing and Urban Development's administrator of the manufactured housing program.

"Bill Matchneer agrees retailers should not be licensed when they simply forward loan documents to lenders for loan underwriting and processing," Cooney said.

However, if the bill is recommended to the states by the national group, the issue is likely to be fought out in 50 individual statehouse battlegrounds.

Wilfong pushing for health rule changes

FLATWOODS — A state Department of Health task force rewriting rules for manufactured housing parks is proposing to eliminate broad sections in current regulations that do not deal with health-related issues.

Many of the proposals to eliminate sections of the current rules were offered by park owner Kevin Wilfong of Fairmont, who is co-president of the West Virginia Housing Institute Inc. and owns Middletown Home Sales at White Hall. Wilfong is the industry representative on the task force.

He contended that many of the sections in the current regulations are overly broad or require expertise and knowledge for which county sanitarians are not properly trained. He questioned, for example, the qualifications a sanitarian has to examine electrical hookups or propane tank connections and installations.

The task force at its December meeting in Flatwoods completed its first review of the regulations that have been in effect since 1971.

Provisions the task force members believe should more properly be handled by the state fire marshal, Department of Environmental Protection, and others are being sent to them for review.

Final changes likely will be voted on by the task force in 2009. They then would be submitted to the Legislature, which has the option to accept, reject or modify any changes.

WV shipments down 21.6 percent in October

West Virginia housing shipments, down 14 percent through August, fell 21.6 percent in October, when compared to shipments for the same time in 2007. September shipments were slightly up at 16.1 percent.

But October shipments plunged to 260 floors in West Virginia from 325 in October 2007.

Nationally in October, shipments were down 24.8 percent from October 2007.

In neighboring states, Ohio was down 46 percent, Virginia 40 percent, Tennessee 39 percent, Kentucky 37 percent, Pennsylvania 35 percent, and Maryland 30 percent.

Home on the Road Newsletter

Editor: Andy Gallagher

WVHI

PO Box 2182

Charleston, WV 25328-2182

(304) 346-8985

(304) 346-8986 (fax)

wvhi@wvhi.verizon.net

Home on the Road is a publication of the West Virginia Housing Institute Inc., published four times a year (March, June, September and December).

Free subscription with paid membership dues. All advertising must be paid in advance. *Home on the Road* reserves the right to reject any advertising. Make checks payable to WVHI. Send ads with payment and news to Andy Gallagher.

Advertising rates

Full page: \$200

Half page: \$100

Quarter page: \$60

Classified: \$30 for each 3 lines

These rates are double for nonmembers.

Red Flag implementation delayed But it will effect industry

By Johnnie Brown

The Federal Trade Commission has delayed the required implementation of an identity theft program, more commonly known as the "Red Flag" rules, from Nov. 1 until next May 1. This gives all retailers and lenders in the manufactured housing industry additional time to implement an identity theft prevention program.

While the risk is low in our industry, the federal government has required that all retailers have this policy in place next year.

The policy is required to discuss the procedures used in obtaining a customer's "nonpublic information," what steps the dealer takes to detect potential identity theft, who is responsible for the implementation of the program, what responses the dealership should take to a "red flag" and how a consumer's nonpublic information is properly stored and protected.

In addition, the federal law requires annual evaluation of the adopted procedures, proper record keeping of your policy, and training of all employees on the identification and detection of identity theft.

I have provided to the West Virginia Housing Institute Inc. a draft policy that covers approximately 75 percent of the necessary language needed for this policy.

Feds delay the implementation of red flags rule until May 1

However, the remaining 25 percent will need to be tailored to your individual operations. I caution all dealers that this is not a "one size fits all" type of policy, but must be tailored to the way that you conduct business and the risks that you face in your individual markets.

I encourage all dealers to begin familiarizing themselves with this new law and contact their legal counsel to obtain assistance in completing the policy I have provided to the Institute.

Brown is associate general counsel for WVHI. He can be reached at 304 344-0100. jbrown@pffwv.com.



Brown

Be proud of your recovery fund

CHARLESTON -- The recovery fund, established by the industry to protect consumers from financial losses when a retailer goes out of business, now totals \$1.5 million.

The financial health of the fund came up at a recent meeting of the West Virginia Manufactured Housing Construction and Safety Standards Board.

Members of the West Virginia Housing Institute Inc. sought to know whether money from the fund could be used on education programs for the public concerning the industry, but the State Board declined to act.

“Extraordinary consumer program” — State Board member Bob Miller



Miller

The industry’s creation of the fund was a selfless act, said board member Bob Miller of Charleston. “I think it’s an extraordinary consumer program, extraordinary,” Miller said.

Miller and board member Steve Solomon of Morgantown said the assets should be reserved to protect the public.

Mitch Woodrum, director of the manufactured housing section of the state Division of Labor, said 61 firms licensed by the State Board have gone out of business since 2002,

including 46 retail dealers, six manufacturer and nine contractors.

In that time, to protect 186 consumers that could have been hurt by those closings, the recovery fund paid out \$648,319.32

Would you work for \$385-an-hour?

CHARLESTON — A case in which a lawyer received legal fees far in excess of what his client was awarded is scheduled to be heard by the West Virginia Supreme Court.

At issue is whether it is reasonable for a lawyer to collect more than \$400,000 in legal fees for a case that generated a \$29,000 award for his clients.

Appealing from a 2004 decision in Roane County Circuit Court is Fleetwood Homes of North Carolina, which is represented by Charleston attorney Johnnie E. Brown, associate general counsel to the West Virginia Housing Institute Inc.

The legal action contends the fees awarded to Charleston attorney David Grubb, a former state senator from Kanawha County, at a rate of \$385-an-hour, are unreasonable.

Terry and Carl Milam sued Fleetwood over the sale of a factory-built house. They were awarded \$29,616 in the case. The court told Fleetwood to pay Grubb’s legal fees.

Brown’s client originally made a settlement offer that was only \$650 short of what the jury finally awarded the Milams, but it was rejected.

Grubb claimed 895 hours directly related to the case through June 20, 2006, and those hours climbed to 1,213 with all those over the first 895 dealing only with Grubb’s legal fees.

No date has been set for arguments.



Grubb

Why is this man smiling?

(From p. 1 Image)

enhance the consumer buying experience with retailers through establishment of best practices with a focus on aesthetics of sales centers; create a dedicated website that would be consumer focused and help generate potential customer leads; and develop a public relations and marketing plan to support the website, Armstrong reported.

Steve Brown of Hurricane, co-president of the West Virginia Housing Institute Inc., was a prime mover in winning NRC’s and MHI’s approval for the image campaign. WVHI’s board of directors also voted to support the recommendation by the retailers’ council.

The money was to go to a national campaign aimed at improving the industry’s image. The assessments were to be imposed on every retailer, even those who were not members of a state association.

(From p. 1 talks)

will take those items to the State Board and separate committees will be established for the informal talks.

Cook’s action came after the state Ethics Commission agreed informal talks between regulators and those they regulate was permissible.

Kevin Wilfong, co-president of WVHI and a leading advocate for the informal meetings, welcomed the decision by Cook. “We are very pleased,” Wilfong said. “We are working to develop our relationship with the State Board and think this can only help both sides be more comfortable with each other.”

WVHI Co-President Steve Brown agreed. “The relationship (between the boards) has gotten to the place where it is really working and really working well,” Brown said.

Nitro says yes to factory-built housing location

NITRO –Nitro, which has wrangled with the industry over whether manufactured housing is acceptable in the city, has agreed to the placement of a factory-built home in town.

The action came after discussions with Charleston attorney John R. Teare Jr., general counsel for the West Virginia Housing Institute Inc.

Teare insisted to town officials that a 2006 law banning discrimination by municipal governments against locating manufactured housing in towns solely on the basis it is factory-built trumped the town’s restrictive ordinance.

The western Kanawha County town conceded the issues after talks with Teare and said it would allow the home for Teare’s client, Timothy McClanhan.

Financing concerns top MHI agenda

On Nov. 14 MHI Officers and staff met to discuss the recent developments in floor plan lending availability.

MHI wants to assure members that the organization is exploring several options to improve the floor plan lending environment. As a result of the call on Friday, MHI has outlined an immediate course of action for members, and several areas that MHI intends to aggressively pursue in the coming weeks.

IMMEDIATE:

-- MHI strongly encourages retailers to make contact with their local banks to access financing and establish/reinforce relationships. To access a list of banks near you, contact the community bankers association in your state, a list of these associations is available at: <http://www.icba.org/aboutICBA/index.cfm?ItemNumber=614&sn.ItemNumber=1738>.

-- The Small Business Administration (SBA) has a program that guarantees inventory acquisition loans made by commercial lenders, authorized under Section 7(a) of the Small Business Act, aimed at providing business loans to American small businesses. It is commonly referred to as "the 7(a) program."

The SBA works with lenders who structure their own loans by SBA's requirements and who apply to receive a guaranty on a portion of the loan. The maximum loan amount is \$2 million of which 75% is guaranteed by the SBA. The interest rate and guaranty fee vary depending upon an array of factors.

The link to the list of SBA-approved 7(a) lenders for most states is available online at: <http://www.sba.gov/localresources/index.html>, choose your state, then click 'financing.' For more information, contact the SBA at (800) 827-5722.

LONGER TERM:

-- MHI will work with other trade organizations whose members are comprised of smaller, inventory-based businesses to raise the awareness at the Treasury Department and in Congress about floor plan lending's role in providing jobs, preserving small businesses and contributing to the economic health of our nation.

-- MHI will petition the U.S. Treasury Department to meet with us to discuss a solution to the lack of credit availability for floor plan lending, underscoring its adverse impact on affordable housing and jobs. We will emphasize the importance of the secondary markets to accommodate the needs of floor plan lenders.

-- MHI will contact the Private Equity Council to identify potential sources of private equity financing for floor plan loans.

MHI will conduct a call with our state executive partners on Thursday, November 20th at 3 p.m. eastern to ensure we answer any questions they may have and to ensure a coordinated approach to tackling this issue.

We will be in contact with our members to update you on our efforts to address this situation. **If you have a specific suggestion on this issue, please contact Tom Beers, MHI's VP of Housing Finance, at tbeers@mfghome.org.**

We especially appreciate your membership during these trying economic times.



West Virginia Manufactured Housing Construction and Safety Standards Board at work. At right is Labor Commissioner David Mullins

Land use lawsuit filed in Jefferson County by park owner

CHARLES TOWN – Manufactured home park owner Lee Snyder of Ranson has filed a lawsuit with others challenging a new land use ordinance adopted in West Virginia’s easternmost county.

Snyder, a member of the West Virginia Housing Institute Inc., believes the Jefferson County ordinance discriminates against the location of manufactured housing in Jefferson County. Snyder owns a manufactured housing park at Shenandoah Junction.

“I believe it would ban the homes in any place other than mobile home parks,” said Snyder, who is also a developer. His brother, Herb Snyder, also a park owner, was just elected to the state Senate from Jefferson County. “That’s my view of it and I think it’s a reasonable view.”

The lawsuit was filed in November, just a month after the county commission on Oct. 2 adopted the land use ordinance on a 4-1 vote. The suit was filed by Snyder’s companies, Oak Meadow LLC and Jefferson Utilities, Inc.; and three others, Arcadia Building Co.—

West Virginia, Arcadia Development Co. and Arcadia-Harvest Hills LLC.

Snyder said county officials do not believe the ordinance is as restrictive as he sees it. County officials earlier told WVHI they do not believe their ordinances are restrictive toward manufactured housing placements.

WVHI has been in the forefront of resisting land use ordinances in the county, including impact fees. Jefferson County is the lone county in the state with impact fees.

Morgan County attorney Richard Gay of Berkeley Springs (304) 258-1966 is handling the litigation on behalf of Snyder.

In addition to suing the county commission, the lawsuit names the county planning commission as a defendant.

Other county residents have begun a petition drive to place the ordinance before the voters.

WVHI assisted successful efforts this year in adjacent Berkeley County to defeat a land use ordinance in that rapidly growing area.

Snyder wins in Senate; Coria loses in House

CHARLESTON — A friend of the factory-built housing industry has returned to the Senate while another proponent failed to win her first race for the House of Delegates.

Former state Sen. Herb Snyder, D-Jefferson, is returning to the Senate after a four-year absence. He defeated Republican Bob Adams 16,638 votes to 15,154.

Snyder, who owns manufactured housing parks in the Eastern Panhandle, is a Democrat who was supported by the West Virginia Housing Institute Inc.

Snyder, who was defeated four years earlier in a re-election bid, has pledged to fully support the industry while serving another term in the Senate.

On the other hand, Karen Coria, who owns a manufactured housing park in Putnam County, was defeated in her first run for public office.

Coria is the wife of the late Leff Moore, former executive director of the West Virginia Manufactured Housing Association, a precursor to the WVHI.

In a four-way race, Coria, who is a lobbyist at the Legislature, was last.

Delegates Patti Schoen and Troy Andes, both R-Putnam, were elected. Coria another newcomer Democrat, were not elected.

Coria and Schoen were both supported by WVHI.



**WEST VIRGINIA
HOUSING INSTITUTE INC.**

PO Box 2182
Charleston, WV 25328-2182
Phone (304) 346-8985
Fax (304) 346-8986
Email: andy_wvhi@verizon.net
www.wvhi.org

P R O V I D I N G T H E
A M E R I C A N
D R E A M

COME JOIN NOW!!! CUT AND MAIL – MEMBERSHIP DATA

Firm Name: _____
Street Address: _____
Mailing Address: _____
Telephone (____) _____ Fax (____) _____
Home Phone (____) _____ Email _____

DUES STRUCTURE:

MANUFACTURER: Dues shall be Fifty Dollars (\$50.00) per floor for each home shipped within the State of West Virginia to dealers, contractors, retailers or sales locations in West Virginia. These dues shall be remitted to the West Virginia Housing Institute, Inc. on a monthly basis.

_____ We will send \$50.00 per floor shipped to West Virginia on a monthly basis.

RENTAL COMMUNITY AND CONTRACTORS:- Per Annum

_____ \$100.00

ALL OTHER CATEGORIES: - Per Annum

_____ \$250.00

_____ Title _____

Signature

Please Remit To:
WVHI
PO Box 2182
Charleston, WV 25328-2182