



WEST VIRGINIA  
HOUSING  
INSTITUTE INC.

Volume 7 No. 5

# Home on the Road



*Voice of West Virginia's factory-built housing industry*

October  
2011



## Long, Robertson leave MHI

Manufactured Housing Institute President Thayer Long is leaving MHI for another job in Washington.

He is the third president to leave the national manufactured and modular housing association in the last six years.

Long is the former head of the modular section at MHI who was promoted to the leadership position when Gail Cardwell left the Arlington, Va.-based group.

"Over the next several weeks, we will be working with Thayer, the MHI leaders and our excellent staff on a smooth transition of Thayer's duties," MHI Chairman Joseph Stegmayer said. "The MHI leadership will also begin the search for Thayer's replacement.

"Rest assured, MHI has extremely capable and professional staff. They will continue to move the priorities of the association forward and will continue to serve our members well," Stegmayer said.

(Continued on p. 4)



*Maple leaves in West Virginia*

## Shipments down April-August

Manufactured homes shipments have been off in West Virginia from April through August 2011 when compared to the same time period last year.

March shipments totaled 154 floors, or up from the 106 shipped in March 2010.

However, April shipments were down 15.3 percent from the previous year, May shipments were down 19.5 percent, June was short 6 percent, July slipped 27.4 percent, and August was off 13.8 percent.

August is the last full month for which shipments have been tabulated.

A total of 187 floors, including 41 single-wides, were shipped to West Virginia in August, compared to 217, including 47 single-wides, in August 2010.

## Industry in uphill struggle over federal legislation

PHOENIX – It is unlikely the manufactured housing industry alone has the political power to modify either of two major federal financial laws adversely affecting the industry, the chief lobbyist for MHI told the membership in October.

Powerful members of Congress are supportive of industry efforts to change one of the laws, known as the Dodd-Frank Act, but MHI cannot do it alone, according to Jason Boehlert, MHI vice president of governor affairs. The other is the SAFE Act.

House Financial Services Committee Chairman Spencer Bachus, R-Ala. through whose committee reforms to both laws would have to come, is opposed to Dodd-Frank, but was an "architect" of the SAFE Act, according to Boehlert.

Rep. Barney Frank, D-Mass. and namesake of Dodd-Frank, "has agreed there were consequences for the manufactured housing industry not contemplated" as a result of Dodd-Frank, "but he is willing to make only limited changes," Boehlert said. Frank has made a pledge only to support changes for the manufactured housing industry.

(Continued on p. 5)

# THE PODIUM

## Changes to the SAFE and Dodd-Frank acts should be a priority for us all



Gunnell

By George Gunnell  
WVHI Co-President

Elsewhere in this publication you can see MHI's concerns in Washington about the chances of us acting alone to make major changes in either the SAFE Act or the Dodd-Frank Act, both pieces of federal legislation aimed at banking reform.

Unfortunately, with Congress, this was the shotgun approach to something that might have been done in a more delicate manner and our industry has suffered as a result, and will continue to do so. I have got to believe that many of the members of Congress — Democrats and Republicans — could not have foreseen some of the outcomes of these laws.

How and why a relatively small segment of the business world, namely our industry, got swept up in this is what happens when all-encompassing reform legislation passes. I often think reform is a word that sounds clean, but certainly looks different depending on who or what is being reformed and where one stands on the changes.

We do need Congress to review both of these laws. That is not an unusual thing. Often, legislation is passed and those being regulated deal with it for a year. Then they return to the Legislature or Congress and make changes that can be mutually agreed to.

The problem is the atmosphere in Washington is toxic these days. Partisanship has replaced statesmanship, it seems to a layman like me.

We are blessed in West Virginia to have a good state Banking Commission that has been willing to work with us on the SAFE Act in the past and deal with us in a reasonable manner. The commission's lawyer is Bob Lamont. He is the man we have been working with and he has been excellent. Also we have enjoyed extraordinary cooperation from ex-Gov. and now U.S. Sen. Joe Manchin, and Gov.-elect Earl Ray Tomblin. We feel good about relations in West Virginia.

Things are not so well on the national level, although there we have class congresspeople, including Manchin and Rep. Shelley Moore Capito, R-W.Va. New congressman Rep. David McKinley, R-W.Va., works strongly for business; and longtime Rep. Nick Joe Rahall, D-W.Va., has been a strong advocate of our industry, as has Sen. Jay Rockefeller, D-W.Va.

So, MHI is going to need the help of all of us to ask our congressional representatives to look at the SAFE Act and Dodd-Frank from a nonpartisan position and for the good of the nation.

After all, a strong business community means a strong nation, doesn't it? Business is good for the nation, not bad. Each of us must do his or her part to get these laws before our representatives. I hope you will help me to contact them and ask that they all reconsider what they have done here.

Thank you all and have a bountiful Thanksgiving.



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](http://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.

## FedEX discount for MHI members

As an MHI member you are now eligible to receive valuable discounts of up to 26% on select FedEx® shipping services and business services and up to 70% on FedEx Freight® and FedEx National LTLSM services.

- FedEx Express®: from 15% to 26% on select services
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Participating MHI members have already saved more than \$8,600 this year alone. To enroll visit [enrolladvantage.fedex.com/4749](http://enrolladvantage.fedex.com/4749) and enter passcode WVP8Z3; for more information or to enroll. If you have additional questions, please call 1-800-MEMBERS (1.800.636.2377, 8 a.m.-6 p.m. EST, M-F) to speak to a member service representative.

## Other MHI discount programs

Did you know that you can save on products and services through MHI? Listed below are just a few of the savings opportunities available to MHI members:

### Sears

MHI and Sears have teamed up to offer MHI members substantial savings from Sears Commercial Marketplace.

Members can save 5-50 percent on the largest selection of products including energy saving appliances, Craftsman® tools and more.

There are more than 50,000 items available in this program. For more information, please visit [www.manufacturedhousing.org/about\\_us/Member\\_Discount\\_Program.asp](http://www.manufacturedhousing.org/about_us/Member_Discount_Program.asp).

### HP Member Savings Program

MHI members can enjoy special pricing and great discounts on a wide range of HP business products you use every day, including printers, notebooks, PCs, servers, and so much more!

Plus, MHI members receive free US ground shipping, flexible financing and leasing options, a specially trained sales team, and award-winning service and support.

For questions or to order by phone, call 1-888-202-4465 and mention code MHI. To shop online, visit [www.hp.com/go/mhi](http://www.hp.com/go/mhi).

## Community ideas: Rent Deferral

A tool a community owner might want to consider is a “rent deferral program” to assist elderly community homeowners who rent their space in a community and cannot meet increased rents.

Robert Coldren of the southern California law firm of Hart, King & Coldren said the program is a good public relations tool to show legislators and others that a community owner is concerned for the financial stability of his or her renters.

It also helps maintain longterm tenants.

The program was devised for community owners who are adjusting up their rents, but who still want to be fair and protective of those unable to make higher payments.

The deferral is added to the renters permanent rent statement, but does not have to be paid until the person sells his or her home or plans to move. Then the deferred rent must be paid in full.

Criteria should be drawn up concerning eligibility standards. You can look at the person’s income level, or any number of standards. “You know who is in need in your park,” Coldren said.

It should not be available, for example, to a tenant who loses his or her job. But it can provide for a modest break on rent and allows the community owner to recoup the rent when the person is leaving.

The program should be explained to everyone in the park, but Coldren said “you would be amazed how many will not take advantage of the program – no more than 10 percent – but it creates an amazing amount of goodwill.”

The program should have a requalification clause that must be met each year. The community owner also should obtain a release from the tenant to bind the tenant’s heir or successor to the payment. The contact also should include an arbitration and mediation agreement. “You design the program and tell residents in writing you have a deferral program,” he said.

## Great Meetings. . .inside or out!



### Now is the time to discover, or rediscover, Oglebay

Wilson Lodge at Oglebay recently completed an extensive expansion project adding 59 new premium rooms and the new West Spa. The lodge offers fine and casual dining, wireless Internet, business center, indoor pool, jacuzzi & fitness room.

Surrounded by 1,700 acres of picturesque natural beauty and abundant recreational opportunities, Wilson Lodge provides a unique atmosphere for corporate meetings, conferences, retreats and outings. Our first-rate facilities and professional staff allow you to relax and rejuvenate, and that inspires successful and memorable meetings.



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The southern half of West Virginia and the Eastern Panhandle see the peak of fall colors in late October, according to the Division of Natural Resources.

Early and heavy rains may dampen the magnificent colors in the Mountain State.

**Home on the Road Newsletter**

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# GOP senators seek to repeal Dodd-Frank

From *Housingwire*

WASHINGTON -- A jobs bill introduced by Republican senators in October aims to cut individual and corporate taxes along with repeals of major regulations, including the Dodd-Frank Act.

The bill introduced by Sens. Rand Paul and Mitch McConnell, both R-Ky.; John McCain R-Ariz.; and Rob Portman, R-Ohio, is the latest effort to repeal the financial reform law. Rep. Michele Bachmann, R-Minn., attempted to earlier in the year, but the bill went nowhere, even in the Republican-controlled House.

Top Democratic senators say they will not allow Republicans to dismantle Dodd-Frank. They point out banks operated without the rules within it leading up to the crisis, which resulted in millions of foreclosures, still declining home values and mass layoffs.

The proposal absorbed other bills to not only repeal Dodd-Frank but the Obama health care overhaul as well.

The Institute of International Finance estimated in June 2010 that Dodd-Frank would cost the economy 4.6 million jobs by 2015, based on the institute's modeling.

The bill also lowers the corporate tax rate and top-income tax rate to 25 percent while putting a moratorium on any new regulations. It also attaches a balanced budget amendment Democrats opposed during the most recent debt ceiling debate and grants the president line-item veto power.

Republicans said their proposal would result in 5 million new jobs, though they give no time span.

MHI leaders from p. 1

The announcement was made during MHI's meeting in Phoenix in October.

Also leaving is Deborah Robertson, a lawyer with the law firm of McGlinchey Stafford PLLC of Albany, N.Y. Robertson worked on the SAFE and Dodd-Frank acts for MHI as well as with the national regulators at the U.S. Department of Housing and Urban Development.

Marc Lifset, another attorney with McGinley Stafford and who has worked with MHI staff, will assume Robertson's duties. She is moving to California to work for Toyota Motor North America Inc.

Long was well known within the industry for his outreach efforts to ensure the membership was closely aware of what was happening in Washington. His staff frequently had telephone conferences with state executives to keep them aware of problems the industry faced and how it was dealing with them.

Robertson was a very technically efficient attorney who knew both complicated federal banking acts with great accuracy.

Nevertheless, for any changes to be enacted, they would have to pass a Republican-controlled House of Representatives, a Democratic-controlled Senate, and then be signed into law by President Obama, who is not inclined at all to change either act, Boehlert said.

“There’s not much chance we are going to get change,” Boehlert told the MHI Financial Services Committee meeting on Phoenix. “We are in strategic retreat.” Later he said, “We are in a holding pattern probably until there is an improvement in the economy.”

Dodd-Frank has multiple provisions, many of them dealing with home financing and interest rates, which MHI would like to modify.

One of the key problems with the SAFE Act is its requirement that states enact laws forcing manufactured housing sales staff in most states to become licensed mortgage bankers to process loans. West Virginia state law has an exemption to that provision.

The SAFE Act also requires community owners who finance their own loans to cover the sales of manufactured homes within their parks to be licensed as mortgage bankers. MHI is seeking an interpretation that would allow at least five community owner-financed sales to take place before the owner must be licensed. A final interpretation of that issue is pending, according to Deborah Robertson, an Albany, N.Y., attorney who has assisted MHI with the issue.

On other matters:

--“The banking crisis is more significant today than in the Great Depression, said Scott MacFarlane, vice president for national sales operations for U.S. Bank Manufactured Housing Finance.

Because of changes in banking laws, he said, 19 percent of the people who qualified for home loans in 2007 would “no longer qualify for a mortgage. That’s a pretty staggering number.”

A national group that promoted the SAFE Act, the Conference of State Banking Supervisors, is “not happy with the SAFE Act and wants to strengthen it at the state level. If the CSBS get a head of steam, they are going to pressure the state banking regulators,” MacFarlane warned.

Industrywide, he added that chattel sales are now performing better than land-home sales.

Single-section home sales are also being favored and have undergone an increase of 10 percent to 15 percent.

Tim Williams, head of 21<sup>st</sup> Mortgage Corp., an industry leader, said no chance exists under Dodd-Frank for the industry to obtain any relief from escrow requirements on loans.

MHI also reports:

--Partisan politics is so severe that nothing is going to be accomplished by Congress

--It is working hard to re-establish the Manufactured Housing Caucus in the Senate, where it has languished.

--The administration has kicked back to Congress possible changes in the makeup of the federal home-loan agencies Fannie Mae and Freddie Mac. Republican plans to do away with both and replace them with something else is unlikely to happen at least until after the 2012 election.

--It is “working hard” to return energy standards for manufactured housing to the U.S. Department of Housing and Urban Development. Authority over manufactured housing energy issues was transferred to the U.S. Department of Energy under the Energy and Independence Security Act of 2007.

--The energy efficient home credit of \$1,000 for HUD-code and \$2,000 for modular homes remains set to expire at the end of this year. “It is going to be difficult to get it extended,” said Rae Ann Bevington, MHI vice president for legislative and political affairs.

--The issue of mandatory installation of weather radios in manufactured homes has returned to Congress since Bachus is sponsoring the legislation.

--A number of other regulations being reviewed by HUD are not going to be issued any time soon, according to Los Starkey, MHI vice president for regulatory affairs.

## 21st Mortgage Corp. call to arms on Dodd-Frank Here's the way to do something

**Will you wish to sell or trade-in your home in the future?**

**The Dodd-Frank Act could take that freedom away from you.**

The Dodd-Frank Act is a broad, complex federal statute that was passed by Congress and signed into law by President Obama on July 21, 2010. It is the most comprehensive financial reform law that has been passed since the 1930s. The purpose of the Dodd-Frank Act is to enhance the ability of the federal government to identify risks in the nation's financial sector by increasing regulatory oversight.

As with any federal law this large and extensive, there will be unintended consequences that need to be addressed. Unfortunately, manufactured home owners and prospective buyers will be especially harmed by this law as it is currently written.

**How the Dodd-Frank Act could affect you:**

--Severely limits financing for low to moderate credit score buyers and for homes valued under \$50,000. The buying or selling of new and used manufactured homes will become very difficult.

--Lack of financing will limit new home sales, thus slashing American jobs that are currently dedicated to building high quality manufactured homes.

--New restrictions could be placed on manufactured home loans that will make them much more expensive for potential home owners.

The Dodd-Frank Act must be amended so that these consequences do not become a reality.

**You can help!** Let your state's senators and representatives know how you feel about the Dodd-Frank Act and its effect on manufactured home owners. The link below will assist in emailing or mailing your congressmen and letting your voice be heard.

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## State regulatory board action

A manufactured housing dealer's license was rejected while approval was granted for finishing work on three homes during the most recent meeting of the state's factory-built housing licensing board.

The West Virginia Manufactured Housing Construction and Safety Standards Board refused a license on Oct. 13 to Alta Cima Corp, doing business as Factory Expo Home Centers, of Chandler, AZ.

During its July 12 meeting, the State Board imposed a fine of \$1,000 on Factory Expo Home Centers of Garrett, Ind., for operating in West Virginia without a valid license and told the company to cease selling homes in the state until it was licensed.

Mitch Woodrum, director of the manufactured housing section of the state Division of Labor, said at the time his office would continue to investigate the operation of the company, saying he wants to determine who is installing homes for the firm.

He did not give a reason for the latest rejection.

The board did approve repairs for three homes uncompleted when their manufacturers went out of business. The payment fund was voluntarily set up by the industry years ago to ensure consumers were protected when manufacturers went out of business.

The approvals were for repairs on homes for Wayne and Candace Donaldson of Weston, Jeremy Johnson of Orgas, and George Coe of Leroy.

The board scheduled its next meeting for Dec. 1 at the Capitol.

## If you are not on the internet, You are losing 90 percent of potential customers

Ninety percent of all manufactured homes purchased these days start with a search on the internet, according to information provided to a national factory-built housing conference in April.

"If you are not on the internet, you are losing 90 percent of your potential customers, said Drew Peters with Manufactured Home Source of Incline Village, Nev., an internet source for the manufactured housing industry.

Research has shown that most people who buy a home started their search for that home by looking on the internet.

In total, 4 ½ million internet searches are made each month concerning factory-built housing.

**Facebook**  
is picking up  
250,000  
new customers daily.

He said it is essential for retailers to:

--Updated their websites to ensure they have a professional look and to help assist prospective buyers.

--Be listed with online directories to help direct people looking for manufactured housing retailers to their sites.

--Encourage their manufacturers to list the retailer on their website and provide a link to the retailer's website.

Derrick Hachey, who works for the same company, provided a breakdown on important social media sites that retailers may want to participate in to develop their sales.

The largest of these is known as Facebook, which is picking up 250,000 new users daily. Its usage is fastest among those 55 and older. It is a communications tool for maintaining contacts.

The second is Twitter, which is designed primarily for cell phones and is akin to a headline service. A retailer can post Twitter headlines that announce sales or other important items and then have a link to their websites.

Another is "YouTube," which involves videos. Hachey said a retailer can develop an attractive five-minute video and post it on YouTube to attract new customers and at no cost.

Major companies, such as Century 21, eliminated all their television ads, for example, and have put their advertising into the internet, particularly using YouTube.

The final program is LinkedIn. It is used less extensively than the others, but is used primarily by people with a higher income. The average income of a LinkedIn customer is \$109,000.

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