



June 11, 2008

The Honorable Barney Frank  
Chairman  
Committee on Financial Services  
U.S. House of Representatives  
2129 Rayburn House Office Building  
Washington, DC 20515

The Honorable Spencer Bachus  
Ranking Member  
Committee on Financial Services  
U.S. House of Representatives  
B-371A Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Frank and Ranking Member Bachus:

The Manufactured Housing Institute (MHI), the national trade association representing all segments of the manufactured and modular housing industries, including manufactured and modular home builders, suppliers, retailers, community developers, owners and managers, insurers, and financial services providers, would like to commend the committee for holding this hearing examining H.R. 6078, the Green Resources for Energy Efficient Neighborhoods Act of 2008. H.R. 6078's intent is to provide incentives to lenders and financial institutions to provide lower interest loans and other benefits to consumers, who build, buy or remodel their homes and businesses to improve their energy efficiency. We respectfully request that this letter be made part of the official hearing record.

The factory-built construction process has enabled the manufactured housing industry to be at the forefront of developing energy efficient building processes and products while preserving the affordability for current and future homebuyers. Approximately 130 out of 190 manufacturing facilities across the nation today are certified to build EnergyStar manufactured homes. In addition to building homes that are energy efficient, the factory process enables the industry to build homes more efficiently making it a leader in resource conservation since long before the green building movement. For example, the factory construction process generates much less construction waste, about 30 percent less waste than a comparably-sized site-built home.

MHI is supportive of ongoing innovative research and development efforts that are resulting in improved performance, durability, energy efficiency and safety of our homes while reducing costs to the consumer in the short and long-term. While strong proponents of green building methods and reducing overall energy consumption, MHI has reviewed H.R. 6078 and has several serious concerns regarding its impact on the manufactured housing industry.

One of the key concerns MHI has with H.R. 6078 is making manufactured homes eligible for the programs outlined in the legislation. H.R. 6078 forces manufactured homes to comply with two separate national building codes: the HUD Code and the National Fire Protection Association standard 501 (NFPA 501), for additional credit. The latter standard is not used to construct manufactured homes and does not provide green building guidance – nor is there any substantiation to that building manufactured homes to NFPA would increase performance or yield a “greener” home. Manufactured housing facilities are not set up to produce homes that comply with NFPA 501 and therefore additional training, quality assurance measures, compliance inspections and so forth would be required. Designing and constructing a home to comply with two separate codes would be overly burdensome and cost prohibitive thus driving manufacturers from the marketplace. Fewer manufacturers means less competition and higher home prices for low- and moderate-income homebuyers.

The legislation also calls for Fannie Mae and Freddie Mac to purchase loans for homes that meet certain green building standards thus creating new de facto conforming loan standards in the marketplace. MHI believes that amending the charters of Fannie Mae and Freddie Mac to promote green building will distract these entities from their primary function of enhancing liquidity in the secondary market in order to promote affordable home finance.

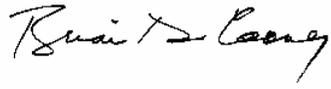
H.R. 6078 would also require the Federal Housing Administration (FHA) to insure \$1 billion worth of energy efficient homes. Again, H.R. 6078 would mandate that eligible manufactured homes be built to two different standards: the HUD Code and NFPA 501, and additionally would require these homes to be built to a third standard – the EnergyStar rating for wall fixtures, appliances, and equipment. These requirements would be, as stated above, overly burdensome and duplicative while increasing production of the home and add to increased costs for consumers.

MHI also believes that the singular focus of FHA to promote sustainable, affordable homeownership should not be diluted, especially in the current housing environment. FHA reform and foreclosure avoidance legislation will impose several new requirements upon FHA that will help current homeowners and future homebuyers alike to be able to stay in their homes. Thus, now is not the time to require FHA to focus its energies upon insuring mortgages on energy efficient homes. Such a requirement could have severe consequences upon FHA’s mandate to assist the homebuyers it was created to serve.

Finally, MHI has concerns regarding the lack of alternative green building guidelines and standards in this legislation. While H.R. 6078 does contain provisions in which alternative programs can be established, the provision does not establish a process, criteria or timeline for HUD when considering and approving alternative green building guidelines and standards.

Thank you for taking our views in mind as H.R. 6078 continues through the legislative process. Should the committee have any questions, please contact Colin McLaurin at [cmclaurin@mfgghome.org](mailto:cmclaurin@mfgghome.org) or 703-558-0659 or Jeff Inks at [jinks@mfgghome.org](mailto:jinks@mfgghome.org) or 703-558-0654.

Sincerely,

A handwritten signature in black ink that reads "Brian Cooney". The signature is written in a cursive style with a large, stylized initial "B".

Brian Cooney  
Senior Vice President  
Public Policy and Government Affairs

Cc: The Honorable Ed Perlmutter  
The Honorable Joe Donnelly  
The Honorable Tom Feeney