



November 3, 2025

The Honorable Bill Pulte
Director
U.S. Federal Housing (FHFA)
400 7th Street SW, 9th Floor
Washington, D.C. 20219

**RE: Manufactured Housing Institute (MHI) Comments on Federal Housing Finance Agency
2026–2028 Enterprise Housing Goals Proposed Rule [RIN 2590–AB59]**

Dear Director Pulte,

The Manufactured Housing Institute (MHI) writes to submit comments in response to Federal Housing Finance Agency's (FHFA) (U.S. Federal Housing) proposed rule to establish housing goals for Fannie Mae and Freddie Mac for years 2026 through 2028. We commend you for your steadfast leadership in elevating manufactured housing as a central part of the national housing conversation. Under your direction, the Enterprises have taken meaningful steps to recognize and support manufactured housing, including changing policy to allow for industry innovations such as the single-section CrossMod home. We are grateful for your consistent advocacy in public forums, webinars, hearings, and meetings, and for your willingness to speak openly about the value of manufactured housing for homeowners. It is refreshing to have a director with firsthand experience in manufactured housing and a business perspective that recognizes the importance of private sector solutions to housing supply challenges. Your commitment to assessing how best to achieve meaningful outcomes for families is making a real difference for those in need of homeownership solutions.

MHI is the only national trade association that represents every segment of the factory-built housing industry. Our members include builders, suppliers, retail sellers, installers, community owners, community managers, and others who serve our industry, as well as 48 affiliated state organizations. Our industry is on track to build more than 100,000 homes this year, accounting for approximately 9 percent of new single-family home starts. These homes are produced by 39 U.S. corporations in 151 homebuilding facilities located across the country. Today, MHI's home builder members represent over 90 percent of all manufactured homes constructed.

Manufactured housing is the most affordable homeownership option for American families. Last year, the average price of a manufactured home was \$123,300, compared to approximately \$406,000 for a site-built home (excluding land). The average income for a manufactured home buyer was about \$63,000, while the average income for a site-built home buyer exceeded \$143,000. This underscores the importance of Fannie Mae and Freddie Mac actively supporting manufactured housing as a central component of their housing mission. We encourage you to ensure manufactured housing is specifically prioritized in this rule to ensure that Fannie Mae and Freddie Mac are effectively serving families seeking attainable homeownership.

MHI understands that you are adjusting the approach to the Enterprises' housing goals and we recognize that these goals are just one tool among many for advancing their housing missions. Because manufactured home loans are disproportionately made to low- and very low-income borrowers, a clear emphasis on manufactured housing as integral to the work of the Enterprises is necessary and appropriate. To that end, we urge you to require the Enterprises to reinforce their commitment to manufactured housing and fully leverage existing tools to support manufactured housing. Any housing plan developed by the Enterprises must expressly reflect the reality that manufactured housing is the most affordable homeownership option for American families.

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As outcomes prior to your leadership have demonstrated, referencing only the Enterprises' overall single-family or multifamily loan purchases in goals, targets, or action items is not sufficient to ensure meaningful attention to manufactured housing. Congress underscored this by specifically naming manufactured housing as one of three core responsibilities in the Duty to Serve mandate in 2008—a clear recognition that broad, undifferentiated housing finance activities are not sufficient. As you work to refine the Enterprises' housing goals and broader strategy, we hope you will ensure that manufactured housing is not only preserved but strengthened as a central component of the Enterprises' work. This means fully leveraging Duty to Serve, increasing loan purchases, supporting product innovation, and eliminating barriers that prevent meaningful engagement with this critical segment of the housing market.

Below are specific recommendations for immediate actions the Enterprises can take to strengthen their commitment to homeownership through manufactured housing:

1. Eliminate the 50-Basis Point LLPA Add-On for Manufactured Home Loans.

MHI commends Director Pulte for the recent announcement regarding U.S. Federal Housing's review of the Loan Level Pricing Adjustment (LLPA) matrix used by Fannie Mae and Freddie Mac. We also appreciate the Director's transparency in acknowledging that LLPAs are essentially pricing fees that increase the cost of mortgage loans, and his commitment to evaluating changes that could make homeownership more affordable.

For years, MHI has consistently raised concerns with prior FHFA leadership —through comment letters and direct engagement—about the 50-basis point LLPA add-on applied to manufactured home real property loans. We have repeatedly called for a thorough examination of whether these loans truly present higher risk that would justify such a fee. If the review finds that the risk does not warrant the add-on, we ask for the elimination or reduction of the LLPA accordingly. Removing this unnecessary and unjustified pricing penalty would be a meaningful step toward improving affordability for the homes that already offer the most cost-effective path to homeownership. We urge U.S. Federal Housing to act swiftly to remove this unwarranted fee, ensuring that manufactured homebuyers are not unfairly penalized.

2. Reassess Enterprise Approach to Support for Manufactured Home Communities.

Tenant lease protections have traditionally been governed by state and local laws. In recent years, however, Fannie Mae and Freddie Mac have imposed Tenant Pad Lease Protections for homeowners renting the land beneath their homes in communities financed through Enterprise-backed loans. While these requirements may be well intentioned, they frequently conflict with existing state and local statutes, creating legal and operational challenges for community owners.

In addition to these conflicts, the Enterprises have implemented burdensome compliance and monitoring systems to enforce the pad lease protections. These systems are costly, complex, and have proven to be a significant deterrent to community owners considering Enterprise financing. At the end of the day, these requirements offer no real consumer benefit in states where robust tenant protections already exist.

As a result, many community owners are opting out of Enterprise financing altogether, which undermines Fannie Mae and Freddie Mac's ability to support the manufactured housing market and fulfill their affordable housing mission. MHI calls for a review of the pad lease protections and a consideration of alternative approaches that better align with state laws, reduce compliance burdens, and more effectively support both consumers and the communities that serve them.

One area where tenant protections should be significantly strengthened is in Enterprise loans to communities operating under the Limited Equity Ownership (LEO) model—often referred to by prior administrations and the Enterprises as “Resident Owned Communities.” In the past, Enterprise support in this area was directed to communities that were not truly resident owned – entities give the appearance of resident ownership but, in practice, residents are led to believe they own their communities but they have no real equity stake in the land, no control over resale proceeds, and limited governance rights.

Enterprise financing should no longer be extended to entities that claim to be resident-owned but fail to deliver meaningful land ownership or equity to the residents themselves. These models undermine the very purpose of manufactured housing as an affordable path to homeownership and community stability. For any loans already made to communities using the LEO model or, similar “resident owned” arrangements where residents do not truly own the land or benefit from its appreciation, U.S. Federal Housing should review these loans to ensure transparency and protection for the residents. This review should assess whether residents were adequately informed of the ownership limitations, the performance of the community since adopting the questionable model, the affiliate relationship between the “non-profit” entity and other service providers involved with the transaction and management of the community, and whether the financing aligns with the Enterprises’ affordable housing mission.

Further, the preferential treatment prior FHFA leaders and the Enterprises gave in recent years to community loans made to nonprofits and so-called “Resident Owned Communities (ROCs)” must be eliminated. With condominium associations, U.S. Federal Housing has rightly begun questioning whether these entities have the financial capacity to maintain aging infrastructure and respond to emergencies. The same scrutiny should have been applied to LEO manufactured housing communities. Unlike for-profit owners, communities operating under the LEO model often lack access to capital for critical repairs to roads, sewer and water systems, and other essential infrastructure. As these communities age, deferred maintenance leads to deterioration, directly harming homeowners through declining home values and reduced quality of life. These risks are not theoretical. In Cañon City, Colorado, manufactured home communities operating under the LEO model experienced financial instability, mounting mortgage debt, and management challenges. The residents did not receive an equity payout from the sale of the land that they had “purchased.” This situation erodes the fundamental concept of ownership: residents take on long-term financial obligations (mortgage debt, costs of infrastructure maintenance like streets, water, and sewer systems, and costs to preserve home inventory) without the financial gains of equity, resale value, or the autonomy that generally accompanies homeownership (i.e. appreciation). Effectively, they pay into a system that provides no tangible return once they move on.

We urge you to stop the Enterprise practice of supporting these LEO entities. Manufactured housing policy must be grounded in outcomes—not intentions—and financing should support models that deliver real stability, equity, and affordability to residents.

Finally, MHI notes a growing trend where community owners and operators include rental homes within their land-lease communities or they are developing all-rental communities. These developments reflect evolving consumer needs and market realities, particularly in areas where homeownership may not be immediately attainable. Historically, Fannie Mae and Freddie Mac have been reluctant to purchase loans for manufactured housing communities with higher levels of rental units. In some cases, their underwriting practices have failed to appropriately recognize the value of the rental units, resulting in loan-to-value ratios that do not reflect the full economic value of the community. Fortunately, in recent years, Fannie Mae has taken steps to develop innovative loan products that better support these types of communities. MHI commends these efforts and encourages both Enterprises to expand their support for affordable rental housing within manufactured home communities. We ask that you ensure that Enterprise loan policies support affordable rental units in manufactured housing communities and that financing is available to support their continued development and preservation.

Taken together, these issues underscore the urgent need for U.S. Federal Housing to reassess the Enterprises’ approach to manufactured home community financing. We appreciate your leadership to ensure policies are grounded in transparency, aligned with state laws, and focused on delivering real consumer benefits—not just well-intentioned frameworks. Whether addressing pad lease protections, misleading ownership models, or the treatment of rental units, the Enterprises must ensure their financing supports sustainable affordable housing outcomes. Manufactured housing communities have a vital role in serving lower-income families and Enterprise efforts should reflect that reality.

3. Increase the Enterprises' Volume of Purchases of Real Property Manufactured Home Loans.

As U.S. Federal Housing adjusts Enterprise housing goals, MHI urges you to reinforce the Enterprises' commitment to manufactured housing through other statutory mechanisms, most notably the Duty to Serve. Fannie Mae and Freddie Mac should fully leverage existing tools to support manufactured housing, which has long served as a critical pathway to homeownership for lower-income families. Manufactured housing is a proven solution to increasing housing supply with quality homes at attainable price points. Enterprise support must reflect that reality not just through product innovation, but through increased loan volume, broader accessibility, and full enforcement of Duty to Serve obligations.

A central component of the Duty to Serve plans is the numerical targets for purchasing real property manufactured home loans. These targets are not mere technical metrics; they reflect a statutory obligation to support affordable homeownership through manufactured housing. Historically, declines in Enterprise purchases of these loans were a key factor that led Congress to establish the Duty to Serve mandate in 2008. We hope U.S. Federal Housing will scrutinize and enforce this aspect of the Duty to Serve framework to ensure the Enterprises are meeting their responsibilities.

In addition to increasing loan purchases, we appreciate the Director's leadership in ensuring the Enterprises support our industry's innovation in expanding access to homeownership. MHI appreciates the Director's support for CrossMod homes through the MH Advantage and CHOICEHome programs. We applaud recent steps to address appraisal challenges and expand eligibility to include single-section CrossMod homes, which will help broaden the reach of this product. These efforts are constructive, and they must be scaled and sustained. With the recent update to the HUD Code allowing for 2-4 unit homes, the Enterprises should work to ensure these homes, and future HUD Code innovations such as homes built without a permanent chassis, are supported through their programs.

4. Develop a Flow Program for Securitization of Home-Only Manufactured Home Loans.

Seventeen years after Congress enacted the Duty to Serve statute requiring Fannie Mae and Freddie Mac to "consider" purchasing home-only manufactured housing loans, neither Enterprise has purchased a single one. Seven years ago, both Enterprises committed in their Duty to Serve plans to begin purchasing these loans but they have yet to follow through. This continued inaction represents a significant gap in fulfilling the Duty to Serve mandate. For example, Enterprise financing support is non-existent for residents purchasing homes in land-lease communities. Home-only loans are safe, widely used, and central to expanding homeownership through manufactured housing, including for manufactured homes sited on leased land.

MHI therefore renews its call for Fannie Mae and Freddie Mac to roll up their sleeves and develop a long-term flow program to securitize home-only loans. As U.S. Federal Housing considers the right approach to the Enterprises' housing goals and broader engagement in affordable housing, we urge you to ensure efforts focus on homeownership for consumers, not just community-level transactions. This means supporting financing that enables families to purchase homes. A well-functioning secondary market for manufactured housing loans would reduce mortgage rates and costs for manufactured homebuyers and increase standardization across the market.

To be effective, home-only loan programs must be permanent and must mirror the market. They should encompass a representative cross section of borrowers and lenders, not just A-paper consumers or select institutions. A narrowly tailored or temporary program risks disrupting existing market participants and leaving higher-risk borrowers behind. Importantly, care must be taken to avoid displacing private lenders while ensuring the Enterprises serve the full range of home-only borrowers.

By purchasing a substantive volume of home-only loans, covering a representative share of the market, and establishing a long-term flow and securitization program, the Enterprises can effectively support homeownership through manufactured housing.

Conclusion

Manufactured housing is a proven, practical solution to the nation's affordable housing challenges. We commend you for continuing to elevate the promise of manufactured housing in your discussions about housing supply. As you work to set a new course for the Enterprises' housing goals, we urge you to ensure that manufactured housing remains a central pillar of your strategy to expand homeownership opportunities for American families.

We look forward to working with you to ensure that Enterprise policies and programs fully reflect the vital role of manufactured housing. This means eliminating unnecessary barriers, enforcing and strengthening Duty to Serve commitments, increasing loan purchases and product innovation, supporting both homeownership and affordable rental options, and aligning all efforts with the realities of the manufactured housing market. Thank you again for your leadership and commitment to delivering on the promise of attainable, sustainable homeownership—and for helping millions of families achieve their dream of owning a home.

Sincerely,

A handwritten signature in black ink that reads "Lesli Gooch". The signature is written in a cursive, flowing style with a prominent "L" and a decorative flourish at the end.

Lesli Gooch, Ph.D.
Chief Executive Officer