

The Next Big Legislative Assault on the Industry

Just as the manufactured housing industry is beginning to accept and adapt to all the new rules that govern the sales and financing of manufactured homes it appears we are in for a storm of new legislation at state and federal levels that will impact on land lease communities and the way they do business with their homeowner/residents. Every community owner knows incur on a regular basis is when residents community. Assuming the resident is payments) on time, it is rare that the and every community owner has some That is natural and often very good equitable to all parties involved in

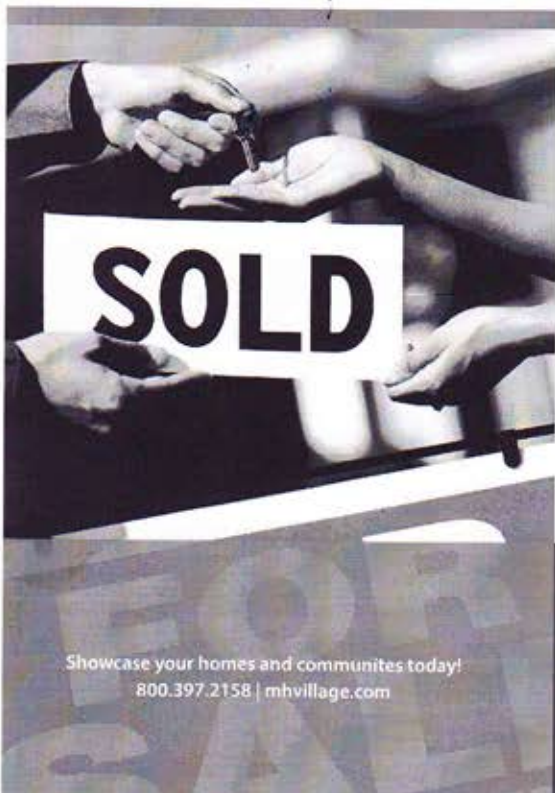
Recently however, a number of large concepts that are ill conceived, and even concept of two parties contractually of communities are trying to force the community when they leave the community, using poorly worded agreements that are not even legally sound and certainly grossly unfair to the homeowner/residents. At least one community group has even sued tenants who fail to do what their agreement demands, despite losing these suits in court.

The problem for the greater industry as a whole is the danger of tenant groups having an inflammatory issue they can use to build their memberships and then to push for legislation to further regulate the way that community owners do business. **Worse, this is not a question of if, or even when because it is already happening. A new group in Michigan, MHP Justice has sprung up and it has a very broad agenda including see page 6**



that one of the problems that community owners decide it is time to sell their home and leave the paying their lot rent (and perhaps home community wants to lose that source of income, strategy to minimize the impact of that loss. business to do so, *if the plan makes sense and is whatever that plan is.*

community operators have been implementing more poorly implemented. Using the legal agreeing to a "Right of First Refusal", a number community residents to sell their homes back to



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March Results

	March 2014	Year to Date
Website Visits	2,143,389	6,053,812
Sales Leads*	68,511	191,633
Homes Sold	5,519	14,997

*Does not include an estimated 40,000 phone inquiries generated each month.

Nothing in this newsletter should be taken as a substitute for legal advice from a licensed and competent attorney..

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seller finance which is one of several reasons this article is being written. Look at the list of questions that appears on this new organization's website*:

- When you bought your home was the company that financed you licensed by the state?
- When you bought your home was the company that sold it to you licensed by the state?
- Do you think you are a victim of an illegal purchase agreement contract when you bought your home?
- Do you think you are a victim of an illegal "lease to own" contract?
- Do you think your rights were violated when you purchased your home?
- Do you think you are a victim of predatory lending?
- Are you making your loan payments to a new bank or finance company and the terms of the loan are different?

The organization then offers to contact the following organizations on the homeowner/tenants behalf:

- Consumer Financial Protection Bureau

- Office of Financial and Insurance Regulation
- Federal Housing Finance Agency Complaint Division
- National Consumer Law Center
- Fair Housing Center Complaint Division
- Consumer Protection Legal Aid
- Attorney General
- Manufactured Home Commission
- Truth in Lending Complaint Division
- Legal Aid
- Class Action Law Firm
- State Representatives
- State Senators

This is a huge can of worms being opened all because a few operators are "pushing the envelope" with those homeowner/residents that want to leave the community and sell their home for the best price they can get. Apparently, these agreements are far from fair in many people's minds, and the whole industry is about to see a firestorm unleashed on them because this issue is giving tenant groups the tool they need to organize and grown. The question is, what is the industry going to do about it?

* see www.mhpjustice.com

CFPB Goes After Warren Buffet for Steering

A Warren Buffet company, **Realty South** has been under a CFPB microscope for Steering, and as a result has paid a \$500,000 fine. RealtySouth, the largest real estate firm in Alabama, was ordered to pay a half-million dollar penalty this week for failing to provide consumers with adequate transaction disclosures. The Consumer Financial Protection Bureau (CFPB) said that the firm provided preprinted purchase contracts to buyers preparing to make an offer on a home. The forms either explicitly directed or suggested that title and closing services be conducted by **Title South, LLC**, an affiliated company owned by the same Warren Buffet company that owns RealtySouth.

The CFPB said the forms could leave consumers unaware of their rights to choose service providers during the home-buying process and charged that the company violated federal steering laws. Under the terms of today's consent order, RealtySouth will pay a civil penalty of \$500,000, ensure that its disclosures comply with federal law, and ensure that its training materials emphasize that its agents cannot require the use of affiliates. RealtySouth changed its disclosure forms immediately after being contacted by the CFPB. It would have been cheaper to have gotten the forms right in the first place and before the CFPB came knocking on the door.

Apparently, the CFPB does not understand or play by the Chicago Code as Warren Buffet is both a fan and financial supporter of Obama who, in turn, is a strong supporter of the CFPB. It simply shows they will bite anybody, even their friends. This should be a wakeup call for several large operators who count more on relationships than compliance.

CRG Inc

CRG, Inc. provides professional services to owners-developers-investor of communities using manufactured housing home products (HUD Code homes, or Modular Codes Homes) including:

- M/H land lease communities (mobile home parks).
- M/H cooperatives & m/h condominiums
- M/H sub-divisions, individual single lot placements
- RV parks & resort condominiums
- Single family detached/attached apts using HUD Code homes

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Also providing assistance with the FHA 207m program.