

116TH CONGRESS
2D SESSION

H. R. 7386

To ensure that federally backed financing for the construction, rehabilitation, or purchase of manufactured home communities is available only for communities whose owner has implemented minimum consumer protections in the lease agreements with residents of all manufactured home communities owned by such owner, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 2020

Ms. FINKENAUER (for herself, Mrs. AXNE, and Mr. LOEBSACK) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To ensure that federally backed financing for the construction, rehabilitation, or purchase of manufactured home communities is available only for communities whose owner has implemented minimum consumer protections in the lease agreements with residents of all manufactured home communities owned by such owner, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Helping Owners Meet
3 Essential Standards Act of 2020” or the “HOMES Act
4 of 2020”.

5 **SEC. 2. REQUIREMENTS FOR COVERED LOAN PROGRAMS.**

6 (a) REQUIREMENTS.—No loan shall be eligible for in-
7 surance by the Secretary of Housing and Urban Develop-
8 ment or purchase by an enterprise (as such term is defined
9 in section 1303 of the Housing and Community Develop-
10 ment Act of 1992 (12 U.S.C. 4502)), as applicable, under
11 a covered loan program (as such term is defined under
12 section 4 of this Act) unless—

13 (1) the borrower under the loan certifies to the
14 Secretary or the applicable enterprise that the bor-
15 rower will include, in any lease agreement for a pad
16 site, or a pad site and manufactured home, located
17 in any manufactured home community that the bor-
18 rower or an affiliate of the borrower owns, the min-
19 imum consumer protections specified in subsection
20 (b) of this section; and

21 (2) the borrower complies with regulations,
22 which shall be issued by the Secretary or the Direc-
23 tor of the Federal Housing Finance Agency, as ap-
24 plicable, that require the borrower to submit docu-
25 mentation to the Secretary or the applicable enter-
26 prise that is sufficient, as determined by the Sec-

1 retary or applicable enterprise, to ensure that the
2 borrower is complying with the certification pursu-
3 ant to paragraph (1), which shall include a copy of
4 the standard lease agreement used by the borrower
5 that includes such minimum protections.

6 (b) MINIMUM CONSUMER PROTECTIONS.—The min-
7 imum consumer protections specified in this subsection are
8 as follows:

9 (1) One-year lease terms that are renewable for
10 additional one-year terms unless there is good cause
11 for non-renewal.

12 (2) A right to receive 60-day advance written
13 notice of any increase in the rents for pad sites, or
14 pad sites and manufactured homes, located in the
15 community, including a written justification of the
16 increase with information on increases in the costs
17 of operating, maintaining, or improving the commu-
18 nity.

19 (3) A 5-day grace period for rent payments.

20 (4) A right to cure defaults on rent payments.

21 (5) A right for a tenant to sell a manufactured
22 home owned by the tenant without having to first re-
23 locate it out of the community.

24 (6) A right for a tenant to sell a manufactured
25 home owned by the tenant in place within a reason-

1 able time period, but not shorter than 45 days, after
2 eviction by the manufactured housing community
3 owner.

4 (7) A right for a tenant who owns a manufac-
5 tured home—

6 (A) to sublease or assign the pad site lease
7 for the unexpired term to a new buyer of the
8 tenant's manufactured home unless the pro-
9 spective tenant fails to meet the community's
10 reasonable and uniformly applied application
11 criteria; and

12 (B) in such a case of denial, a right to
13 written notice provided by the owner of the
14 community informing the tenant of the denial
15 and the prospective tenant of the denial and the
16 specific reason or reasons for denial.

17 (8) A right for a tenant who owns a manufac-
18 tured home to post “For Sale” signs.

19 (9) A right to receive 60-day advance written
20 notice of the planned sale or closure of the manufac-
21 tured housing community.

22 (10)(A) A right against termination of tenancy
23 except in cases in which a tenant engages in a mate-
24 rial noncompliance with the rental agreement, a ten-
25 ant commits a material violation of the manufac-

1 tured home community reasonable rules or regula-
2 tions, or the community has a material, legitimate,
3 and uniformly applied business reason for termi-
4 nation that was included in the lease agreement as
5 grounds for termination.

6 (B) In such a case of termination, a right to
7 written notice provided by the owner of the commu-
8 nity informing the tenant of the termination and the
9 specific reason or reasons for termination.

10 Nothing in this subsection may be construed to annul,
11 alter, or affect any State or local law providing greater
12 protections to tenants of manufactured home communities
13 than the protections afforded under this subsection.

14 (c) PRICING INCENTIVES.—Any covered pricing in-
15 centive offered for loans issued after the date of the enact-
16 ment of this Act shall reward implementation of resident
17 protections that are more protective than those specified
18 in subsection (b). Any covered pricing incentive that does
19 not comply with this requirement may not be offered for
20 any loan issued after the date of the enactment of this
21 Act.

22 **SEC. 3. MANUFACTURED HOME COMPANY LENDING STAND-**
23 **ARDS COMMISSION.**

24 (a) ESTABLISHMENT.—There is established a com-
25 mission to be known as the Manufactured Home Company

1 Lending Standards Commission (in this section referred
2 to as the “Commission”).

3 (b) DUTIES.—

4 (1) PROPOSED STANDARDS.—Not later than
5 the expiration of the 12-month period beginning on
6 the date of the enactment of this Act, the Commis-
7 sion shall submit to the Congress, the Secretary of
8 Housing and Urban Development, and the Director
9 of the Federal Housing Finance Agency a report
10 that sets forth proposed consumer protection stand-
11 ards for the covered loan programs that—

12 (A) are in addition to and provide greater
13 protection than the requirements under section
14 2(b); and

15 (B) could be used as a basis for estab-
16 lishing covered pricing incentives under the cov-
17 ered loan programs that comply with section
18 2(c).

19 (2) STANDARD FOR DETERMINATIONS.—Any
20 determination by the Commission to approve a con-
21 sumer protection in the proposed standards required
22 under paragraph (1) shall be made by a vote of a
23 simple majority of the members of the Commission.

24 (c) MEMBERSHIP.—

1 (1) NUMBER AND APPOINTMENT.—The Com-
2 mission shall be composed of 10 members, as fol-
3 lows:

4 (A) The Secretary of Housing and Urban
5 Development (or the Secretary’s designee).

6 (B) The Director of the Federal Housing
7 Finance Agency (or the Director’s designee).

8 (C) Two each shall be appointed by the
9 Speaker of the House of Representatives, the
10 minority leader of the House of Representa-
11 tives, the majority leader of the Senate, and the
12 minority leader of the Senate. Of the two mem-
13 bers appointed by each such officer—

14 (i) one shall be employed at the time
15 of appointment as a professor or academic
16 researcher with demonstrated background
17 in housing and consumer protection issues,
18 especially as they relate to manufactured
19 housing; and

20 (ii) one shall be a current or former
21 member of Congress.

22 (2) CHAIRPERSON AND CO-CHAIRPERSON.—

23 (A) CHAIRPERSON.—The chairperson of
24 the Commission shall be designated by the

1 President from among the members of the
2 Commission.

3 (B) CO-CHAIRPERSON.—The co-chairper-
4 son shall be selected as follows:

5 (i) DESIGNATION BY SPEAKER OF
6 THE HOUSE.—If, on the date of appoint-
7 ment, the Speaker of the House is of a dif-
8 ferent political party than the President,
9 the Speaker of the House shall designate
10 the co-chairperson from among the mem-
11 bers of the Commission.

12 (ii) DESIGNATION BY MINORITY LEAD-
13 ER OF THE HOUSE.—If, on the date of ap-
14 pointment, the Speaker of the House is of
15 the same political party as the President,
16 the minority leader of the House shall des-
17 ignate the co-chairperson from among the
18 members of the Commission.

19 (3) TIMING OF APPOINTMENTS.—Appointments
20 to the Commission shall be made not later than 45
21 days after the date of the enactment of this Act.

22 (4) TERMS; VACANCIES.—Each member shall be
23 appointed for the life of the Commission. Any va-
24 cancy in the Commission shall not affect its powers
25 and shall be filled within 45 days of the vacancy in

1 the manner in which the original appointment was
2 made.

3 (5) HEARINGS.—In carrying out its duties
4 under this section, the Commission is authorized to
5 hold such hearings and take testimony with respect
6 to matters to which it has a responsibility under this
7 section. The Chairperson, or any member authorized
8 by the Chairperson, may administer oaths or affir-
9 mations to witnesses appearing before the Commis-
10 sion.

11 (6) PROHIBITION OF COMPENSATION.—Mem-
12 bers of the Commission shall serve without pay.

13 (d) OPERATION AND POWERS.—

14 (1) MEETINGS.—The Commission shall meet
15 not later than 30 days after the date upon which a
16 majority of its members have been appointed and at
17 such times thereafter as the chairperson or co-chair-
18 person shall determine. Detailed minutes of each
19 meeting of the Commission, except for any closed
20 session, shall be kept and shall include a record of
21 the persons present and a complete and accurate de-
22 scription of matters discussed.

23 (2) RULES OF PROCEDURE.—The chairperson
24 and co-chairperson shall, with the approval of a ma-
25 jority of the members of the Commission, establish

1 written rules of procedure for the Commission,
2 which shall include a quorum requirement to con-
3 duct the business of the Commission.

4 (3) HEARINGS.—The Commission shall hold no
5 fewer than 2 hearings on matters to carry out its
6 duties under subsection (b). The Commission may
7 take testimony and receive evidence as the Commis-
8 sion considers appropriate. Timely public notice of
9 each hearing, including the time, place, and agenda
10 of the meeting, shall be provided by any means de-
11 termined by the Commission to provide for wide
12 publicity. Timely notice of each regular meeting
13 shall be published in the Federal Register. Inter-
14 ested persons shall be permitted to submit written
15 statements regarding the matters on the agenda of
16 such hearings.

17 **SEC. 4. DEFINITIONS.**

18 For purposes of this Act, the following definitions
19 shall apply:

20 (1) AFFILIATE.—Except as provided by the
21 Secretary of Housing and Urban Development or the
22 Director of the Federal Housing Finance Agency, as
23 applicable, the term “affiliate” means, with respect
24 to a borrower referred to in section 2(a), any entity

1 that controls, is controlled by, or is under common
2 control with, the borrower.

3 (2) COVERED LOAN PROGRAM.—The term “cov-
4 ered loan program” means any of the following pro-
5 grams:

6 (A) The program under section 207 of the
7 National Housing Act (12 U.S.C. 1713) for in-
8 surance of loans for financing for the construc-
9 tion or substantial rehabilitation of manufac-
10 tured home parks.

11 (B) The program of the Federal National
12 Mortgage Association for multifamily loans for
13 manufactured housing communities.

14 (C) The program of the Federal Home
15 Loan Mortgage Corporation for loans for manu-
16 factured housing communities.

17 (3) COVERED PRICING INCENTIVE.—The term
18 “covered pricing incentive” means any pricing dis-
19 count available to borrowers under any of the cov-
20 ered loan programs that rewards the borrower’s im-
21 plementation of one or more specific resident protec-
22 tions and is designed to ensure that the benefits of
23 a covered loan program are provided at a lower cost
24 for manufactured home communities based on the
25 extent to which residents of a manufactured home

1 community are better protected from predatory rent
2 increases and management practices.

3 (4) MANUFACTURED HOME.—The term “manu-
4 factured home” has the meaning given such term in
5 section 603(6) of the National Manufactured Hous-
6 ing Construction Safety and Standards Act of 1976,
7 except that such term shall include any structure de-
8 scribed in such section without regard to whether
9 such structure complies with any standards under
10 such Act and without regard to the date of the man-
11 ufacture of such structure.

12 (5) MANUFACTURED HOME COMMUNITY.—The
13 term “manufactured home community” means any
14 community, court, or park equipped to accommodate
15 manufactured homes for which pad sites or pad sites
16 and the manufactured homes, or both, are leased to
17 residents to be used primarily for residential pur-
18 poses, including any manufactured housing commu-
19 nity as such term is used for purposes of a program
20 referred to in subparagraph (B) or (C) of paragraph
21 (2).

22 **SEC. 5. FUNDING.**

23 No additional funds are authorized to be appro-
24 priated to carry out this Act. Any expenses required to
25 carry out this Act shall be funded using amounts other-

1 wise available to the Department of Housing and Urban
2 Development or to the Federal Housing Finance Agency.

3 **SEC. 6. TERMINATION.**

4 The Commission shall terminate upon the submission
5 of the report required under section 3(b).

○