



January 26, 2021

The Honorable Janet Yellen
Secretary
U.S. Department of Treasury
1500 Pennsylvania Avenue N.W.
Washington, D.C. 20220

Dear Secretary Yellen,

On behalf of the undersigned national associations that represent for-profit and non-profit owners, developers, managers, housing cooperatives, lenders and housing agencies involved in providing affordable rental and cooperative housing to millions of American families, congratulations for your confirmation as Secretary of the U.S. Department of the Treasury. As the nation continues to deal with the Coronavirus health crisis, your leadership and the Treasury Department actions will be instrumental in critical economic recovery efforts.

With almost 40,000 land-lease communities in the country and 4.2 million estimated home sites, manufactured housing community owners and operators have financial obligations just like any other business, including payroll, insurance, mortgages, utilities, and taxes. During these challenging times, manufactured housing community owners and operators are on the front lines – responsible for the daily management of their communities, including coordination of services, so their residents remain safe during this unprecedented time. Compounding these costs, rent payment shortfalls are occurring as many residents are suffering a loss of income as a result of the COVID-19 health crisis.

We appreciate Treasury's efforts to ensure the \$25 billion in emergency rental assistance funding included in the recently passed COVID-19 stimulus package is used effectively and that the funds are allocated quickly to maximize states' and localities' ability to get the much-needed assistance into the hands of the eligible recipients. As part of this effort, on January 19, 2021, Treasury issued Frequently Asked Questions (FAQs) as guidance regarding the requirements of the Emergency Rental Assistance Program. However, we have serious concerns about the wording used in Question #13 which is included below:

13. May a grantee provide ERA assistance to homeowners to cover their mortgage payment, utilities, or energy costs? No. The statute requires that ERA assistance be provided only to eligible households, which is defined to include only households that are obligated to pay rent on a residential dwelling.

The answer to this question creates ambiguity about whether people who live in manufactured housing communities will be eligible for rental assistance to help make lease payments on the land on which their manufactured home is sited. A growing number of manufactured housing communities form cooperatives to purchase the land while retaining ownership of their manufactured housing. Cooperative ownership gives manufactured residents control over management and operating costs of the park, while owning a manufactured home of their own.

We understand that the answer above was designed to distinguish between assistance for mortgage, insurance, and utility costs of a dwelling on the one hand and for rental payments for a dwelling on the other. However, it failed to address a use which we believe Congress intended to include, which is rent on the land on which a dwelling is located, particularly for manufactured homes.

Without further clarification, participants might inappropriately conclude that the phrase “rent on a residential dwelling” is narrowly limited to rent payments on the dwelling. As a result, unless corrected there is a real possibility that in some jurisdictions manufactured homeowners would be excluded from receiving assistance with their land lease payments – thus denying assistance for residents who are generally low or moderate income families and whose combined housing costs are often more affordable than other types of rental housing – precisely the type of families the Emergency Rental Assistance Program is designed to help.

Therefore, to ensure manufactured housing residents are eligible for rental assistance, we call on the Treasury Department to update Question #13 in its FAQ guidance to clarify that manufactured housing residents and communities can access this critical funding – by adding the following sentence to Treasury’s response:

“Rent on a residential dwelling may include rent on property on which a residential dwelling is located, such as homes in manufactured housing communities.”

Manufactured housing community owners and operators take seriously the responsibility to ensure residents are safe and secure. Their shared goal with residents is to preserve housing stability and minimize displacement during this crisis. During these unprecedented times, they have answered the call to serve and continue to work with their residents who have been impacted by COVID-19 on rent repayment arrangements, waiving fees and connecting them with social service resources. It is critical that manufactured housing residents and community owners and operators have access to this rental assistance funding, as Congress intended.

Thank you for your attention to this critical matter.

Sincerely,

Institute of Real Estate Management
Manufactured Housing Institute
Mortgage Bankers Association
National Association of Housing Cooperatives
National Association of REALTORS
National Leased Housing Association