

117TH CONGRESS
1ST SESSION

H. R. 3333

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

MAY 19, 2021

Mrs. AXNE (for herself and Mr. KHANNA) 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Manufactured Housing
5 Tenant’s Bill of Rights Act of 2021”.

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

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

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

17 (2) the borrower complies with regulations,
18 which shall be issued by the Secretary or the Direc-
19 tor, as applicable, that require the borrower to sub-
20 mit documentation to the Secretary, or to the appli-
21 cable enterprise and Director that is sufficient, as
22 determined by the Secretary or Director, to ensure
23 that the borrower is complying with the certification
24 pursuant to paragraph (1), which shall include a
25 copy of the standard lease agreement used by the
26 borrower that includes such minimum protections.

1 (b) MINIMUM CONSUMER PROTECTIONS.—The min-
2 imum consumer protections specified in this subsection are
3 as follows:

4 (1) One-year lease terms that are renewable for
5 additional one-year terms unless there is good cause
6 for non-renewal.

7 (2) A right to receive written notice of any
8 newly required charges (including water and other
9 utilities) or increase in the rents for pad sites, or
10 pad sites and manufactured homes, located in the
11 community, including a written justification of the
12 increase with information on increases in the costs
13 of operating, maintaining, or improving the commu-
14 nity. Such notice shall be provided to the tenant not
15 less than 60 days before the effective date of any
16 newly required charge or increase in the rents, ex-
17 cept that—

18 (A) in the case of any increase exceeding
19 5 percent of the previous monthly rent, an addi-
20 tional 30-days notice must be provided for each
21 additional 2.5-percent increase in the rent.

22 (B) Such notice must also include identi-
23 fication of the amount of, and a description of,
24 any newly required charges (including water
25 and other utilities) that the tenant is not cur-

rently responsible for but will be responsible for upon the rent increase and, if available, an estimate of the monthly amount of such charges.

(C) MONTHLY RENT.—For purposes of the calculation in subparagraph (A), the amount of any increase in the monthly rent for a dwelling unit shall be considered to include any newly required charges described in subparagraph (B), and any charges without an estimate of the monthly amount shall be estimated at 5 percent of the previous monthly rent.

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

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

(5) A right for a tenant to sell a manufactured home owned by the tenant without having to first relocate it out of the community.

(6) A right for a tenant to sell a manufactured home owned by the tenant in place within a reasonable time period, but not shorter than 45 days, after eviction by the manufactured housing community owner.

(7) A right for a tenant who owns a manufactured home—

(A) to sublease or assign the pad site lease for the unexpired term to a new buyer of the

1 tenant's manufactured home unless the pro-
2 spective tenant fails to meet the community's
3 reasonable and uniformly applied application
4 criteria; and

5 (B) in such a case of denial, a right to
6 written notice provided by the owner of the
7 community informing the tenant of the denial
8 and the prospective tenant of the denial and the
9 specific reason or reasons for denial.

10 (8) A right for a tenant who owns a manufac-
11 tured home to post "For Sale" signs.

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

15 (10)(A) A right against termination of tenancy
16 except in cases in which a tenant engages in a mate-
17 rial noncompliance with the rental agreement, a ten-
18 ant commits a material violation of the manufac-
19 tured home community reasonable rules or regula-
20 tions, or the community has a material, legitimate,
21 and uniformly applied business reason for termi-
22 nation that was included in the lease agreement as
23 grounds for termination.

24 (B) In such a case of termination, a right to
25 written notice provided by the owner of the commu-

1 nity informing the tenant of the termination and the
2 specific reason or reasons for termination.

3 Nothing in this subsection may be construed to annul,
4 alter, or affect any State or local law providing greater
5 protections to tenants of manufactured home communities
6 than the protections afforded under this subsection.

7 (c) PRICING INCENTIVES.—Any covered pricing in-
8 centive offered for loans issued after the date of the enact-
9 ment of this Act shall reward implementation of resident
10 protections that are more protective than those specified
11 in subsection (b). Any covered pricing incentive that does
12 not comply with this requirement may not be offered for
13 any loan issued after the date of the enactment of this
14 Act.

15 (d) PUBLICATION.—The Secretary and Director shall
16 make the list of properties covered by the protections in
17 subsection (b) publicly available on a single website. Prop-
18 erties which are covered as of the date of enactment by
19 the Federal National Mortgage Association’s Tenant Site
20 Lease Protections or the Federal Home Loan Mortgage
21 Corporation’s MHC Tenant Protections shall also be made
22 publicly available, and shall include an explanation of the
23 differences between those protections and the minimum
24 consumer protections in subsection (b).

1 (e) PENALTIES.—The Secretary and Director shall
2 prohibit the borrower or an affiliate of the borrower from
3 securing future federally backed financing or other hous-
4 ing-related Federal assistance for at least 3 years, and
5 shall also determine appropriate penalties for any bor-
6 rower who fails to include the consumer protections in sub-
7 section (b) in any lease agreement, or fails to comply with
8 a lease agreement including the protections in subsection
9 (b). Such penalties shall be in addition to minimum pay-
10 ments to the injured tenant(s) as follows:

11 (1) For a violation of paragraph (1) or (10), 6
12 months of the current monthly rent.

13 (2) For a violation of paragraph (2), any in-
14 creased rent must be paid back to the tenant with
15 interest, plus 25 percent.

16 (3) For a violation of paragraph (3), any pen-
17 alties or late fees must be paid back to the tenant
18 with interest, plus 25 percent.

19 (4) For a violation of paragraph (4), (5), or
20 (6), the greater of the sale price of the manufac-
21 tured home if the borrower or an affiliate sells it
22 within 12 months of the violation or 12 months of
23 the prior monthly rent.

1 (5) For a violation of paragraph (7) or (8), the
2 total remaining monthly rent owed on the tenant's
3 lease.

4 (6) For a violation of paragraph (9), the great-
5 er of 12 months rent, or 20 percent of the sale price
6 of the community divided by the number of tenants
7 in the manufactured housing community.

8 **SEC. 3. MANUFACTURED HOME COMPANY LENDING STAND-**
9 **ARDS COMMISSION.**

10 (a) ESTABLISHMENT.—There is established a com-
11 mission to be known as the Manufactured Home Company
12 Lending Standards Commission (in this section referred
13 to as the “Commission”).

14 (b) DUTIES.—

15 (1) PROPOSED STANDARDS.—Not later than
16 the expiration of the 12-month period beginning on
17 the date of the enactment of this Act, the Commis-
18 sion shall submit to the Congress, the Secretary of
19 Housing and Urban Development, and the Director
20 of the Federal Housing Finance Agency a report
21 that sets forth proposed consumer protection stand-
22 ards for the covered loan programs that—

23 (A) are in addition to and provide greater
24 protection than the requirements under section
25 2(b); and

1 (B) could be used as a basis for estab-
 2 lishing covered pricing incentives under the cov-
 3 ered loan programs that comply with section
 4 2(c).

5 (2) STANDARD FOR DETERMINATIONS.—Any
 6 determination by the Commission to approve a con-
 7 sumer protection in the proposed standards required
 8 under paragraph (1) shall be made by a vote of a
 9 simple majority of the members of the Commission.
 10 (c) MEMBERSHIP.—

11 (1) NUMBER AND APPOINTMENT.—The Com-
 12 mission shall be composed of 14 members, as fol-
 13 lows:

14 (A) The Secretary of Housing and Urban
 15 Development (or the Secretary's designee).

16 (B) The Director of the Federal Housing
 17 Finance Agency (or the Director's designee).

18 (C) Three each shall be appointed by the
 19 Speaker of the House of Representatives, the
 20 minority leader of the House of Representa-
 21 tives, the majority leader of the Senate, and the
 22 minority leader of the Senate. Of the three
 23 members appointed by each such officer—

24 (i) one shall be employed at the time
 25 of appointment as a professor or academic

1 researcher with demonstrated background
2 in housing and consumer protection issues,
3 especially as they relate to manufactured
4 housing;

5 (ii) one shall be a current or former
6 member of Congress; and

7 (iii) one shall be a current resident
8 and tenant at a manufactured housing
9 community.

10 (2) CHAIRPERSON AND CO-CHAIRPERSON.—

11 (A) CHAIRPERSON.—The chairperson of
12 the Commission shall be designated by the
13 President from among the members of the
14 Commission.

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

17 (i) DESIGNATION BY SPEAKER OF
18 THE HOUSE.—If, on the date of appoint-
19 ment, the Speaker of the House is of a dif-
20 ferent political party than the President,
21 the Speaker of the House shall designate
22 the co-chairperson from among the mem-
23 bers of the Commission.

24 (ii) DESIGNATION BY MINORITY LEAD-
25 ER OF THE HOUSE.—If, on the date of ap-

1 pointment, the Speaker of the House is of
2 the same political party as the President,
3 the minority leader of the House shall des-
4 ignate the co-chairperson from among the
5 members of the Commission.

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

9 (4) TERMS; VACANCIES.—Each member shall be
10 appointed for the life of the Commission. Any va-
11 cancy in the Commission shall not affect its powers
12 and shall be filled within 45 days of the vacancy in
13 the manner in which the original appointment was
14 made.

15 (5) HEARINGS.—In carrying out its duties
16 under this section, the Commission is authorized to
17 hold such hearings and take testimony with respect
18 to matters to which it has a responsibility under this
19 section. The chairperson, or any member authorized
20 by the chairperson, may administer oaths or affirma-
21 tions to witnesses appearing before the Commission.

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

24 (d) OPERATION AND POWERS.—

1 (1) MEETINGS.—The Commission shall meet
2 not later than 30 days after the date upon which a
3 majority of its members have been appointed and at
4 such times thereafter as the chairperson or co-chair-
5 person shall determine. Detailed minutes of each
6 meeting of the Commission, except for any closed
7 session, shall be kept and shall include a record of
8 the persons present and a complete and accurate de-
9 scription of matters discussed.

10 (2) RULES OF PROCEDURE.—The chairperson
11 and co-chairperson shall, with the approval of a ma-
12 jority of the members of the Commission, establish
13 written rules of procedure for the Commission,
14 which shall include a quorum requirement to con-
15 duct the business of the Commission.

16 (3) HEARINGS.—The Commission shall hold no
17 fewer than 2 hearings on matters to carry out its
18 duties under subsection (b). The Commission may
19 take testimony and receive evidence as the Commis-
20 sion considers appropriate. Timely public notice of
21 each hearing, including the time, place, and agenda
22 of the meeting, shall be provided by any means de-
23 termined by the Commission to provide for wide
24 publicity. Timely notice of each regular meeting
25 shall be published in the Federal Register. Inter-

1 ested persons shall be permitted to submit written
2 statements regarding the matters on the agenda of
3 such hearings.

4 **SEC. 4. DEFINITIONS.**

5 For purposes of this Act, the following definitions
6 shall apply:

7 (1) **AFFILIATE.**—Except as provided by the
8 Secretary of Housing and Urban Development or the
9 Director of the Federal Housing Finance Agency, as
10 applicable, the term “affiliate” means, with respect
11 to a borrower referred to in section 2(a), any entity
12 that controls, is controlled by, or is under common
13 control with, the borrower.

14 (2) **COVERED LOAN PROGRAM.**—The term “cov-
15 ered loan program” means any of the following pro-
16 grams:

17 (A) The program under section 207 of the
18 National Housing Act (12 U.S.C. 1713) for in-
19 surance of loans for financing for the construc-
20 tion or substantial rehabilitation of manufac-
21 tured home parks.

22 (B) The program of the Federal National
23 Mortgage Association for multifamily loans for
24 manufactured housing communities.

1 (C) The program of the Federal Home
2 Loan Mortgage Corporation for loans for manu-
3 factured housing communities.

4 (3) COVERED PRICING INCENTIVE.—The term
5 “covered pricing incentive” means any pricing dis-
6 count available to borrowers under any of the cov-
7 ered loan programs that rewards the borrower’s im-
8 plementation of one or more specific resident protec-
9 tions and is designed to ensure that the benefits of
10 a covered loan program are provided at a lower cost
11 for manufactured home communities based on the
12 extent to which residents of a manufactured home
13 community are better protected from predatory rent
14 increases and management practices.

15 (4) DIRECTOR.—The term “Director” refers to
16 the Director of the Federal Housing Finance Agen-
17 cy.

18 (5) MANUFACTURED HOME.—The term “manu-
19 factured home” has the meaning given such term in
20 section 603(6) of the National Manufactured Hous-
21 ing Construction Safety and Standards Act of 1976,
22 except that such term shall include any structure de-
23 scribed in such section without regard to whether
24 such structure complies with any standards under

1 such Act and without regard to the date of the man-
2 ufacture of such structure.

3 (6) MANUFACTURED HOME COMMUNITY.—The
4 term “manufactured home community” means any
5 community, court, or park equipped to accommodate
6 manufactured homes for which pad sites or pad sites
7 and the manufactured homes, or both, are leased to
8 residents to be used primarily for residential pur-
9 poses, including any manufactured housing commu-
10 nity as such term is used for purposes of a program
11 referred to in subparagraph (B) or (C) of paragraph
12 (2).

13 **SEC. 5. FUNDING.**

14 No additional funds are authorized to be appro-
15 priated to carry out this Act. Any expenses required to
16 carry out this Act shall be funded using amounts other-
17 wise available to the Department of Housing and Urban
18 Development or to the Federal Housing Finance Agency.

19 **SEC. 6. TERMINATION.**

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

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