

The Adaptation of the Industry

By George Porter

In the words of an old folk song writer “the times they are a changing.” “Truth be known”, the times are always changing; it is just that they are changing faster and more dramatically than ever lately. The approaching deadline for the Manufactured Housing Improvement Act is not far away and some states are gearing up to meet it and some are not. The act says that every state must have installation training, certification (testing), inspections and dispute resolution by Dec. 27, 2005. This is only a little over a year and a half from about now. 20 months may seem like a long time but have you ever seen legislatures work? You simply don’t set this stuff up in a few months. And, The Act says it ALL has to be running or the FEDs will install a sub-contractor to do it for you. This threat/promise to override the lacking of a state is clearly stated in the original act and HUD is bound by this because the United States Congress said they have to.

On the other hand, all governments are broke! All you ever hear about is “we have had so many budget cuts that we have had to lay off most of our staff”. Most every government agency at both the state and Federal level has no money for new programs and no staff to run them and the existing staff absolutely doesn’t have the time (or the inclination) to take on a new responsibility. So, maybe this thing is not going to happen and maybe we can just keep on keeping on like we always have? HUD does not have a great track record for being pro-active about things. To some, the idea of HUD suddenly coming alive and doing anything except paperwork at factories with a subcontractor is a very foreign concept. In the past HUD has absolutely refused to discuss any set-up related problems with any consumer anywhere in the nation, they just do factory stuff, period! Some of us who have been around a while can remember when they didn’t use to do the factory stuff either. Before 1976 there was no HUD in this business and some manufactures had a “gold seal guild” label and most just built homes “ASAP”. Back then, everyone thought that the government would not be much of a big deal either. Guess what? They were and are still are in the manufacturing end of the business. Ask a manufacturer in business back then if they noticed when HUD’s sub-contractor showed up at the door! Both MHI and MHARR spend a lot of their time and money dealing with the interaction of the sub-contractor, HUD, and the industry. It is only a guess, but I would imagine 80 + % of all their combined efforts go to only this.

Point being; when a sub-contractor gets a foothold in the industry they tend to stay and grow, for better or worse. Right now 40+ states probably will not pass the total criteria for a state program. If they think that it will be better to have a “free government contractor” than have their own program, they really need to talk to a manufacturer. While a poll has never been taken, it can be assumed that most manufacturers would have preferred to have been self regulated. This self policing would have had to work and function to provide safe housing for the consumer of course, but if it eliminated the structural problems of some of the homes made back then, perhaps the HUD Code and all its baggage would have never have been called into existence. Prior to 1976 some factories were literally garages and barns and some very strange homes were being constructed; there were big problems. Not everyone had big problems of course; lots of

companies were building very good homes. But, as is usually the case, the bad apples caused a stink and the government had to fix it.

Does any of this sound familiar today? Installation standards in the nation run from great, to weird, to non-existent. Hence the governments interest now. They will do to installation exactly what they did to the factories. (They didn't have much money in '76 either) It will be funded by the people they regulate, just like the HUD Labels in the factories, except this will be more expensive! Does anyone really believe the phrase "we are from the government and we have come to help you, for free!" If so, wake up! At the factory they have people come around to each location and inspect, this would be about a few hundred spots. What happens when they have to go to a hundred thousand spots, write reports and keep records, do training and licensing and have hearings on dispute resolutions? It will probably be run out of the DC area or maybe they will have state offices with staff all over the country. Doesn't sound like it going to be cheap to me.

How do you suppose this contractor will be chosen? Don't know for sure, but in most other government contracts there is usually a bidding process involving certain qualifications for all bidders. I can guarantee you being able to set up a home will not be one of the qualifications. It could be that even having worked within the industry side of the business would disqualify you as an impartial, unbiased bidder. The winning contract will probably go to a well educated and politically correct company that will not know a thing about manufactured housing installation, but will be eager and happy to learn as they regulate it. At least with your own program you may have someone in charge that is familiar with your state and might even have seen a home installed!

If we have learned anything from the past then we should make all efforts to take control of our own industry as much as possible. You may still have that opportunity in your state, but it's slipping away fast. You are going to have to adapt, either your way or the HUD way, chose quickly.