

# United States Senate

WASHINGTON, DC 20510

May 9, 2019

The Honorable Kathy Kraninger  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, D.C. 20552

Dear Director Kraninger,

We request the Consumer Financial Protection Bureau (CFPB) propose and implement regulations to ensure buyers receive fair and appropriate financing when purchasing a manufactured home from a retailer. As the CFPB implements Section 107 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (P.L. 115-174), we urge you to propose regulations to ensure predatory practices from past years are not repeated.<sup>[1]</sup>

Manufactured housing retailers are often the first entry point for prospective homeowners looking to purchase a factory-built home. Typically, the majority of consumers who have not actively sought to educate themselves prior to visiting a retailer will first learn about the process of financing, purchasing and owning their home from sales staff on a retail lot. These initial interactions have historically led to practices that steered buyers to higher-cost chattel loans offered by the financial affiliates of the retail company.

Section 107 of P.L. 115-174 permits manufactured home retailers to provide consumers with disclosures on financing options, provided that the retailer derives no compensation from the resultant financing. We also recommend that the CFPB issue rules requiring that any retailer providing a referral to a lender must also provide the consumer with disclosures on affiliations between manufacturers and lenders, available financing options with information on chattel financing, land-home (mortgage) financing which includes conventional loan products and Federal Housing Administration loan products, state-specific procedures in converting chattel to real estate, factors that go into calculating interest rates and finally, any risk factors such as repossession and foreclosure.

We urge the CFPB to work with consumer advocates to design and implement an appropriate disclosure form that ensures manufactured home buyers understand their options and are not steered into high-cost loans. The form must detail the differences between real property and personal property related to titling, cost, repossession and other factors, and offer local housing counseling resources.

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<sup>[1]</sup> Baker, Mike and Daniel Wager. "The Mobile-Home Trap." *The Seattle Times* and *Center for Public Integrity*. Accessed February 6, 2019. Available at: <https://www.seattletimes.com/category/mobile-homes/>

We appreciate your attention to ensuring buyers of manufactured homes receive fair and appropriate financing and look forward to working with you on implementing this regulation within the year.

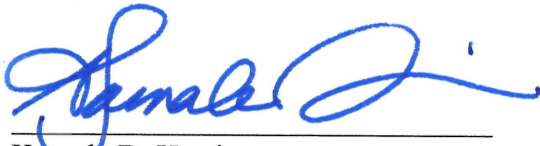
Sincerely,



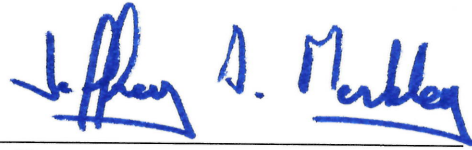
Catherine Cortez Masto  
United States Senator



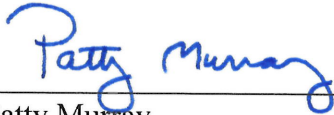
Richard Blumenthal  
United States Senator



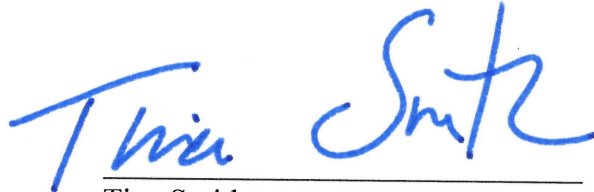
Kamala D. Harris  
United States Senator



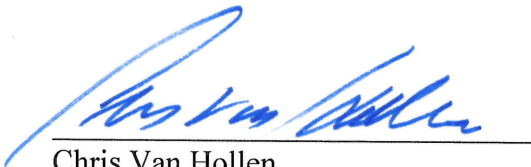
Jeffrey A. Merkley  
United States Senator



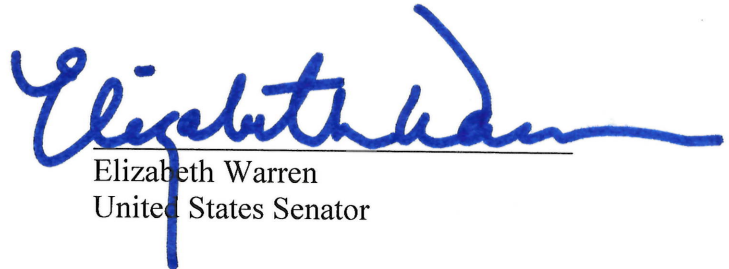
Patty Murray  
United States Senator



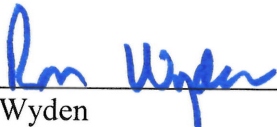
Tina Smith  
United States Senator



Chris Van Hollen  
United States Senator



Elizabeth Warren  
United States Senator



Ron Wyden  
United States Senator