



April 13, 2020

The Honorable Steven T. Mnuchin  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

The Honorable Jovita Carranza  
Administrator  
Small Business Administration  
409 3rd Street, S.W.  
Washington, D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza,

Thank you for your hard work to address the impacts of the COVID-19 emergency on small businesses across America. The Manufactured Housing Institute (MHI) is writing to you in response to the Small Business Administration's (SBA) Interim Final Rule (the Rule) – Business Loan Program Temporary Changes; Paycheck Protection Program. We respectfully ask that the Paycheck Protection Program guidelines are clarified so manufactured housing communities are eligible to participate.

MHI is the only national trade association that represents every segment of the factory-built housing industry. Our members include home builders, suppliers, retail sellers, lenders, installers, community owners, community operators, and others who serve the industry, as well as 49 affiliated state organizations. In 2019, our industry produced nearly 95,000 homes, accounting for approximately 10 percent of new single-family home starts.

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. With stay at home orders across the country, manufactured housing community owners and operators will incur additional maintenance due to added usage of community infrastructure (water, sewer, electric) and COVID-19 mitigation costs, as well as other expenses to support residents who are at home now 24 hours a day, seven days a week. Compounding these additional costs, rent payment shortfalls are occurring as many residents are suffering a loss of income as a result of the COVID-19 response.

Manufactured housing communities should be eligible for federal relief under the Paycheck Protection Program (PPP) and related programs. Unfortunately, the SBA's Interim Final Rule for the program cites to regulations and guidance that are being interpreted by lenders to exclude manufactured housing community owners and operators from the program. Specifically, the Interim Final Rule cites to the 2019 Standard Operating Procedures and 13 CFR 120.110, which has "mobile home parks" listed as ineligible. This exclusion is contrary to the intent of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Section 1102, which specifically expands the kinds of small

businesses that are eligible and also generally expands allowable business types. Since this exclusion is contrary to the CARES Act, we urge you to quickly provide clarification to lenders that the SBA is making an exception to the policy. The Standard Operating Procedures allows for such an exception, clearly stating, “When the policy set forth in this Subpart does not adequately address the unique circumstances regarding a particular matter, an exception to policy may be approved by the Director of the Office of Financial Assistance.”<sup>1</sup> Given the unique and extraordinary circumstances of this national emergency, we strongly urge you to make an exception as allowed for in the Standard Operating Procedures.

Thank you for your attention to this critical matter. As millions of residents are confined to their homes, manufactured housing community owners and operators have answered the call to serve – providing impacted residents flexible rent payment options and providing additional resources and support including services like free lunches, grocery deliveries, and information about employment opportunities and filing for government benefits. We hope you will quickly ensure that the PPP is available to them as they continue to serve their residents during this unprecedented time.

Sincerely,

A handwritten signature in black ink that reads "Lesli Gooch". The signature is written in a cursive, flowing style.

Lesli Gooch, Ph.D.  
Chief Executive Officer

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<sup>1</sup> U.S. Small Business Administration, Office of Financial Assistance, Standard Operating Procedure, Sec. 50, No. 10, Rev. 5(J), “Lender and Development Company Loan Programs,” (Jan 1, 2018).