

MINUTES

MOBILE MANUFACTURED HOME ADVISORY COUNCIL

MARCH 19, 2008

The Mobile Manufactured Home Advisory Council convened at 10:09 a.m. in Room 117 of the State Office Building, 165 Capitol Avenue, Hartford, CT 06106.

Members Present:	Ben Castonguay Jennifer Ponte Myriam Clarkson Leonard S. Campbell Keith Jensen Marcia L. Stemm Lawrence F. Hallisey Al Hricz Michelina G. Lauzier Carol DeRosa	CT Real Estate Commission Member DECD Representative Mobile Manufactured Home Industry Rep. Town Planner Park Owner Park Owner Park Owner Park Tenant Park Tenant (Representing Timothy Coppage, CT Housing Finance Authority Rep.)
Member Absent:	Bennett Pudlin George Cote Timothy Coppage Neil Gervais	Attorney at Law, Acting Chairperson Banking Industry Representative CT Housing Finance Authority Rep. Park Tenant
Board Vacancies:	One Senior Citizen One Representative of the Housing Advisory Committee	
DCP Staff Present:	Nelson Leon, Advisory Council Secretary Vicky Bullock, Administrative Hearings Attorney	
Public Present:	Raphael Podolsky, Esquire Joe Mike Mary W. Campbell	

Note: The administrative functions of this Board are carried out by the Department of Consumer Protection, Occupational and Professional Licensing Division.
For information call Richard M. Hurlburt, Director, at (860) 713-6135.

Agency Web site: www.ct.gov/dcp

MINUTES OF PREVIOUS MEETINGS

The Advisory Council voted unanimously to approve minutes of the December 19, 2007 Mobile Manufactured Home Advisory Council meeting.

BOARD MEMBER RE-APPOINTMENT LETTERS

Re-appointment letters dated December 4, 2007, December 14, 2007 and January 11, 2008 from the Honorable Governor M. Jodi Rell, concerning the re-appointment of Leonard S. Campbell as a Town Planner, Albert Hricz as a Park Tenant and George W. Cote as a Representative of the Banking Industry to the Mobile Manufactured Home Advisory Council.

Leonard S. Campbell and Albert Hricz were sworn-in by DCP Administrative Attorney, Vicky Bullock.

BOARD MEMBER APPOINTMENT LETTERS

Appointment letters dated January 22, 2008 from the Honorable Governor M. Jodi Rell, concerning the appointment of Jennifer Ponte as an employee of the Department of Economic and Community Development and Lawrence F. Hallisey as an Owner of a Mobile Home Park to the Mobile Manufactured Home Advisory Council.

Jennifer Ponte and Lawrence F. Hallisey were sworn-in by DCP Administrative Attorney, Vicky Bullock.

REPORT FROM SUB-COMMITTEES

- **EDUCATION COMMITTEE**

Mr. Podolsky was inquiring as to where on the DCP website is the listing of mobile home parks arranged by towns. Ms. Stemm said she will take a thorough look at the website and report back to the Council.

- **LEGISLATIVE / FINANCE COMMITTEE**

Mr. Podolsky reports on Bill Number 5028, which both park residents and owners are opposing a piece of the bill. Within the governor's tax property tax reform proposal was a buried a section that said that municipalities will no longer playing a role in holding a resident's property at the end of a eviction, leaving it to the Marshals which effectively leaves it to the landlord, in the case of mobile homes, to the park owner. This presents a lot of problems both on the landlord and tenant side. The bill is currently pending before the finance committee.

Mr. Podolsky also reports on Bill Number 1236, designed to overrule a trial court decision that dealt with of issue if the mobile home park is a nonconforming property within a zone and you replace the mobile home with a larger mobile home on a site, is that an improper expansion of a nonconforming use? The trial court said yes it was. The case was appealed and while the appeal was pending, the legislature was asked to essentially say by statute that the replacement of a mobile home in a mobile home park with a mobile home meeting federal standards is not an expansion of a nonconforming use. This particular statute actually passed last year. Passage of the statute proves to be fortunate because the appellate court sustain the trial court decision. Therefore, the statute should solve the problem for the future. However, the statute only deals with mobile home parks, and someone put in a bill to apply this statute to the individual ownership of mobile homes on peoples own lots, and is in the general law committee and has not yet reached the senate floor.

- **FINANCE COMMITTEE**

Evaluation and Program Recommendations for Mobile Manufactured Homes Mortgage Program

Connecticut Public Act 06-194, Section 8 – For the purpose of assisting Connecticut residents to purchase mobile manufactured homes to be located in a manufactured housing community, the authority shall set aside not les than two million dollars to be used to provide loans directly to such residents. Such loans shall not require the purchase of private mortgage insurance, and shall accept an annual renewable lease for the lot on which such home is located.

Ms. DeRosa reports meeting with the Finance Sub-committee in January 29, 2008 and discussed the Mobile Manufactured Homes Mortgage Program launched in November 2006. The program was designed to provide mortgages to first-time homebuyers purchasing mobile manufactured homes to be located in one of the Connecticut's 200 mobile manufactured home communities licensed by the Department of Consumer Protection. The program required a 30% or more down-payment as well as a "security deposit" equaling the value of one-year's land lease.

The program is funded under the Authority's single family mortgage program which is funded with tax-exempt mortgage revenue bonds. As a result, CHFA sales price and income limits apply. In addition, due to the restrictions of tax-exempt bonds, the borrowers must be a first-time home homebuyer or not had a homeownership interest in the past three years.

The program as currently designed restricts eligible borrowers to first-time homebuyers. White data from the Mobile Manufactured Home Council confirms that the first-time home-buying families are a vital segment of the market, a more significant proportion of these homes are sold to elderly households who have sold larger homes in an effort to downsize. These buyers are currently not eligible for the Pilot mortgage if they have had a homeownership interest in the last three years. Discussion focused on how the program could be expanded to meet the needs of seniors who were downsizing and purchasing a mobile home as they tend to be mortgage holders with established credit.

The current policy of requiring 30% down was discussed by the group. Suggestions were made to consider the following:

- Bring the down-payment requirement to 20% which is normal industry practice for loans without private mortgage insurance.
- Consider down-payment assistance program for first time buyers based on credit score.
- Graduated down-payment based on credit risk.

The program requires a cash deposit of a year's value in land lease. This was intended to provide protection to the Authority in the event of default, allowing enough capital to continue to pay the land lease while marketing for a new buyer. However, in addition to the 30% down, this requirement creates a financial burden on the borrower. Options discussed included:

- Eliminating this requirement and having prepaid escrows for rent, taxes and insurance allowing the monthly escrows to be paid from these escrows.
- Park owners do not want to execute the collateral assignment of the lease. Owners do not feel comfortable signing a document that covers the entire term of the loan.

The current interest rate is ¼% above the CHFA Homebuyer Program rate. The group suggested that Mobile Home borrowers not be penalized with a higher rate and recommend that the rate be the same as what is available to the general public.

Under current program guideline CHFA will not finance the purchase of mobile homes manufactured prior to 1976. The suggestion was not to limit the purchase based on the age, but on the remaining economic life indicated on the appraisal.

Other discussion items:

- Change parameters of program but do targeted marketing based on geographic location of the park.
- Would like to see funding set-up as a revolving account.
- Ultimate goal is to see mobile home lending done by conventional lenders and treated in the same manner as stick built financing.

CHFA staff met with representatives of the Mobile Manufactured Home Council to also get their feedback on terms of the program and which, if any, need reconsideration in order to reach the target market. The next step will be to get a recommendation to change the program to allow the purchase of a mobile park with 100% financing. Last year CHFA was able to do four thousand first-time home buyer loans. This year, because of funding, CHFA is only able to do 2,750.

Attorney Podolsky said that the first committee meeting was focused on the single family purchase program, and that he would like setting-up a second committee meeting that will focus on the park purchase program.

There being no further business, the meeting adjourned at 11:37 a.m.

Respectfully submitted,

Nelson Leon
Advisory Council Secretary

The next meeting of this Advisory Council is scheduled for Wednesday, June 18, 2008.