September 4, 2014

Dear Representative,

We, the undersigned organizations, ask you to oppose H.R. 1779, the *Preserving Access to Manufactured Housing Act*. This bill would roll back vital Dodd-Frank consumer protections, and would be especially harmful to low and moderate income families.

Contrary to claims by its supporters, H.R. 1779 would not expand access to sustainable credit and would not serve the interests of homeowners and communities. In fact, this bill would undermine already vulnerable homeowners by stripping away protections created by Congress and implemented by the Consumer Financial Protection Bureau.

These protections were put in place for a reason: to afford manufactured home owners the same protections as traditional home owners, with special attention paid to interest rate and cost differences between traditional mortgages and personal property (or chattel) loans that drive most of the manufactured housing market.

H.R. 1779 would reverse much of this progress by:

- Raising the interest rate caps that trigger protections under the high-cost mortgage protections of the Home Ownership and Equity Protection Act (HOEPA). Under H.R. 1779, a personal property loan of less than $75,000 with an interest rate as high as 10.5 percentage points above the prime rate would no longer receive HOEPA protections. In the current market, this would permit an interest rate of about 14% for a 15 or 20-year loan on a family's home mortgage without enhanced protections.

- Raising HOEPA limits for points and fees. Currently, loans of less than $20,000 are limited to the *lesser* of 8% of the loan value or $1,000, while loans of $20,000 or more are limited to 5% of the loan value. Under H.R. 1779, chattel loans under $75,000 would have a points-and-fees cap of the *greater* of 5% of the loan value or $3,000. This could substantially raise costs for low-income homeowners with smaller loans.

- Exempting manufactured home retailers from being defined as mortgage originators. This would perpetuate the conflicts of interest and steering that plague this industry and allow lenders to pass additional costs on to consumers.

In short, H.R. 1779 would harm homeowners through weaker consumer protections and costlier loans that are harder to repay. It would make homeownership more costly for those who can least afford it. We strongly urge you to oppose H.R. 1779.

Sincerely,

Center for Responsible Lending
National Consumer Law Center (on behalf of its low-income clients)
National Low Income Housing Coalition