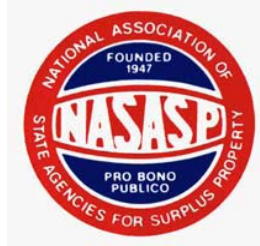




**Manufactured Housing
Association For Regulatory Reform**



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Auction of Remaining FEMA ‘Emergency Housing’ Units Creates Problems for Buyers, Industry, Surplus Agencies

On January 4th, the General Services Administration (GSA) listed 13 lots of manufactured homes, travel trailers and ‘park model’ homes from FEMA’s temporary housing unit (THU) inventory located at 10 staging and storage locations in Alabama, Arkansas, Florida, Louisiana and Mississippi totaling more than 100,000 units for immediate sale and disposal at auction on the GSA Auction website at gsaauctions.gov .

A number of trade associations and government surplus property agencies which would be negatively affected by such large numbers of units being auctioned at pennies on the dollar have joined forces to seek Congressional intervention to halt or slow the on-line auctions.

The Manufactured Housing Association for Regulatory Reform (MHARR) and the Manufactured Housing Institute (MHI) – representing the makers and sellers of HUD-Code manufactured homes – and the National Association of State Agencies for Surplus Property (NASASP) – representing surplus property agencies of the 50 States, U.S. Territories and the District of Columbia – have raised a list of concerns important to their respective members in the event that the auctions liquidate the bulk of FEMA’s emergency housing stock.

According to the coalition, this ‘fire sale’ mentality will serve to cripple the already struggling manufactured housing and RV industries – causing losses to builders and sellers of these products, and resulting in the loss of jobs in both of these sectors.

The introduction of the 8,872 ‘FEMA-spec’ manufactured home units into the market would represent a number of homes **greater than 85% of ALL new manufactured homes shipped** into these states for sale during the first ten months (Jan-Oct) of 2009.

The dumping of this much inventory at reduced prices into the markets of states throughout the Southeast, mid-South and Southwest, according to the coalition, will endanger jobs and stifle small business in an already shaky economy and lessen the demand for new manufactured homes and travel trailers – both of which generate sales tax dollars for the states involved.

These listings combine huge numbers of THUs into lots under a single bid – virtually eliminating any opportunity for individuals or small businesses to purchase these units directly from GSA at auction. The government’s handling of this ‘wholesale disposal’ will benefit only a small number of investors or buying groups that will compete with a very limited number of other potential purchasers. If successful, the winning bidders may then subdivide the units into smaller groups – selling some to and through distributors, others as rental units, and auctioning the remainder to the

public at-large – all at a healthy profit.

It is the coalition's position that, while there is nothing wrong with 'return on investment', the continued mismanagement of the disposal of these units – at the expense of the taxpayer, the buying public, and the manufactured home and recreational vehicle industry – ***IS*** wrong, and is poor public policy.

The wholesale disposal of more than 100,000 THUs will also disrupt the flow of units offered through State Agencies for Surplus Property to state and local governments, businesses, public educational institutions, public health agencies, public safety (police and fire) departments, libraries, not-for-profit organizations – including: veteran's homes, senior centers, homeless shelters, food banks, etc. - and other eligible recipients which have received FEMA units through the 'donation' program. These units have been invaluable to cash-strapped state and local government agencies for use as mobile command centers, portable offices and storage units.

In 2006, Congress expressed its clear preference that unused units should be donated to Indian Tribes and others when it amended the Stafford Act, which governs disaster relief and emergency assistance.

Unwary homebuyers – looking for 'a deal on a FEMA trailer' – could also be in for problems when purchasing these homes at public auction as well, coalition members warn. Some of these units may not be able to be titled in certain states, and others may have undisclosed health and safety concerns from deployment, improper transit and storage or lack of maintenance that create dangerous living conditions for low-to-moderate income Americans... including: air quality concerns, plumbing and HVAC system contamination, electrical problems, and structural defects.

Homes or travel trailers sold outside the normal realm of regulated seller-buyer activity may leave purchasers unprotected by state and Federal laws governing construction and safety, according to members of the coalition.

On behalf of their respective members, the Manufactured Housing Association for Regulatory Reform, the Manufactured Housing Institute, and the National Association of State Agencies for Surplus Property are requesting assistance from Members of Congress to direct GSA to suspend the mass disposal of FEMA's temporary housing unit inventory at this time and seek input from interested *parties (industry, Federal Surplus Property agencies, Native American tribes, state governments and others)* to develop a methodical, manageable – yet coordinated – plan for the sale, donation, use and distribution of usable excess/surplus inventory that does not:

- 1) *contribute to continued government waste,***
- 2) *cause irreparable harm to the manufactured housing and RV industries and increased regulatory or other legal liability to HUD-Code home producers, and***
- 3) *put potential consumers' health or hard-earned dollars at risk.***

GSA Auction Lots of Temporary Housing Units

Source: GSA Auction Website <http://gsaauctions.gov/gsaauctions/aucindx/>

Site	Manufactured Homes	Travel Trailers	Park Models
Selma, AL	85	4,846	291
Selma, AL	733	1,676	170
Hope, AR	3,719	11,264	30
Port St. Lucie, FL	27	940	1
Baton Rouge, LA	174	3	418
DeRidder, LA	2,291	3,580	597
Lottie, LA		21,715	19
Melville, LA	737	21,012	886
Brooklyn, MS	149	2,251	12
Columbia, MS		9,102	2
Lumberton, MS		9,475	
Lumberton, MS	957	3,452	153
Purvis, MS		2,712	
TOTALS:	MH = 8,872	TT = 92,028	PM = 2,579