

Jamie Smith

Clayton Homes of Lebanon

438 Hwy MM

Lebanon, MO 65536

To Missouri Public Service Commission and Counsel

Re: Case #MX-2016-0317

I am further writing in opposition to the proposed rule changes in this case matter. In addition to my comments entered via the letter to the Office of Governor Greitens, this case and proposed rules goes against several years of discussion and negotiation of current rules already in place.

The changes in the proposed rules will have an adverse affect on access to affordable housing for consumers and will adversely affect many small businesses. The fees associated with this, by themselves are concerning, but the lack of caps are even more concerning.

Likewise, it is putting a type of housing, that is already more regulated than any other type of housing, at an even higher inspection rate. All manufactured housing comes with a 1 Year Manufacturing Warranty. The warranty work is often times handled directly by the dealer depending on the relationship and agreement with the manufacturer. This already far surpasses any warranty of level of agreement in relation to other types of housing, such as site built housing, which sometimes carry’s a 1 year builders warranty, that is typically not enforceable by any agreement or regulatory stature, and offers no true protection to the consumer. While already being held to a higher standard of building, meeting HUD or IRC code, in relation to site building which many times offers no code, we should not further be placed at a higher level of warranty or service work, extending to two years like the proposed ruling states. Not only that, it will put the entire warranty past the one year period on the small business owners such as the dealers and installers.

The manufactured home dealers in Missouri already face a higher cost of doing business and selling a higher cost product than dealers in other states with more accessible manufacturing facilities and thus much lower freight costs for the product. The proposed ruling will in doubt put our consumers at an even higher priced product, as dealers will now have to figure out how to absorb not only the proposed fees, but also the service cost that could be faced for extending our warranty period beyond that of the manufacturers.

In addition to exceeding the standard of building and customer satisfaction compared to other types of available housing, while being much more affordable, the dealers in the State of Missouri area already regulated at a higher standard than our neighboring states. The State of Missouri, to my knowledge has 5 inspectors that inspect a high percentage of all homes sold. The state of Arkansas, while it has a far larger number of dealers and higher number of homes sold, only has 1 inspector, and inspects only consumer complaints. The State of Kansas, only inspects consumer complaints. Both of these states have lower level of setup and installation to comply with as well in regards to concrete footers and foundations, which thus lower the end cost of the product, in relation to us in Missouri. The state of Illinois, only inspects for 1 year, 1 time. The level of consumer complaints in Missouri has been reduced to almost nothing, less than 5% of all homes sold.

Another factor that I would like to be considered is at one point, Missouri was home to several different manufactured housing building facilities, or factories. At the time, this helped reduce transportation costs, and provide a lower cost product to homeowners. In addition to helping consumers, they also provided hundreds of additional manufacturing jobs for Missouri residents.

The turn of the economy as well as costs of doing business in Missouri has currently left Missouri with no manufactured home building facilities. The industry is on an upswing, and currently experiencing a high. Most all manufacturers are experiencing a high product back log, and the need is arising for many to expand, or new manufacturers to rise. The proposed ruling will not only hurt existing businesses and homeowners, but could provide a severe deterrent for any manufacturers that may potentially look to expand and open facilities in Missouri once again, eliminating the potential for hundreds of new jobs in the State of Missouri. The proposed ruling would potentially create excessive regulations and fees that manufacturers may not face in other areas.

Our goal is to provide the most affordable, highest quality housing solution for consumers in a many times underserved market. For longevity, we must endure both quality and affordability. We do not seek an unregulated, or non-policed market or industry. Quality must be maintained. We do however, wish to have a level playing field and equal level of regulation in regards to other available housing solutions, as well as the rest of our own industry.

Thank you for your consideration of our comments, and we hope for an agreeable resolution.

Sincerely,

Jamie Smith

Managing Partner/General Manager

Clayton Homes of Lebanon

Vice President-Board of Directors

Missouri Manufactured Housing Association