

To Whom It May Concern:

I am writing in regards to MW-2016-0163 . This case has several factors that will undoubtedly cause extreme adverse effects upon consumers, the industry, and potentially the Missouri Public Service Commission.

The manufactured housing industry in Missouri is extremely low numbers of active dealers, installers, and contractors. In 2015 there is only about 40+ active dealers, many of which are only part time or selling single digit number of homes on an annual basis. This is down from the late 90's to early 2000's where there were over 300 active dealers. Likewise, there is a limited number of installers for new homes in the state as well, which I will touch on further.

Our entire point of existence is to provide quality, but affordable housing to consumers that either do not want to, or cannot afford to enter the site-built housing market. Our homes, in many cases pass many more inspections and are built to higher standards than site built homes, especially in rural markets with no planning or zoning. The changes imposed, with the increases in fees, and penalties, could prove catastrophic in expenses that will inevitably hurt the consumer, potentially driving out the affordability aspect of our industry. The state of Missouri in many cases already has much more strict installation requirements than our neighboring states, such as Oklahoma, and Arkansas. The additional cost due to this does put our state's consumer's at a pricing disadvantage and paying more for their home than our neighboring state, in many cases close to \$5,000 for the same home, if not more. That means in short, assuming all consumers bought the same house, consumers in Missouri potentially paid \$3.5 Million more than consumers in Arkansas and Oklahoma, due to stricter setup requirements, more dealer responsibilities, and lack of competition among installers. The proposed rules and adding responsibilities will drive that cost up greater.

Another factor that drives up the cost of housing for our consumers is lack of new home installers in the state. The current regulations and requirements to set new homes in the state, coupled with lack of competition, drives the cost up where the cost to set and install a new home in the state is considerably more than laxer requirement states that neighbor us. The proposed rules will do nothing but cause these to increase further, even more driving up the cost of the product to the consumer. If anything, the path needs to be lightened to gain installers to help consumers. As with any industry, or product, competition drives excellence. More competition will provide a better quality product for the consumer as well. If the rules proposed go into existence, you will see the number of installers decrease drastically, I'm afraid.

Overall, the dealers left in the state are providing a quality product to the consumer. Consumer complaints are next to nothing, and a fractional percentage of sales. If there are dealers, or installers performing subpar work, by all means they should be fined accordingly if it is a repeated basis. Having a

policy that creates excessive fines and penalties without any tract record of infractions, seems extremely excessive and borderline prejudicial.

There are a few major issues with the proposed rules that I would like clarity on:

1. Who will be policing the fines? The way it is proposed it appears as if there is a path to infinity, with no limit, and the judicial branch being the one's imposing. For example, what if a write up occurs, and it's actually found that the inspector incorrectly wrote up the item, which does happen? Who is responsible for a trip fee then? All governing bodies have a system of checks and balances, and the proposed system for this fine system, seems to be lacking that.
2. Is there going to be training for all inspectors to inspect homes on a uniform basis, as there are many items that seem to be open to interpretation and lack consistency from one part of the state to another.
3. A need for a more up to date system of reporting is going to need to be required , in my opinion, as we in many times are relying on outdated technology and methods of submitting reports, and property locators.
4. If homes are inspected during the middle of the setup process, these should be excluded from any rule or fine. Obviously, if a house isn't done, there are going to be infractions or write ups. Likewise, the customer, under no circumstance should ever receive a copy of this write up as it will create many issues. Since this has been happening with inspectors at my dealership, it has created many unnecessary service conflicts with customers.
5. Since homes may not be inspected again, if they were inspected in the first year, in the respect of full transparency, dealers need to be provided a "clean bill of health" or a statement showing everything was done properly if a home is inspected and no infractions were found or corrections to be made. We currently receive nothing.

In short, the industry is taking care of our customers and delivering a quality product. Let's not make changes that will adversely affect the consumer any further in the affordability aspect, as we are on the brink of reaching our maximum for the purpose of our industry existing in the first place staying status quo. The current rules were worked on for a very long time, and do not have the need to be meddled with at this point, unless going in the opposite direction, as they were agreed upon approximately less than two years ago. The proposed rules and increase in cost of doing business will in turn, adversely affect the industry, the consumer, and ultimately could harm the PSC manufactured housing division as it will decrease number of dealers, homes sold, and thus revenue to the PSC as well. We all exist for a sole purpose; to provide quality, affordable housing. The quality part is being delivered on as evidenced by lack of consumer complaints. Hopefully we can work together to keep it affordable.