

Re: An Act to Foster Stable and Affordable Home Ownership to Mobile Home Parks by Amending the Laws Relating to the Sale of Mobile Home Parks

Dear Senator Pierce and Representative Gere and Esteemed Members of the Housing Committee:

My name is Tinamarie Smith. I am here to represent the Manufactured Housing Association of Maine which is a group of over 350 members of Community Owners, Retail Sales Centers, Builders, Developers, Manufacturers, Manufactured Housing Installers, Mechanics and Associated Businesses—such as insurance companies and banks who finance manufactured housing.

I am here in strong opposition to the bill before you and I will try my best to explain why. Manufactured Housing is one of the most highly regulated industries in the United States, and also in the State of Maine. We are regulated both at the federal level by HUD and at the State level by the Maine Manufactured Housing Board. The laws in place now already currently allow the residents of Manufactured Housing Communities to purchase the property from the Community Owner, as demonstrated by the 7 communities that are currently owned by the residents and run by ROC.

I have experience with ROC, as our seventy nine year old company, State Manufactured Homes in Scarborough, which was started by my grandparents back in 1944. We owned a community in Portsmouth, New Hampshire which fell under the ROC laws passed 15 years ago in that state. I also have information regarding the ways in which ROC and their employees work to help the residents buy the community from the Community Owner in New Hampshire and also some of the issues that have arisen in the past 15 years since ROC's beginnings. Make no mistake, ROC makes a tremendous amount of money on the backs of the resident owned communities. It is not the utopian dream that Mr. Paul Bradley who started it thought it would be. Neighbors governing neighbors just does not work. These are multi million dollar companies that are quite sophisticated and time consuming to run. We have 15 year round employees who have decades of experience. My mother, Theresa Desfosses, has been working in our industry for 55 years. I have been working in our industry for 30 years. Along the way we have learned what works and what does not and we have also built our communities into some of the finest in the United States. I do not think it is fair, and it is quite frankly UNAMERICAN to seize the rights of American citizens to sell their business to whomever they choose—and right now they could already sell the community to the residents as demonstrated by the seven in Maine which already exist.

In ROC's organization of the community residents to buy the business they come in and offer high interest "loans" which in reality become loans in perpetuity. If we charged interest like they do we would be breaching federal laws regarding predatory lending. ROC charges a \$1000 fee for each resident to become a member of the newly formed "association" then they charge a poll tax of \$20-25 dollars per month to each resident. Residents who do not join the association are charged a substantially higher rent than those who do join the association. New Hampshire is grappling with legislation now to level that playing field and not allow different lot rents within a community—as Community Owners are not allowed to charge different amounts. ROC does not require 51% of ALL association members to be part of the buying group. So for example. In a 100 lot community, if 25 people join the association they would need 13 people to make the decision to purchase the community from the community owner. New Hampshire gave an example of a 300 unit community where 68 people decided to buy, and the rest were stuck with that decision. I would like to point out that people are not forced to buy a home in

a manufactured housing community, they willingly buy into the community knowing that it is professionally owned and operated.

ROC never will let a community fail—which they state on their website—they allow interest only payments for the first 10 years of the mortgage. The resident owners of the community cannot (by contract) sell the community for 10 years, after that time they are able to sell if they wish—at which time ROC reclaims the profits made and reinvests that into the loan fund that they use to allow for more purchases of these highly lucrative communities.

There are currently 300 ROC owned communities nationwide, with 147 alone in New Hampshire. Some of the issues they are currently experiencing in New Hampshire include ROC's that are supposed to have annual meetings with everyone but they do not conduct these at all, so people's issues have no voice.

At a community called Bear View Crossing in Allenstown, New Hampshire which was purchased from the Community Owner for 21 million dollars, ROC charged a \$3,000 legal fee to begin with, a 1.5% technical assistance fee equal to \$270,000 dollars and then a \$7,000 yearly technical fee...those are the fees I was able to find out about online—I am sure there are more. At Bear View Crossing there has been an enormous issue with two resident whistle blowers complaining to ROC that there were funds missing from the bank account. They thought initially that it was around \$50,000 but it turned out that it was closer to \$500,000. ROC asked the whistle blowers not to release any information about this so that it would not make the newspapers—so the whistle blowers went to the New Hampshire Manufactured Housing Association for help because it is in fact their money that was embezzled. This is just one example of inept management by people who have no experience running large enterprises such as these Manufactured Housing Communities. One way that ROC tries to help is by making the ROC communities hire property management companies. So they pay them a fee for that as well.

In closing, I feel that this bill is an overreach of government and private sector non profit (ROC) power that is unethical and unneeded—and will also cost towns and cities thousands if not millions in property tax money. I think that it should stay the way that it is now in Maine where the ROC members can buy the community from the Community Owner. It is important that we level the playing field so that private investors are able to sell their businesses to whomever they would like to. Just like other businesses in America. The 60 day notice recorded at the registry of deeds, the certified mail to each resident of the community and the 90 days to obtain financing is completely unheard of in the business world. It is essentially the "right of first refusal" without any consideration offered...now ask yourself, would you like that to happen to your family owned business?

I do agree if there is a change of use proposed than there should be a law in place that it should be offered at the same price as the new change of use owner's offered price and I would not be opposed to a rent control to stop unscrupulous Community Owners from forcing people from their homes. I am available by phone at 207-883-2512 and the New Hampshire Manufactured Housing Board can also be available to answer any questions as needed. Her name is Karen Soucy and her phone number is 603-344-5797.

Thank you for your consideration.