

TOP **25** REASONS TO ATTEND 1989-2014 AHA'S ANNUAL CONVENTION

★ NEXT WEEK NOV 6 - 7 ★

1. Help Us Celebrate our 25th Anniversary!!
2. Learn Valuable Listening Skills for Making More Sales from Joe Adams from The Housing Marketplace.
3. Get an Update on the Latest Happenings in Washington, DC with Rick Robinson, MHI Lobbyist, Including What Effect the National Election Results May Have on the Industry.
4. Reconnect with Friends and Colleagues.
5. Network While Making New Friends and Business Contacts.
6. See Who Will Receive this Year's Annual Awards at the Luncheon.
7. Earn all of your Credits for your Installer's License at our DFBSL Installer Training Course.
8. Stay at the Beautiful, Modern Wild Horse Pass Hotel & Casino.
9. Take a Spin on one of the State of the Art Slot Machines in the WHP Casino.
10. Make a Hole in One at the Picturesque Course at the Whirlwind Golf Club.
11. Enjoy Great Food and Cocktails at the President's Reception and Chairman's Banquet.



(Continued on Page 2)

TOP **25** REASONS TO ATTEND 1989-2014 AHA'S ANNUAL CONVENTION

12. Listen to the Live Music in the Encore Lounge Thursday and Friday night for FREE.

13. Take in the Merle Haggard Concert in the Ovations Showroom Friday night.

14. Dance the Night Away at the Chrome Nightclub.



15. Try your hand at Poker, Blackjack or Pai Gow at one their many tables.

16. Try Your Luck in the Shutters High Limit Gaming Salon to Win Big Bucks.

17. Have a Steak at the Famous Coach Don Shula's Steakhouse.

18. Enjoy Custom Cocktails at one of the Many Bars and Lunges in the WHP Casino.

19. Relax Poolside in a Private Cabana at H2oooooh!

20. Check Out Rawhide Western Town Nearby.

21. Get a Massage or Facial at the Nearby Aji Spa.

22. Fulfill Your Need for Speed at the Bondurant School of Driving.



23. Shop-a-holics will want to Visit the Premier Outlets just across the street.

24. See a Man About a Horse at the Koli Equestrian Center.

25. Watch the Wild Horses Run Wild from your Hotel Room Windows.

Many Thanks to Our 2014 Convention Sponsors!

Diamond Sponsors

- ☐ Cavco Durango; Cavco West; Cavco Home Center;
& Fleetwood Homes
- ☐ Champion Home Builders & Redman Homes
- ☐ Clayton Homes; Golden West Homes; Karsten Homes
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Gold Sponsors

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Silver Sponsors

- ☐ Arizona Home Supply
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For more information on how you can support your association by becoming a Sponsor of the AHA 2014 Annual Convention, please call us at (480) 456-6530; email kim@azhousing.org or visit www.azhousing.org

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REGISTER TO ATTEND

AHA's 25TH ANNIVERSARY CONVENTION

NOVEMBER 6 - 7, 2014

WILD HORSE PASS HOTEL & CASINO

Also In This Issue...

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MODEL HOME AT THE 2014 ARIZONA STATE FAIR

We are proud to once again showcase Today's Manufactured Home at the 2014 Arizona State Fair. CMH Arizona donated the use of a beautiful new manufactured home for fair visitors to tour in order to see that a manufactured home could be their next home. Not only was this event intended to improve our image, but also boost home sales throughout the state.

The model is 28' x 52' – 1,386 sq ft with 2 Beds + Den + 2 Baths. The home features 9' flat ceilings throughout; 80" Tall Windows w/ Full Panel Drapes; 45" Tall Overhead Cabinets in Kitchen; Raisend Panel Hardwood Cabinet Doors and Frames; 2" x 6" Exterior Walls; Insulation: Floor r-22 / Walls 2-21 / Ceiling r-50. In addition, the home featured an 8' x 28' Covered Porch, and French Doors with Blinds inside the Glass.

The four Arizona factories: CMH Arizona, Cavco Durango, Cavco West, and Champion Homes, all participated in staffing the home with volunteers from Arizona Retailers statewide, including Clayton Homes, Bronco Homes, Cavco Home Centers, Factory Expo Home Centers, The Home Source, Pacesetter Homes and Rodeo Home Sales. We would also like to recognize Lane Davis from Clayton Homes Glendale for furnishing and decorating the home; Terry Gleeson from Gleeson MH Service for set-up and the use of an AC Unit; Josh Wendt from W5 Construction for skirting and wood step installation; and Marci Mitchell from Ameri-Fab for the use of an accessible ramp.

The State Fair winds down this Sunday, November 2nd, so there's still time to come out and see the beautiful model home on display.



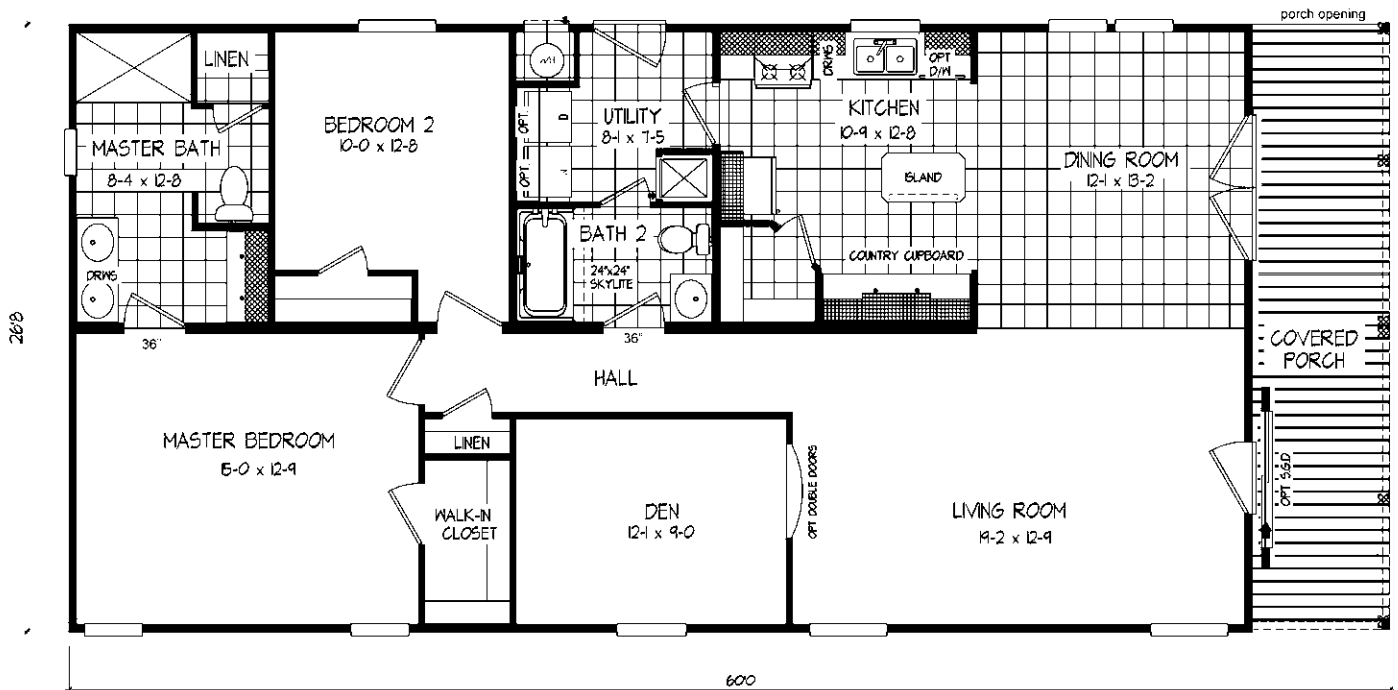
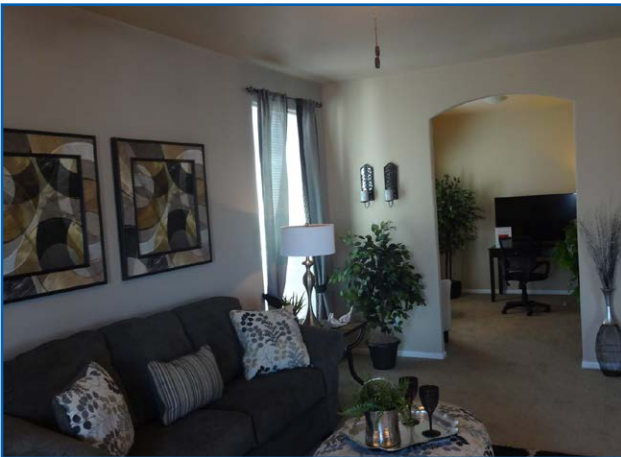


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MODEL HOME AT THE 2014 ARIZONA STATE FAIR



PREPARING FOR CFPB'S NEW APPRAISAL AND VALUATION RULES *BY DICK ERNST*

The following article was written by Dick Ernst, Chairman, MHI's Financial Services Division and President, Financial Marketing Associates, Inc. for MHI and Industry Members

By now, industry participants should be very aware of the "Big 8" Dodd-Frank regulations that have been implemented since January of 2014. The purpose of this paper is not to rehash those eight rules but to focus on the New Appraisal and Valuation final rules that were released near the end of 2013. Like many of the other rules, what we thought we were getting and what we ended up with were significantly different. The proposed rules released earlier in 2013 provided, in large part, exemptions from appraisal and MHI and many members and state associations wrote comments in support of the proposed rule.



Everyone should understand that the Appraisal rules were not developed by CFPB alone, but by a multi-agency task force charged with coming up with a viable rule. While we were very involved in the process on the front end, the deliberative process was done after review of all comments including those of Consumer Advocacy Groups opposed to the exemptions provided in the proposed rule.

When CFPB released the final rule the rulemaking body recognized that the new rules were going to have a significant impact and would take some time for the industry to develop an appropriate system to comply with the rule.

THE APPRAISAL AND VALUATION RULES

While I would like to refrain from using what some may consider technical terms, everyone should know the type of appraisal or valuation required on different types of loans and which loans may not require an appraisal or valuation at all. The important thing is, I want people to understand it and know many have been working hard since the end of last year to develop a reliable and economical way of complying.

Land and Home Transactions for New Homes and Preowned Homes

Beginning July 18, 2015, (all applications after that date) all land and home transactions will require what is called a USPAP Appraisal. In simple terms, it is the same type of certified appraisal done on site built homes by a licensed and certified appraiser.

Exceptions:

- If the loan is a QM (qualified mortgage) and has an APR less than the APOR (average prime offer rate) + 1.5%, no appraisal is required. In today's market for a 15 year loan that would be an APR of 4.875%. For a 30 year loan, that would be an APR of approximately 5.7%. In the manufactured housing world, unless this is a loan being sold to the GSEs or in a GNMA pool for FHA title II loans, most loans are going to be over these rates and, therefore, will require an appraisal.
- No appraisal is required if the loan amount is less than \$25,000.
- On a new home and land transaction, no interior inspection is required (which makes sense since the home is being built and going down a production line at the factory). In this case, the appraiser will do a "Plans and Specs" appraisal on the blueprints and other data available from the manufacturer. The appraiser will, however, still inspect (not appraise) the home after installation but prior to occupancy.

(Continued on Page 7)

PREPARING FOR CFPB'S NEW RULES *(CONTINUED)*

Home Only transactions

The new rules for these loans bring additional change.

The new rules "exempt" the home only from the USPAP appraisal rules if the lender provides one of these three items to the consumer 3 days prior to the close of the loan transaction. Again, loans of \$25,000 or less are not required to have a valuation.

1. The manufacturer's invoice, or 2. A valuation based on a Cost Valuation Guide, or 3. A valuation performed by an individual or company trained and experienced in the valuation of manufactured housing, so long as the individual or company has no financial interest in either the home sale or the loan.

WHAT IS BEING DONE TO BE IN COMPLIANCE WITH THESE NEW RULES BY JULY 2015?

The Dodd-Frank Task Force along with other key stakeholders such as retailers (both large and small), community owners (both large and small), industry lenders, and manufacturers have had a seat at the table in providing input.

There were two clear choices of companies that could provide the necessary resources and services for the industry. Our group has met with NADA and DataComp on numerous occasions and asked them if they were interested in being part of the industry solution. It is important also to understand that each company approaches valuations differently. NADA develops their "depreciated retail value" using the cost methodology running manufacturer cost information through their system and DataComp uses the comparable market methodology by developing their valuations based on actual sales that occur in the marketplace between a willing seller and a willing buyer.

(Continued on Page 8)



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Loan approval is subject to credit approval and program guidelines. Not all loan programs are available in all states for all loan amounts. Interest rates and program terms are subject to change without notice. Some restrictions may apply. Financing on used manufactured homes is available for homes listed in the NADA Guide up to 20 model years old. Mortgage and Installment Loans are offered through U.S. Bank National Association. Deposit Products are offered through U.S. Bank National Association, Member FDIC ©2014 U.S. Bank

 EQUAL HOUSING LENDER



PREPARING FOR CFPB's NEW RULES (CONTINUED)

This rule requiring the valuation be provided to the consumer three days before loan closing changes the dynamics of how our lending on chattel loans and even land and home loans that are held in portfolio (as opposed to selling to GNMA, Fannie Mae or Freddie Mac) have previously been handled.

NADA, as most people know, provides the "CONNECT" system for the industry. Once NADA receives cost information from the manufacturers, they then subject these costs to various algorithms which then determine average mark-ups and other regional and location adjustments for their depreciated retail values.

DataComp is a 27-year old company that has provided appraisals and valuations on preowned homes and some new homes (for some lenders who do not use the advance method of lending), and has developed a database of over a million preowned home sales. When asked to provide a valuation, the subject home information is submitted to them and then they use their database of homes that most comparably compare to the subject home. In order to prepare for the task of providing valuations on new homes, both companies are being provided the previous five years of sales financed by the industry's five main lenders. In short order, a system to capture cash sales and financing by other lenders (other than the five main lenders) will be developed so that DataComp will have the entire market sales to consider in their valuations and NADA will have historical data to feed their system and potentially adjust the algorithms in the process.

Once both companies are fully ready, here is how it will generally work with each company.

NADA's CONNECT system is accessible by the internet. The lender will be responsible to input all pertinent data related to the transaction including the home's make, model and year of manufacture as well as all options installed at the factory and any options that are installed by the retailer. Also, the location where the home will be sited must be provided. The rules state also that the lender must accept the various adjustments applied by the system and cannot make changes on their own.

DataComp will require just two documents. The lender will be asked to electronically send the manufacturer invoice along with the purchase agreement which will show all options included with the sale and also the site information. DataComp's appraisers will then use that sales information and pull from their database "comparable sales" of like homes in size, quality, options and in as close proximity to the site as possible.

In summary, each company is in the process of entering well over 1 million data points into their systems so they will be reflective of the historical market and the current market.

Both companies are to be commended for their commitment of resources, time and effort in helping the industry prepare for this significant change to the business. Members of the Task Force are confident that having these options available for chattel transactions will lead to a seamless integration into the lending process.

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A Division of SACU

THIS CREDIT UNION IS INSURED BY THE NATIONAL CREDIT UNION ADMINISTRATION

25th Annual Convention

Wild Horse Pass Hotel & Casino

5040 Wild Horse Pass Blvd, Chandler, AZ 85048

Thursday, November 6, 2014 ☐ Friday, November 7, 2014

Attendee Registration

Registrant: _____ Nickname for Badge: _____

Company: _____

Address: _____ City/State/Zip: _____

Phone: _____ Email: _____

2nd Registrant: _____

Nickname for Badge: _____

Email: _____

3rd Registrant: _____

Nickname for Badge: _____

Email: _____

4th Registrant: _____

Nickname for Badge: _____

Email: _____

(More registrants? No problem, just include names on a separate page.)

Room Reservations

A block of guest rooms is being held for November 5 - 7, 2014 at the Wild Horse Pass Hotel & Casino until October 6, 2014. The group rate for a King/Double Room is \$129 single/double. The group rate for a Corner Suite is \$169 single/double. Reservations can be made by calling the hotel at (800) 946-4452 and mention that you are a member of the Arizona Housing Association. Individual reservations must be cancelled at least 72 hours prior to scheduled arrival to avoid late cancellation charge.

Cancellation Policy

Full refund of registration fees less \$25.00 will be made if AHA receives written notice of cancellation prior to October 27, 2014. No refunds will be made after October 27, 2014, or for non-attendance. Substitutions will be permitted. Please note that any substitutions made after October 27, 2014, may not have printed name badges.

Convention Registration Fees

Two Day Registration

Two Day Registration includes Thursday Night's President's Cocktail Reception and Chairman's Banquet. Also included is Friday's Keynote Presentation, General Session Workshops & Installer Training, Annual Awards Luncheon and Council Meetings.

Early Two Day Registration Fees: _____ x \$125.00 _____
(Received before 10/06/14)

Standard Two Day Registration: _____ x \$200.00 _____
(Received between 10/06/14 - 10/27/14)

Late Two Day Registration Fees: _____ x \$200.00 _____
(Received after 10/27/14)

Special Retailer One Day Registration

A Retailer may bring any number of licensed sales people from their location with the Owner or General Manager's paid 2-day Registration*. (See Notes and One Day Registration Details Below.)

Sales Person 1-Day Registration: _____ x **FREE** _____

*NOTES: Requires one paid 2-day registration
Must be registered to attend - walk-ins not allowed

One Day Registration

One Day Registration includes **only** Friday's program of the Keynote Presentation, General Session Workshops & Training, Luncheon and Council Meetings. Attendees Registered for the 1-day meeting will **not** be admitted to Thursday Night's President's Cocktail Reception or Chairman's Banquet.

One Day Registration Fees: _____ x \$ 75.00 _____

Non-Member Registration Fees

Non-Member Registration Fees: _____ x \$250.00 _____

Total Fees: \$ _____

See payment information on next page.

Registration will not be accepted without payment.

Registration fee does not include Golf Fees or Hotel Accommodations.

Annual Golf Tournament at the Whirlwind Golf Club by Troon

Thursday, November 6, 2014 ☐ 9:00 am Tee Time



Whirlwind Golf Club in Chandler, Arizona is a truly unique southwest golf experience designed to preserve the rich cultural heritage of the Gila River Indian Community. Developed by Gary Panks, the Devil's Claw course was created to reflect the land while the waters still flowed on the reservation by combining native grasses associated with the Gila River landscape including Cottonwood, Mesquite, Saguaro and Palo Verde. This challenging golf course features gradual elevation changes, great bunker designs with multi-tiered greens. Discover the beauty of this challenging course.

Attendee Registration

Company: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

1st Registrant: _____

2nd Registrant: _____

Nickname for Badge: _____

Nickname for Badge: _____

Email: _____

Email: _____

Handicap or avg. score: _____

Handicap or avg. score: _____

3rd Registrant: _____

4th Registrant: _____

Nickname for Badge: _____

Nickname for Badge: _____

Email: _____

Email: _____

Handicap or avg. score: _____

Handicap or avg. score: _____

Number of Players: _____ x \$99 = Total Amount Enclosed \$ _____

Payment Information:

Credit Card Customers may register online by visiting our website - www.azhousing.org
or Make Check Payable to: AHA, 4525 South Lakeshore Drive, Suite 105, Tempe, AZ 85282

Convention Sponsorship Opportunities

AHA would like to encourage your company to become a Convention Sponsor. Sponsors are essential to keeping overall registration fees down, ensuring that more industry members will be able to attend. Sponsors' support also enables the association to add fun and relaxation to our Program. Social and meal functions have been designed to provide networking opportunities for our members. Please help us make this Convention our best and most successful!

Event Sponsor - \$3,000

- Company Logo on Sponsor Sign at Registration table
- Full Page Color Advertisement in Convention Program
- Company Logo on table signs at all meal functions
- Sponsor recognition in AHA newsletter and on AHA website
- Certificate presented at the Appreciation & Recognition Luncheon
- Free Advertisement on sidebar of AHA Website viewable by all
- Complimentary Exhibitor Table
- Two Free 2-day Convention Registrations (within parent organization)

Diamond Sponsor - \$2,000

- Company Logo on Sponsor Sign at Registration table
- Advertisement in Convention Program (3.5" x 4.5")
- Company Logo on table signs at all meal functions
- Sponsor recognition in AHA newsletter and on AHA website
- Certificate presented at the Appreciation & Recognition Luncheon
- Free Advertisement on sidebar of AHA Website viewable by all
- Complimentary Exhibitor Table
- Two Free 1-day Convention Registrations (within parent organization)

Platinum Sponsor - \$1,250

- Company Logo on Sponsor Sign at Registration table
- Advertisement in Convention Program (3.5" x 2.5")
- Company name on table signs at all meal functions
- Sponsor recognition in AHA newsletter and on AHA website
- Certificate presented at the Appreciation & Recognition Luncheon

Gold Sponsor - \$750

- Company name on Sponsor Sign at Registration table
- Advertisement in Convention Program (3.5" x 1.5")
- Sponsor recognition in AHA newsletter and on AHA website
- Certificate presented at the Appreciation & Recognition Luncheon

Silver Sponsor - \$500

- Company logo on Sponsor Sign at Registration table
- Company logo in Convention Program
- Sponsor recognition in AHA newsletter and on AHA website
- Certificate presented at the Appreciation & Recognition Luncheon

Bronze - \$250

- Company logo in Convention Program
- Sponsor recognition in AHA newsletter and on AHA website
- Certificate presented at the Appreciation & Recognition Luncheon

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Please check one:

- Event Sponsor - \$3,000
 - Golf Tournament
 - Reception & Banquet
 - Awards Luncheon
- Diamond Sponsor - \$2,000
- Platinum Sponsor - \$1,250
- Gold Sponsor - \$750
- Silver Sponsor - \$500
- Bronze Sponsor - \$250

Company

Contact Name

Address

City/State/Zip

Phone

Email

Payment Information:

Credit Card Customers may register online by visiting our website - www.azhousing.org
or Make Check Payable to: AHA, 4525 South Lakeshore Drive, Suite 105, Tempe, AZ 85282

IS THE CFPB “MYSTERY SHOPPING”?

MHI is receiving reports from its members who are concerned they've been "mystery shopped" by the Consumer Finance Protection Bureau (CFPB). The stories usually involve a lower credit-score buyer asking leading and very specific questions about where they should go for finance. The concern is coming from more than just retailers. One state association office received several calls of a suspicious nature.

Many of these stories are coming to MHI second-hand, making it nearly impossible to tell if there is any substance to them. And, there have been no enforcement actions by CFPB to date. So, it's hard to determine if the CFPB is actually "mystery shopping."

As was reported at a previous Financial Services Division meeting, MHI does know the CFPB has contacted state regulators requesting consumer complaint referrals covering all lending products. Most who follow the agency agree it would not be beyond the realm of possibilities they are sending people into the field in an attempt to document Dodd-Frank loan steering violations in manufactured home lending. To paraphrase one MHI member: If 2014 was the year of CFPB implementation, 2015 will be the year of CFPB enforcement.

When MHI staff members speak at state association meetings, they warn members to treat everyone as a "CFPB Mystery Shopper." Furthermore, they tell them to be particularly wary of anyone asking leading questions such as, "I see the names on your lender list, but I'm a 625. Who will actually finance my loan?" or "You know all of these lenders. Who will give me the best deal?"

Finally, if you think you've been "mystery shopped," please forward the information to Rick Robinson, MHI's General Counsel at robinson@mfghome.org.



CALENDAR OF EVENTS

NOVEMBER

- 6-7 25th Anniversary Convention & Golf Tournament**
Wild Horse Pass Hotel & Casino
5040 Wild Horse Pass Blvd, Chandler, AZ
- 18th Phoenix Division Meeting, 5:30 pm**
Nellos Restaurant, Tempe
Kory Beickel, Division President
kbeickel@countryplacemortgage.com
- 27-28 AHA Office Closed for Thanksgiving**

DECEMBER

- 10th Government Relations & Zoning Committee Board of Directors Meeting**

24-25 AHA Office Closed for Christmas Holiday

JANUARY

- 1st AHA Office Closed for New Year's Holiday**
- 7th Tucson Division Meeting, 6:30 pm**
Old Pueblo Grille, 60 North Alvernon
Scott Townsend, Division President
stownsend@westernamericanhousing.com

Visit our website www.azhousing.org for an archive of past newsletters, shipment reports and other information!

Arizona Housing Association

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