



June 30, 2003

Mr. Dale Hardy Roberts
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102

FILED⁴
JUN 01 2003
**Missouri Public
Service Commission**

**Re: Proposed Rules for Increasing Manufactured and Modular Housing
Inspection Fee** **MX-2003-0187**

Dear Mr. Roberts:

The Manufactured Housing Institute (MHI) is pleased to submit these comments on the Missouri Public Service Commission's (MPSC) Proposed Ruling regarding the increase of inspection fees for manufactured and modular homes (4CSR 240-120.85; 4CSR 240-121.065; 4CSR 240-123.095). We appreciate the opportunity to iterate our position on the proposed rules during the comment period. MHI is a national trade organization representing all segments of the factory-built housing industry, including manufactured and modular home producers, community owners and managers, retailers, suppliers, and financial service providers. Our members include those currently operating within the state of Missouri.

According to a recent report released by the Millennial Housing Commission, manufactured and modular housing remains one of the largest sources of non-subsidized housing in the nation. The report also cites manufactured housing accounted for almost 72% of the growth in the nation's affordable housing stock in the 1990s. It is imperative that manufactured housing remain affordable to those that need it most.

MHI recognizes that given the current economic climate, many states are faced with difficult fiscal issues. However, MHI is also cognizant that arbitrary program fee increases very often affect those who can least afford it: low- and moderate- income households. MHI is extremely concerned that the imposition of an increased inspection fee twice the currently assessed amount as proscribed by the proposed rulings has not undergone a thorough review of the consequences. As the fee will invariably be reflected into the cost of the home, the proposed rulings will have a detrimental impact to homeownership opportunities for those living in Missouri.

Additionally, as cited by the Missouri Manufactured Housing Association (MMHA), MPSC staff has indicated a dramatic decrease in the number of complaints received from homeowners, which as a result has decreased the need for inspections. In

MHI Comments to Public Service Commission

June 30, 2003

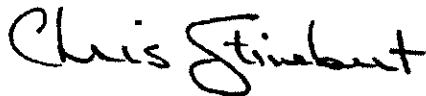
Page 2 of 2

view of this, MHI has serious concerns over raising the fee when in fact the number of complaints has been declining, and therefore the number of inspections and the workload required has declined as well. It appears alternative program adjustments need to be examined prior to doubling inspection fees.

It is evident that imposing this fee and obligation on manufacturers, retailers, and eventually the consumer needs to be reconsidered. MHI respectfully submits that the proposed rules 4CSR 240-120.85, 4CSR 240-121.065, and 4CSR 240-123.095 be withdrawn.

We appreciate the opportunity, and additional time, to comment on the proposed rulings and we look forward to the favorable resolution of our concerns.

Sincerely,

A handwritten signature in black ink that reads "Chris Stinebert". The signature is written in a cursive, slightly slanted style.

Chris Stinebert
President

CS/tl

cc: Missouri Manufactured Housing Association