



Frontier Housing  
*Discover the New Frontier*

Manufactured Housing Done Right!™





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Building a National Delivery System

## A New Delivery System for Factory Built Housing





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Speaking with you today...

**Frontier Housing**

Stacey Epperson, President

[Stacey@frontierhousing.org](mailto:Stacey@frontierhousing.org)

Homeownership Center 5445 Flemingsburg Road, Morehead, KY 40351



### **Mobile Home**

A residential structure manufactured **prior** to the enactment of the Federal Manufactured Housing and Construction Standards, also known as the HUD Code, on June 15, **1976**. **Mobile homes are no longer being constructed.**

### **Manufactured Home**

Single family residential dwelling built **in compliance** with the Federal Manufactured Housing and Construction Standards, as amended, also known as the HUD Code, **after June 15, 1976**. Built in multi-sectional or single section units.

### **Modular Home**

Homes **built to the state Code where the home will be located**. Sectional units are built in a production facility, transported to the site and assembled.



**Frontier Housing is grateful for their partners and supporters-**

- CFED, I'M HOME
- Clayton Homes
- Mary Reynolds Babcock Foundation
- FAHE
- NeighborWorks® America
- Project Redwood
- Fannie Mae
- The Ford Foundation



**Frontier Housing** has teamed up with **Clayton Homes** to **create and distribute** an innovative and special line of manufactured homes to meet the specific requirements of nonprofit housing providers and the customers they serve.

## **Solution: A Scaled Market Strategy**

We have developed performance standards to ensure quality, not only for the homes, but for the entire home buying and placement experience. We call it –

**Manufactured Housing Done Right!™**



**In 2004, life got really interesting. Epperson was accepted in the Achieving Excellence Program offered by NeighborWorks®.**

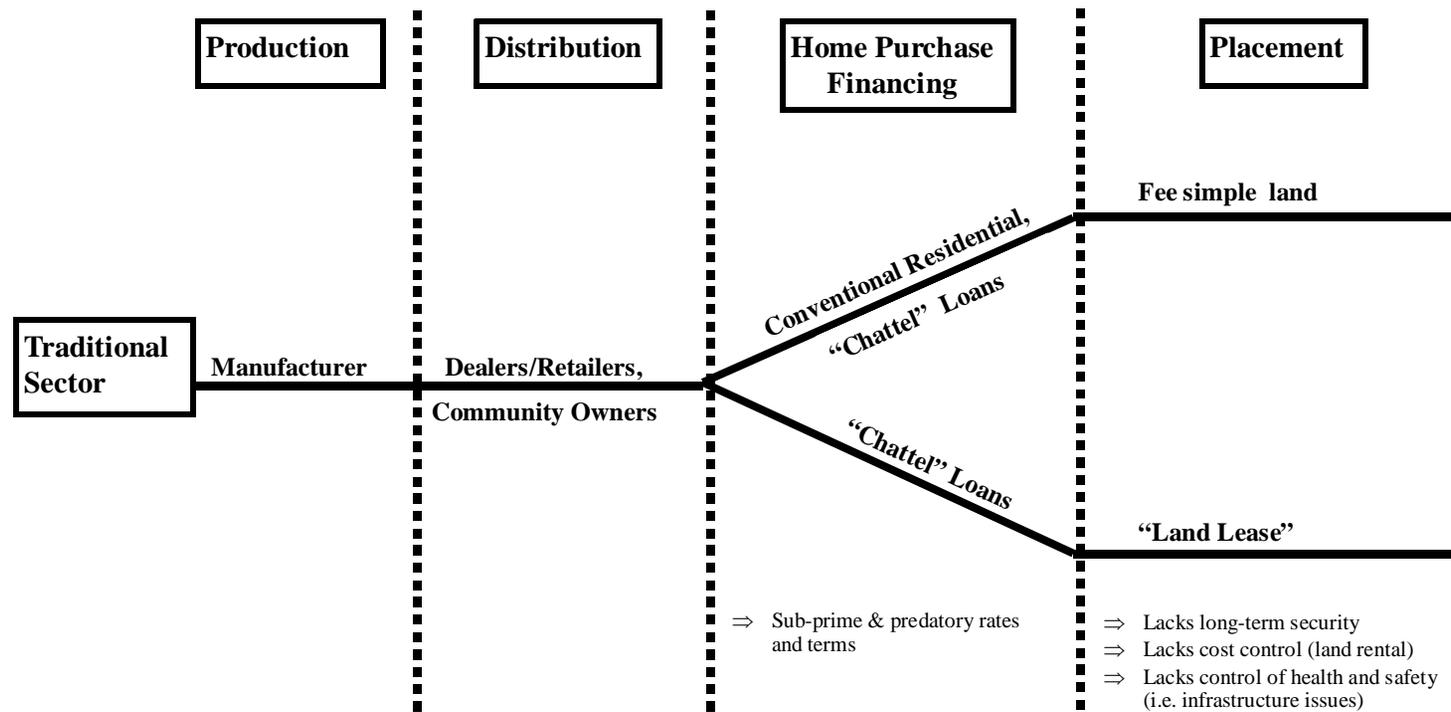
“My Appalachian colleagues and I had a long standing disdain for the manufactured housing industry. We saw it as the problem in our region. We grew tired of talking to families who were upside down on their loan or were living in homes falling down around them.”

“But I also grew tired of our inability to make widespread lasting change and our reluctance to engage the industry in that change.” **Really, manufactured housing is a major solution for providing better quality, affordable housing in a scalable delivery system.**



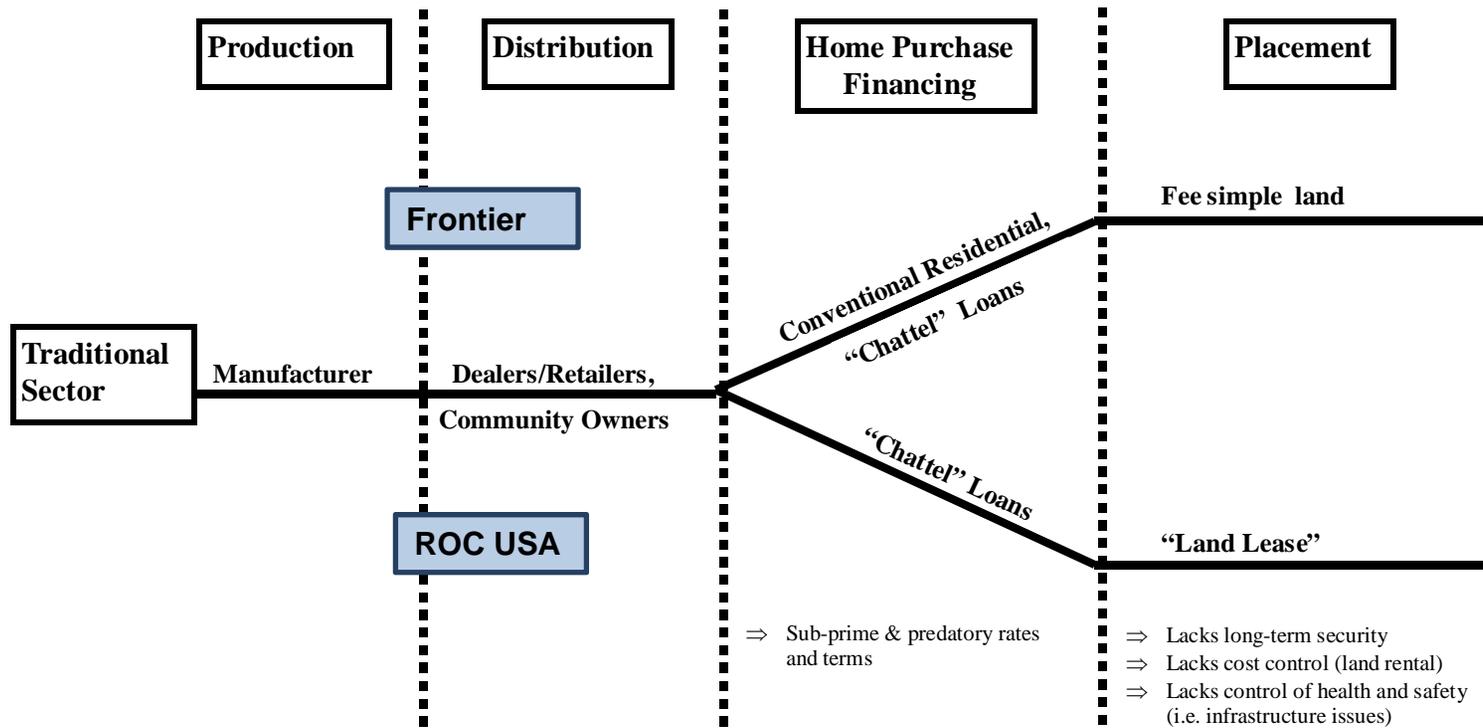


## The Manufactured Housing Sector





**The Manufactured Housing Sector**





Frontier Housing

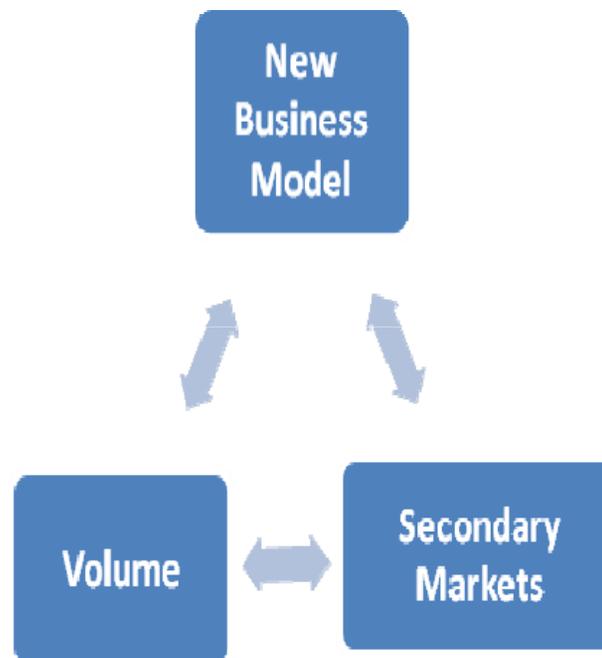
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## Our Mission

- Our mission is to build a national distribution system to delivery high quality, energy efficient, factory built housing at scale, allowing nonprofits to help homeowners achieve wealth by growing equity, preserving assets and replacing substandard mobile homes with new ENERGY STAR homes.
- Frontier is thrilled to announce our strategic alliance with Clayton Homes, the nation's leading homebuilder and home manufacturer.



## Our Theory of Change -





**In order to bring this initiative to scale progress must be made on several fronts at the same time –**

- There has to be a new business model that makes this activity a profit center in its own right, not simply an occasional add-on to other housing programs.
- Keeping housing prices low requires a high volume of sales, which means building an efficient distribution system for the homes. It will also require doing a marketing campaign to attract new and replacement home buyers, and to prepare them for purchase.
- National secondary markets must agree to treat high quality manufactured homes in the same way as traditionally built housing, making financing more affordable.



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## Sharing Our Experience

**Frontier is distributing high-quality manufactured homes to nonprofits nationwide to serve their local customers.**

Frontier will train and assist other nonprofits so the manufactured homes purchased by their customers appreciate in value and build financial security. The new venture will serve as an aggregator between local nonprofits and Clayton Homes to secure volume discounts and ensure the homes meet the broadest federal and state funder requirements for down payment assistance, grants and mortgages.

**Frontier launched their mentoring program for Berea Performance Compact members. H.O.P.E., Helping Overcome Poverty's Existence, Inc., in Wytheville, VA was the first of four nonprofits in the initiative to complete a home. Unlike Frontier, who spent five months building their first multi-section manufactured home; H.O.P.E. had theirs done in 30 days.**



### **Manufactured Housing Done Right!™**

#### **This system for doing business includes:**

- Prepared and supported homebuyers through certified homebuyer programs.
- Quality made and set homes on FHA Title II Permanent Foundations.
- Transparent and total pricing to the nonprofit and ultimately to the customer.
- Sustainable financing; mortgages with fair terms that enable families to earn wealth or preserve assets.
- “A Home is a Home” policy commitment advocating that owners of manufactured homes have the same rights as owners of site-built homes.



### **Manufactured Housing Done Right!™**

- Prepared and supported homebuyers through **certified homebuyer programs.**

We endorse the National Industry Standards for Homeownership Education and Counseling and eHomeAmerica.org to deliver high quality, effective homebuyer education.

**Homebuyers are provided a general overview of everything they need to know about the home buying process - from how to tell if they're ready, to working with a realtor, to understanding their credit.**

NeighborWorks® America





## Manufactured Housing Done Right!™

- **Quality made and set homes** on FHA Title II Permanent Foundations.

## Frontier's special line of Clayton Homes is

- ENERGY STAR rated
- Meets the requirements of HUD
- Meets the requirements of USDA Rural Development
- Meets Universal and Minimum Design Standards of Kentucky Housing Corporation





### **Manufactured Housing Done Right!™**

- Quality made and set homes on **FHA Title II Permanent Foundations.**

### **FHA Title II Permanent Foundations –**

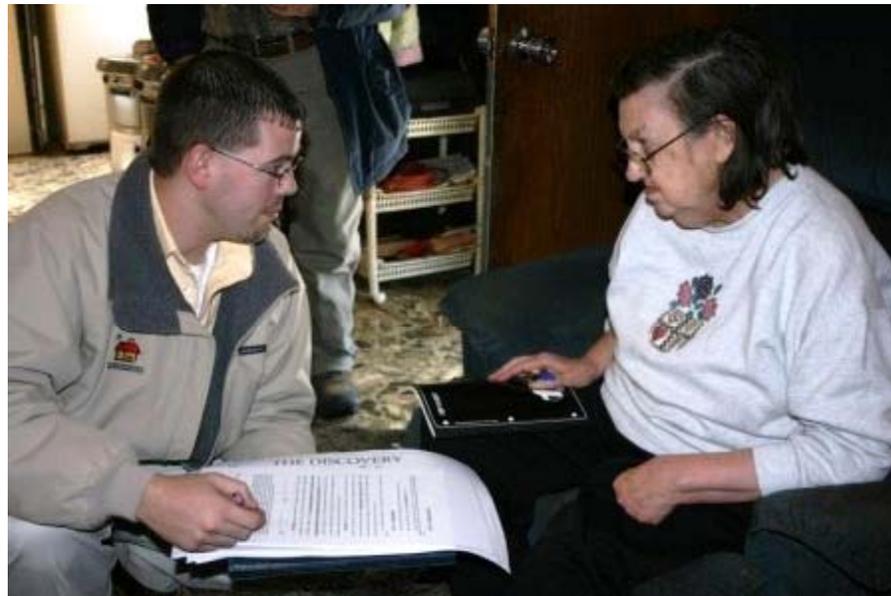
- Meet the requirements for real property
- Allow for mortgage loans rather than higher interest consumer loans
- Block perimeter walls protect the crawl space
- Structurally provides for greater support against wind and lateral forces





### **Manufactured Housing Done Right!™**

- **Transparent and total pricing** to the nonprofit and ultimately to the customer.





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## Sustainable Financing

### **Manufactured Housing Done Right!™**

- **Sustainable financing;** mortgages with fair terms that enable families to earn wealth or preserve assets.

**You can improve health and safety issues for your families for a mortgage payment which may be less than the utilities bill paid for their old home.**

### **How do you make the financing work for the family?**

Frontier has been able to utilize the Rural Development 502 Direct Mortgage as low as 1% for 30 years. Other mortgage lending includes FHA/VA, Rural Development 502 Guarantee and local banks. Subsidies include; the USDA Housing Preservation Grant, HOME, Appalachian Regional Commission, State Trust Fund, Federal Home Loan Bank, NeighborWorks® America, I'M HOME, Project Redwood and Rural Housing and Economic Development Grants.



### **Manufactured Housing Done Right!™**

- **“A Home is a Home”** policy commitment advocating that owners of manufactured homes have the same rights as owners of site-built homes.

**A national coalition is being formed of nonprofit home builders who use manufactured housing as an energy efficient replacement strategy for old mobile homes.**





## Manufactured Housing Done Right!™

- **We can train your local construction crews** in a new building methodology, adding to their long term viability in the job market.
- Though it requires less hours per house; your local crews may be **fully employed supplying more homes** for your community.
- You can generate **more business for your local suppliers** as they provide needed materials for site development, landscaping and infrastructure for a larger volume of new homes.
- Clayton's home office is in eastern Tennessee, where **they employ a rural workforce** to build homes, "Made in Appalachia".



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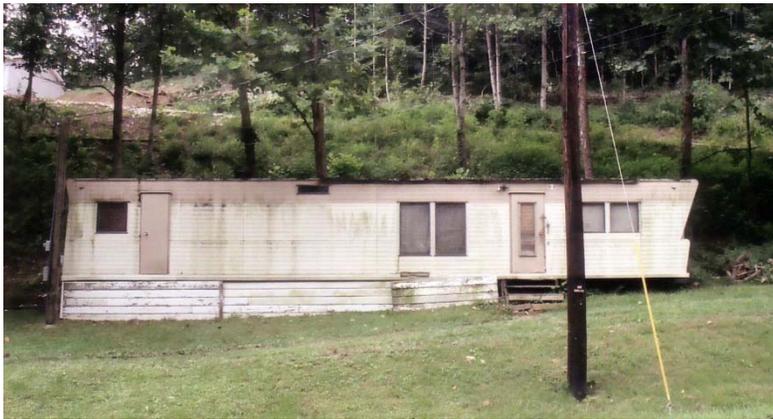
## A Nationwide Problem





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Nearly Two Million Households





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Not Only in Appalachia

**Are you ready to consider  
what ignoring this building technology  
is costing the homebuyers you cannot serve?**

**What if Frontier could make it easy for nonprofits to  
deliver energy efficient, environmentally beneficial  
homes?**





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## Mrs. Kelly's Story



**Weatherization?**

**Repair?**



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# Mrs. Kelly's Frightening Utility Bill

6674  
13274

**GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION**  
 109 Bagby Park, Grayson, Kentucky 41143  
 Phone 606-474-2120 Or Toll Free 877-294-4910 www.graysonrecc.com  
 Office Hours 7:30 - 4:30 Monday - Friday

A Touchstone Energy<sup>SM</sup> Cooperative

NUMBER	NAME	RATE	CYCLE	METER NUMBER	SERVICE ADDRESS	
001	KELLEY PHYLLIS	1	13	82880201	RT 32	
SERVICE TO	NO. DAYS	METER READING		MULTIPLIER	KWH USAGE	\$ AMOUNT
		PREVIOUS	PRESENT			
8 01/20/09	33	30106	33626	1	3520	285.11
8 FUEL ADJUSTMENT					3520	22.63
INTEREST						-8.72
ENVIRONMENTAL SURCHARGE						17.29
SCHOOL TAX						9.75
CURRENT BILL DUE			02/17/09			326.06
PAST DUE AMOUNT DUE						323.67
PAID FOR YOUR PAYMENT	01/06/09					-159.79
PAST UNPAID BALANCE			(DISCONNECT DATE IS 02/04/09)			163.88
ELECTRIC BILL DUE						489.94
CITIES DISPOSAL						
PAST BALANCE AS OF LAST BILL ON 12/26/08			15.21			
INFORMATION					<b>TOTAL DUE</b>	<b>\$ CONTINUED . . .</b>
<p>Bill may be paid by below methods. However, payment must be made at Cooperative's headquarters by the end of the Due Date, whether by mail.</p> <p>Collect <u>current</u> month's bills only by the end of the Due Date.</p> <p>Past Due are considered Past Due and may be subject to service disconnection. No extension of time is inferred by due date of the current bill. Prior to service disconnection, Past Due Amounts remain in effect. They may be paid by any local banks.</p> <p>TERMS AND CONDITIONS AVAILABLE ON REQUEST</p>					<b>AFTER DUE DATE PAY</b>	<b>\$ 536.78</b>
					<p><b>IMPORTANT DISCONNECTION NOTICE:</b>          DUE TO YOUR PREVIOUS UNPAID BALANCE, YOUR ELECTRICAL SERVICE WILL BE DISCONNECTED IF THE PREVIOUS UNPAID BALANCE IS NOT PAID BY 02/04/09</p>	



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## Mrs. Kelly's Dream Home





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## Her New ENERGY STAR Kitchen





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## ENERGY STAR Kitchens





**Frontier got a call from the staff at Grayson Rural Electric.**

Prior to the replacement of Mrs. Kelly's old mobile home her kilowatt usage per month was approximately **6,000 KW/month**. The worst energy violators on the grid are the 30% of their customers who live in pre-1976 mobile homes.

In her new home, her kilowatt usage **dropped to 1,600 KW/month**.

**When the usage dropped so drastically, the electric company questioned if Mrs. Kelly was still occupying her residence.**

They sent an employee to the lot to investigate and what they found.....was **not a vacant unit** (and an unpaid bill) but a larger **new home**.



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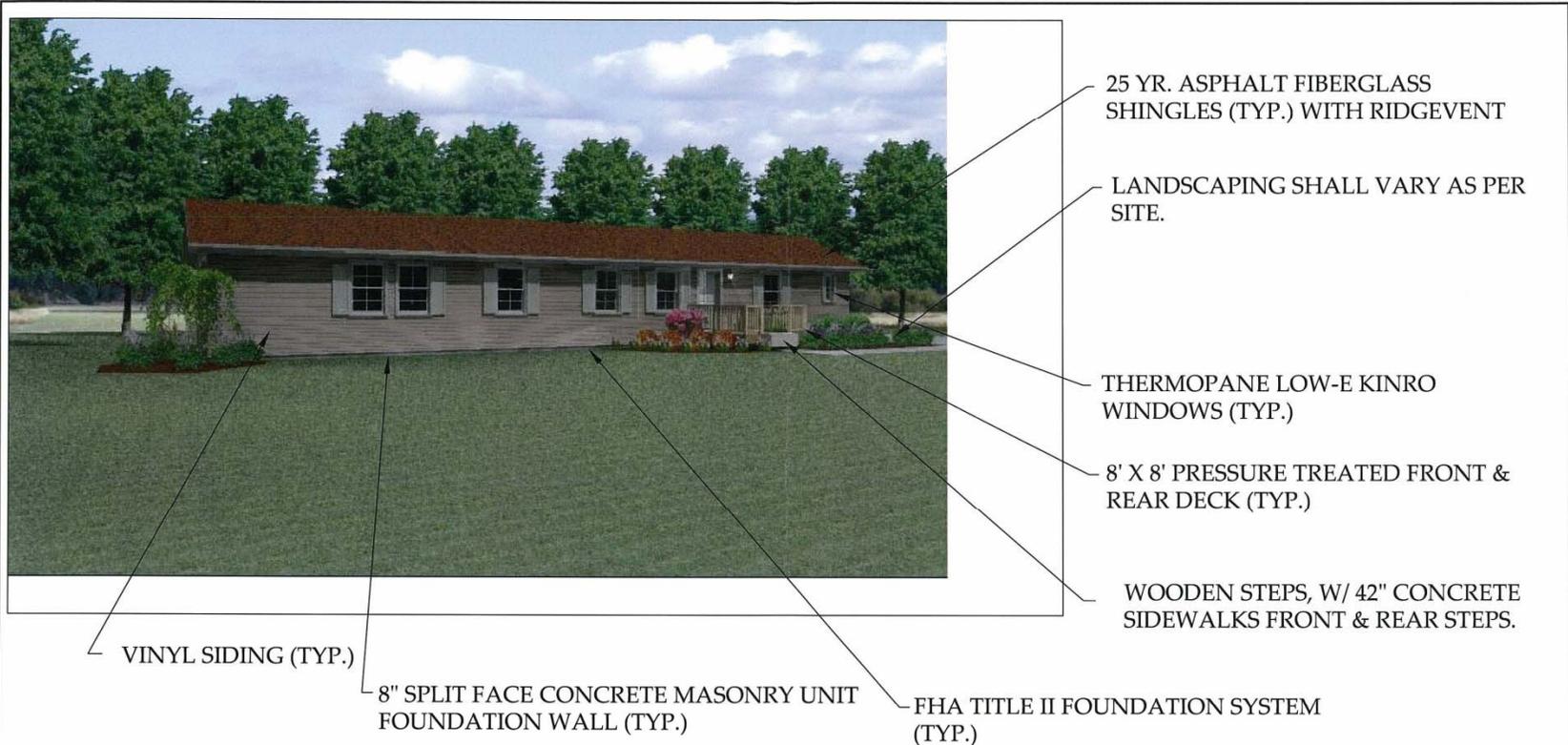
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What sets this home apart.



25 YR. ASPHALT FIBERGLASS SHINGLES (TYP.) WITH RIDGEVENT

LANDSCAPING SHALL VARY AS PER SITE.

THERMOPANE LOW-E KINRO WINDOWS (TYP.)

8' X 8' PRESSURE TREATED FRONT & REAR DECK (TYP.)

WOODEN STEPS, W/ 42" CONCRETE SIDEWALKS FRONT & REAR STEPS.

VINYL SIDING (TYP.)

8" SPLIT FACE CONCRETE MASONRY UNIT FOUNDATION WALL (TYP.)

FHA TITLE II FOUNDATION SYSTEM (TYP.)

**RENDERING**  
 SCALE: NTS



NOTE:  
 THE ITEMS DEPICTED ON THIS DRAWING ARE USED FOR ILLUSTRATION PURPOSES ONLY. CONTRACTOR SHALL REFER TO THE CONSTRUCTION DOCUMENTS FOR CONSTRUCTION DETAILS. ITEMS NOTED OR DEPICTED ON THIS PLAN ARE SUBJECT TO CHANGE DEPENDING ON SITE & PLAN SPECIFICATIONS.

DESCRIPTION: RENDERING	SCALE: N.T.S. DATE: 8-26-08	DRAFTED BY: J. TRENT ORIENTATION: AS SHOWN	 <b>FRONTIER HOUSING, INC.</b> 5445 FLEMINGSBURG ROAD, MOREHEAD, KY 40351 PHONE: (606)-784-2131 FAX: (606) - 784-2171 <a href="http://www.frontierhousing.org">www.frontierhousing.org</a>	PLAN NAME: THE DISCOVERY	NOTES:	SHEET: 04
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## **ENERGY STAR® Qualified**

**25-30% more energy efficient than standard manufactured homes**

- Properly installed insulation
- High performance windows
- Tight construction and ducts
- Efficient heating and cooling equipment
- Efficient appliances
- Third-party verification

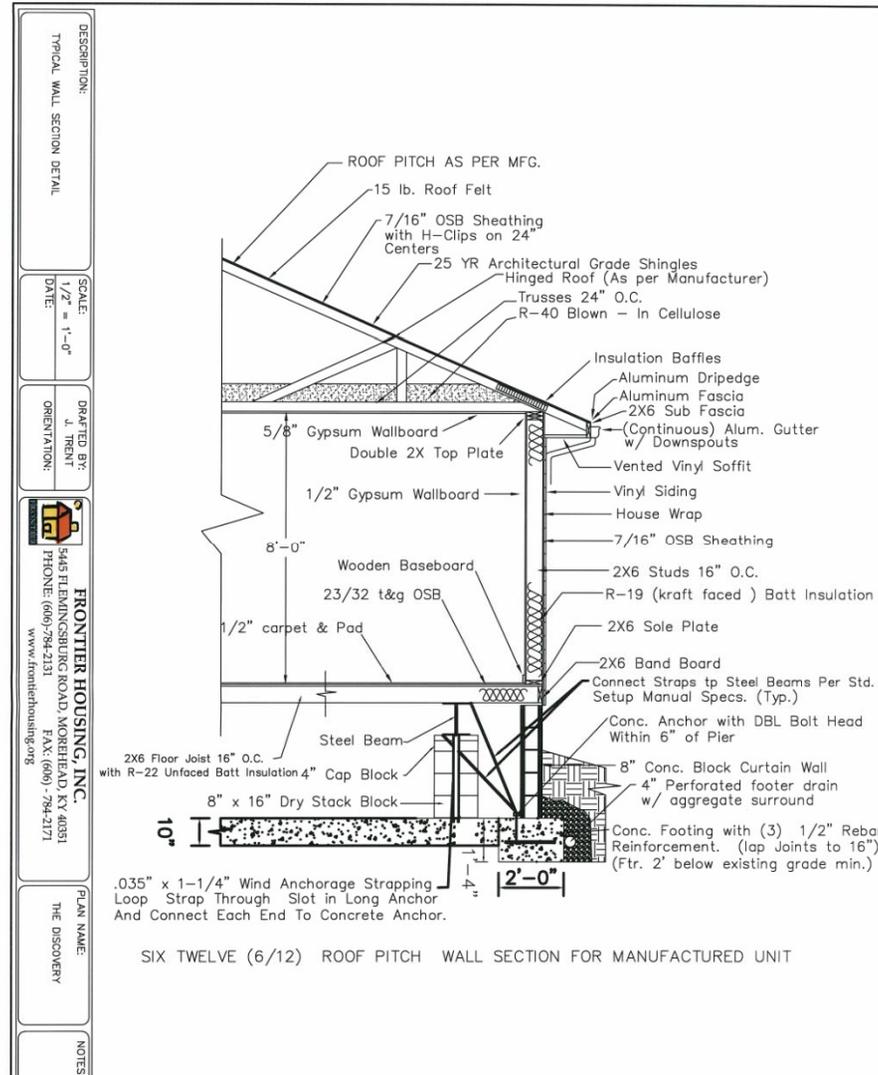




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What sets this home apart.

**Important  
 Details**





- Frontier worked with Clayton Homes to develop a special line of homes, the Frontier Developed Homes, sold exclusively to the Frontier Network at wholesale prices.
  - **These homes have certain design specifications that exceed ENERGY STAR performance standards and meet the following requirements:**
    - US Dept of Housing and Urban Development;
    - US Dept of Agriculture Rural Development;
    - Kentucky Housing Corporations Universal & Minimum Design; and
    - Fannie Mae MH Select.



### **Interior Upgrades**

- Modern kitchen, ample oak cabinets, a double stainless steel sink
- Drywall in living area
- Range and refrigerator
- Washer/dryer hookup

### **Exterior Upgrades**

- Landscaping and lawn
- Porches & concrete walkways
- Shingle roof, vinyl siding, gutters
- Storage building



- How does my nonprofit participate in this opportunity?
  - Frontier is seeking 4-6 high performing, results-oriented nonprofits to participate in the national pilot this year.
  - Nonprofits must demonstrate these capacities: operational, financial, marketing, sales, homebuyer preparation, lending and construction/development.
  - Must license to sell and develop in your respective state.



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Interested?

## Manufactured Housing Done Right!™

**What steps should my nonprofit take to develop a  
Manufactured Housing Done Right™ program?**

**Contact:**

**Frontier Housing, [www.frontierhousing.org](http://www.frontierhousing.org)**

**For more information call –  
Frontier Homeownership Center  
5445 Flemingsburg Road  
Morehead, KY 40351**



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Frontier

**Frontier Housing**, [www.frontierhousing.org](http://www.frontierhousing.org), an affordable housing nonprofit for 35 years in Eastern Kentucky, builds and develops single and multi-family housing. Frontier, an Exemplary Organization in the NeighborWorks® Network, has become the largest residential builder in their service area and the largest nonprofit builder in Kentucky. Further, they have a track record of ensuring sustainable homeownership with a low foreclosure rate of less than 1%.

Frontier has proven that when quality products are coupled with responsible lending, low-income families can be successful homeowners. Frontier trains and provides technical assistance to other nonprofits so they may effectively use Frontier's delivery system for providing quality manufactured housing to homebuyers.