Frontier Housing
Discover the New Frontier

Manufactured Housing Done Right!™
A New Delivery System for Factory Built Housing
Frontier Housing
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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 Current Distribution System

The Manufactured Housing Sector

Production

Distribution

Home Purchase Financing

Placement

Traditional Sector

Manufacturer

Dealers/Retailers, Community Owners

Conventional Residential, “Chattel” Loans

Fee simple land

Sub-prime & predatory rates and terms

⇒ Lacks long-term security
⇒ Lacks cost control (land rental)
⇒ Lacks control of health and safety (i.e. infrastructure issues)

“Land Lease”

“Chattel” Loans

A program of the New Hampshire Community Loan Fund

www.theloanfund.org
Another Way - Nonprofit Intervention Distribution System

The Manufactured Housing Sector

- Production
- Distribution
- Home Purchase Financing
- Placement

Traditional Sector

Manufacturer

Dealers/Retailers, Community Owners

ROC USA

Frontier

Fee simple land

Conventional Residential, 
“Chattel” Loans

“Land Lease”

⇒ Sub-prime & predatory rates and terms
⇒ Lacks long-term security
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Our mission is to build a national distribution system to deliver 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.
Why the Intervention?

Our Theory of Change -

New Business Model

Volume

Secondary Markets
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.
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.
Ensuring Quality

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.
**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.
Overcoming Misperceptions

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”.
A Nationwide Problem
Nearly Two Million Households
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?
Mrs. Kelly’s Story

Weatherization?

Repair?
**Mrs. Kelly’s Frightening Utility Bill**

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**TOTAL DUE**: $536.78

**IMPORTANT DISCONNECTION NOTICE**: Due to your previous unpaid balance, your electrical service will be disconnected if the previous unpaid balance is not paid by 02/04/09.
Mrs. Kelly’s Dream Home
Her New ENERGY STAR Kitchen
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.
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.)

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.

FRONTIER HOUSING, INC.
9425 FLEMINGSBURG ROAD, MOREHEAD, KY 40351
PHONE: (606) 784-2131 FAX: (606) 784-2171
www.frontierhousing.org

DESCRIPTION: RENDERING
SCALE: NTS
DATE: 8-28-08
DRAFTED BY: J. TRENT
ORIENTATION: ASERIES
PLAN NAME: THE DISCOVERY
NOTES:
SHEET: 04
Energy Efficiency

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
What sets this home apart.
• 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.
Manufactured Housing Done Right!™

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

Contact:

Frontier Housing, www.frontierhousing.org

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