



December 18, 2009

Ms. Valerie Jarrett
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Re: Replace substandard mobile homes with ENERGY STAR units in the Jobs Bill

Dear Ms. Jarrett:

We greatly appreciate President Obama's embrace of green jobs, energy conservation and greater access to capital as a solution to our nation's unemployment woes.

The organizations listed below recommend including \$3 billion in a Jobs Bill to provide a revolving loan fund to enable low-income owners of substandard mobile and manufactured homes to replace their homes with ENERGY STAR manufactured homes. These funds would create more than **45,000 new jobs**, and over the next decade, save more than **\$1.8 billion** in reduced energy costs and improve the living conditions of more than **160,000** low-income families. This concept was included in §203 of the American Clean Energy and Security Act of 2009 (HR 2454). Senator Tester has introduced a similar provision with The Energy-Efficient Manufactured Housing Act of 2009 (S. 1320).

Today, more than 2 million families live in substandard mobile homes. This represents the worst housing stock in America, occupied by the poorest of the poor. Unfortunately, many

of the most vulnerable and lowest income Americans call these structures, "home." These Americans, often elderly and disabled, have the highest energy burden and least resources to replace their homes.

Additional taxpayer investment for energy repairs is not a long-term solution because these homes can never be energy efficient. Instead of paying for more insulation, weather-stripping and caulk, offering homeowners the opportunity to replace their home will make a significant impact in terms of both energy conservation and the financial security of these families by reducing their energy costs. Because these homes were built prior to the federal code that regulates the construction of manufactured housing, they:

- waste energy and are responsible for over 3 tons of carbon emissions each year;
- have deteriorated to the point where they represent potentially serious health and safety hazards; and
- have outlived their useful lives and value.

Regulations currently restrict energy assistance programs such as the Weatherization Assistance Program and LIHEAP from being used for replacement of substandard mobile homes. In addition, these homeowners do not qualify for first-time homebuyer assistance because they are already considered homeowners, even if their homes are in deplorable shape.

To ameliorate this problem, we recommend Congress appropriate \$3 billion over three years to the Department of Energy to provide up to up to \$22,500 in assistance to eligible homeowners. The funds will be provided for a silent "soft" second mortgage to lower the monthly payments and a \$2,500 grant to decommission and recycle the substandard unit. Priority will be given to homeowners who have the potential to repay the downpayment assistance loan at resale.

We appreciate your leadership and urge you to incorporate this initiative into the Jobs bill to create jobs, promote energy efficiency and enable low-income families to afford decent housing and achieve financial security. You may contact any of us at the contact information below.

Sincerely,

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Cc: Chairman Jeff Bingaman, Senate Committee on Energy and Natural Resources
The Honorable Lisa Murkowski, Senate Committee on Energy and Natural Resources
Chairman Henry Waxman, House Committee on Energy and Commerce
The Honorable Joe Barton, House Committee on Energy and Commerce
Chairman Chris Dodd, Senate Committee on Banking, Housing and Urban Affairs
The Honorable Richard Shelby, Senate Committee on Banking, Housing and Urban Affairs
Chairman Barney Frank, House Committee on Financial Services
The Honorable Spencer Bachus, House Committee on Financial Services
The Honorable Steven Chu, United States Department of Energy
The Honorable Shaun Donovan, U.S. Department of Housing and Urban Development