

EP 37: The Evolving Landscape of Tiny Home Financing and Communities with Abby Shank

LESS HOUSE MORE MOOLA

We help the tiny house community use their lower housing costs to build financial independence.

With Laura Lynch



Full Episode Transcript

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It takes a brave and independent mindset to go tiny. If you are trying to figure out your tiny pivot, this podcast is here to inspire and connect you with the other unconventional, gritty, inspirational people within this community.

I'm Laura Lynch, your tiny house friend and host. On this show, we are always going to come back to money because, as a financial planner, this is the question I hear the most: How do I make this work for me financially?

Well, that's my jam. So jump in, let's go. New episodes drop every Thursday.

Laura Lynch: Abby Shank, welcome to Less House More Moolah Podcast. I'm super excited that you and I connected. We're both sort of volunteering and working for the Tiny Home Industry Association. So we had emailed back and forth some, and then I'm like hey, come on my podcast and you said yes. And so here we are.

And I'm super excited for you to be able to share your knowledge and experience with listeners because I think what you have to say is going to be super valuable. So thank you for being here.

Abby Shank: Well, thank you for having me. I appreciate it.

Laura Lynch: So to get us started, would you introduce yourself and your two tiny living businesses to the audience?

Abby Shank: Yeah. So we started out as a tiny home community that's called Tiny Estates. We now have parks in PA, South Carolina, and Florida under the Tiny Estates brand and then partnerships. Some of them are called Tiny Estates and others aren't. And then also a build company. We work with

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Atomic Homes who builds the houses and then we sell them. So the sales company selling the tiny houses is called Endeavor Tiny Homes.

Laura Lynch: Awesome. So in those communities, are they Airbnb communities? Are they—people bring their tiny house? What are in those communities?

Abby Shank: So Tiny Estates in Pennsylvania was our first park and it started out as all nightly rentals, but after COVID hit, it pivoted to an owner community, a lot like a mobile home park where they rent the lot, but they own the house.

We have a few that are nightly rentals and that really allows people to try it out, and we're trying to do that same concept with our park. So we have some owners who want to do a park of all rentals, and that's great. But for our parks, we're really trying to do owner parks that have a few that people can either experience the community or experience tiny living and really see what it's like before they get a sense of the area and if it's for them.

Laura Lynch: So for folks that are out there that are trying to figure out what communities might be available where they could park their tiny house, do you have a waitlist? What is the sort of the availability of a place to park?

Abby Shank: That is a tricky point of contention with people because we do have a waitlist, but to me, the waitlist doesn't really feel like a waitlist.

We were experiencing that when somebody gives their notice to leave, it's a 60-day lot termination. So they'll sign out for a lease, they give 60 days notice when they're ready to move. And it's a transient situation so a lot of people will come and go. And in doing that, we were finding that builds are 6 months or a year out.

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And so people were having trouble coming to fill the lots because they didn't want to have a house with nowhere to go. And they didn't want to have a lot open and then not have a build ready. So that's part of the reason we got into the idea of selling tiny homes. We wanted to have something available for people if they wanted something quickly.

So the homes we sell, you can get in six weeks. You don't have to put an Atomic Home in our community, but for a lot of people that solved the issue of being on our quote-unquote waitlist. And then if, they already had a build, great. And if they didn't, they could get whatever they wanted, whether full custom or a model we already have that would fit that lot in that 60-day time frame.

Laura Lynch: That's awesome. So generally speaking, would you say people enter your waitlist end up with a place to park?

Abby Shank: Yeah, our goal is to expand and do communities all over the country. So our hope is to make it quicker and easier and be a one-stop shop for people to be able to find something kind of regardless of where they want to be in the country.

But we're really trying to work with other community owners. It's such a collaborative industry. So for us being able to have a network that it might not be one of our parks, and it might not even be a tiny home community yet, yeah. But even if it's just somebody saying, "Hey, I have land that would be great for it," or, "Hey, I really want to do a community, but it's an RV park right now." Then we kind of have this list of how we can connect people. And if somebody reaches out and says, "I'm looking for a park in this area," we can connect people with like minds and similar interests.

Laura Lynch: Yeah, so you're like sort of the go-to hub of maybe a variety of parking resources and education, which I'm sure takes a little bit more than

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just you from keeping track of all of this because it just is a fast-moving and ever-changing situation. So you have staff that are helping you, obviously.

Abby Shank: Yeah, I have a wonderful staff that is along my side for operations and logistics and accounting and all that good stuff. So a lot of people see my face and we're trying to make that not so, you know, our team knows everything that I know. So you don't have to see me to get a good story and get a tour and things like that. But I'm happy to help when I can as well, personally.

Laura Lynch: That's so awesome. So you've been in this tiny ecosystem for a while now, so it's not your original career path, I know from our previous conversation. So how did you first come to the tiny ecosystem?

Abby Shank: Yeah, so I was in forensic investigations with one of the big accounting firms and decided to move home, kind of get out of corporate America.

And in doing so, we were, as a family, taking on an antique store, which overlooked the Amish farmland. And my dad's secretary had moved to Colorado at the time to work remotely. And that was when one of the first jamborees was going on in the industry. And so when we were visiting her, it was kind of just like a fun weekend activity, but it sparked my interest.

I had always been intrigued by interior design and the small space was something unique. So, to me, it was like, oh, we could put one at the antique store, the staff could oversee it, people could Airbnb in the Lancaster countryside. But unbeknownst to me, zoning and code were a huge hiccup, especially, you know, they are still now, but especially at the inception of the movement.

And so we bought a frame of all-struck frame from Texas and had it shipped to Pennsylvania. And as soon as that went up on the trailer, we got calls from

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the township, “What are you doing? That can't be here. It doesn't meet code.” So we spent about a year moving it to different properties, trying to figure out what we were going to do with it, ultimately finishing it out inside of a warehouse so that we wouldn't get in trouble and then not having anywhere to go with it.

And then that became, okay, well, why is that a problem? And how do we go about that? And ultimately finding the most rundown property that we could and saying to the township, “We understand that it's a risk because there isn't a code for them to meet yet, but the property was such a risk already,” and had kind of evolved into—and I saw that we felt like it was a win for everybody. We'll clean it up. We'll make it look nice. It'll be high-end units. And so that's kind of how we got our start. And now we have that as a great pilot project and boiler when we go to other communities to say, “Talk to the neighbors in PA,” or, “Talk to the guests and see what it's done for the town and how great it has been.”

And the evolution of zoning and code has also helped, but it's great to show that kind of before and after of how dilapidated it was and what it became because the township was willing to do so.

Laura Lynch: I think that's a great story because I feel like that there are a lot of people curious about this lifestyle who come into it starting off with, “Where do I get a tiny house,” and then they start to go down that road and then they realize, “Hey, I got to figure out first where I'm going to put the tiny house.” And so for you to have done the same thing of getting started with the actual product first, the house first, and then saying, “Oh crap, we don't have anywhere to put it,” means that you can still be successful, right? You can still kind of backtrack and do your research and figure that out.

And by the way, going to your decision-makers in your municipality and having a win-win conversation with them and being collaborative with them is really important because essentially we, the tiny home owners, the people

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who want to do this lifestyle are the ones with the power to go and influence the people that are sitting in the offices that are making decisions about zoning in our area.

And so it's really important for folks to feel like just because you hit a brick wall doesn't mean that you can't get out your chisel and start working on the mortar a little bit at a time. And maybe bring some friends with you who are also interested, maybe form a Facebook group or whatever, and start to amass some influence in your community in order to benefit yourself and others that are trying to pave this path.

Abby Shank: Without a doubt. Yeah, we keep saying collaboration and community and it's not just the physical land and sense of community, but the whole endeavor together, pushing itself forward and saying, "I'm not so worried about my builds being the only thing or my financing or my—," I want it to be collaborative because there are so many sticky points in the industry that if everybody's working together to move that forward, whether it's passing a bill in a neighboring state or helping another builder figure out the process, I think the goal for us is just to really move the industry forward, and that many hands make light work. So the more people we can get involved, the better.

Laura Lynch: I love that. I love that. So as you're thinking about the tiny living community, what is your favorite part now that you've been in it for so long?

Abby Shank: I think my favorite part about the tiny home industry is the diversity. The demographic is so broad and financing has made that tricky. A lot of builders have found that it's affordable housing, but at the same time, most people don't have cash to buy it outright so that has made it a little tricky. Now that we are able to offer lending at a 25-year conventional mortgage rate, that has made a huge difference and that makes it a hugely diverse market that you can, you know, whether it's young professionals

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starting out and wanting to save on apartment rent or older retirees wanting to leave less to their kids and travel more or the middle-aged divorcee or traveling military.

I mean there's just so many people that it appeals to, whether it is their primary residence or a vacation home or an investment. So I really like that we see so many walks of life. It really helps create that sense of unity and community, and people really working together from different backgrounds.

Laura Lynch: Yeah, I have been really thrilled when I've been to different tiny house festivals to see so many different types of people. It really makes me feel good about the sense of community that is evolving, that it's not so isolated or silo, that we really are crossing different walks of life and different demographics and creating that mission together to forward this movement.

Maybe once tiny homes are fully legal in all places, we'll all kind of fall back into our isolation routines or whatever. But for the moment, everybody is so mutually supportive so it's been great to see that. So I'm glad you mentioned affordable, and we're going to get back to financing in a second, but when we first talked, you mentioned that you didn't really like the word affordable so much that there seems to be some stigma around that. So you prefer attainable. So talk about what is attainable housing and how tiny living fills that need.

Abby Shank: Yeah, so using my county as an example, we're talking to our city about doing 10,000 tiny homes for affordable housing, but typically when you present affordable housing, they're thinking trailer parks, and typically trailer parks are very dilapidated.

So it doesn't come with this connotation of "Oh, wow, our community is going to have a bunch of these," and it doesn't make people feel like, "Oh, I want that to be what's next to me." Regardless of the clientele, I think it's just for property value for a lot of reasons. And so we want to make sure that when

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we're approaching the township, they look at it as more of a high-end resort or a nice townhome complex going in, but that it still facilitates what they want.

So, in our county, they've really said that for them, attainable housing is something that the median income can afford at their 35 percent debt-to-income for housing. And so they're really looking at wherever you're looking to do a community, how do you go about saying what is the median income? What is 35 percent of that?

Okay, that's what they have monthly to spend on a house. Now, can we make a financing payment or even some sort of personal loan or whatever it may be for them to get into that house, something that with their lot rent and their utilities and everything included is within their reach? To me, the attainability of it, they're retaining something that becomes an asset, unlike a mobile home that very quickly depreciates and dilapidates. This is something that if they live in it for two years or they live in it for 20 years, when they sell it, they're going to get what they put into it out of it. So they're building equity and for people, it's an investment, not just on the Airbnb side, but like a traditional home.

It's something you could leave your kids. It's something that provides equity to the person buying it. And I think that makes it something that somebody really wants to achieve and that they want to attain, and that's what we're looking for in the industry.

Laura Lynch: And so when you think about this attainable, you're talking about having lot rent. So the house itself appreciating, how much do you feel like that is tied to what's going on with work within the Tiny Home Industry Association and other organizations that have jumped on board on the residential building code part of this, the financing part of this? I mean, having something that travels around appreciate and value kind of runs contrary to

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what has happened historically with things that travel around. So tell us kind of how you see that evolving.

Abby Shank: Yeah it's tricky because there isn't like a tiny house appraisal for people to go and say, "Oh, I know this is the value." So when you buy a house, we have a lot of people saying, "Well, is there a home inspection? And is there an appraisal?" And the standard processes they're used to don't really apply because of the mobility. So that does make it tricky. But I think the more that the industry grows, the more there is a way to hold builders accountable to other competing prices and what the industry is recognizing. But I can tell you from my experience, starting back in 2014, 2015, we've never sold a tiny house regardless of the builder and having worked with builders all over the country for less than it was built for.

It's just like a house where you might have to flip it, someone might not perfectly take care of it, but they can come in and redo the floors or paint the walls. And so they're able to bring it back up to the value, where with an RV or a car or a mobile home, you don't really take it apart and put it back together the same way.

So I think that the industry association and the work that's being done to show the quality of the houses is making a big difference in people realizing that they're going to maintain that quality and that's where you get your value from.

Laura Lynch: And certainly the shortage in housing that we're experiencing too is having a huge impact on what people are viewing from a valuation standpoint on homes because when people can't afford the typical American home price at about 430,000 right now, it doesn't matter whether it's going to appreciate or not, right?

It's about, you know, you want to appreciate what you can afford at that median salary point. I'm glad that you kind of break out those numbers a little

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bit and are thinking about the overall calculation of the housing and what's reasonable for people based on an average median type salary because, especially in the area that I'm standing in right now, they're only building housing for people that are well above the median income level. So I love that focus on attainable. What do you think about primary challenges for those wanting to go tiny right now? What are people up against when they want to kind of pursue this?

Abby Shank: I think the depth of the information they need to have and the misinformation because of the gray areas in the industry are really hard. Zoning is not an easy thing to get a straightforward answer on nor is code or financing. And so I have so many people who call and they ask questions and by the end they're like, "Wow, I didn't realize all the things I didn't know. It was so easy to understand," but it's because there's just so much to learn and you can't just say, "Oh, well, this house is pretty," and let's go. And typically that's what you would do with a house. You'd go see a builder show model and you'd pick your finishes and you're good to go. So that misinformation, that gray area is definitely evolving to be so much better. And that's why I truly appreciate the efforts being made by the Tiny Home Industry Association and the American Tiny Home Association.

But at the same time, that makes it really hard for somebody looking to buy and trying to figure out who to talk to, and some of the players in the industry not having licenses necessarily because of lack of code, and so trying to know who's a good builder and knowing that you're going to buy something you're going to be proud of a few years from now and not have headaches from and things like that and holding people accountable.

Laura Lynch: Any specific tips or recommendations do you have about get places to go to get good information?

Abby Shank: Yeah, I would say definitely the Tiny Home Industry Association's website is a great one. They have a resource map, but I know

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you work hard on to help with zoning and any information people have as they do their own research, sharing it with us so that we can evolve that resource is huge. Tiny House Expedition has a wonderful resource as well for a lot of different local municipalities having done planning resources or videos of how people are doing things. So anyone that—I think when you start searching social media and you see the number of followers they have, not necessarily having to build with them, but kind of looking at the resources that they're going to on their websites or people that they're working with, the different associations that they're a part of because I think those players have been in the industry long enough to know the goods and the bads. And nobody wants to speak badly about another builder, another community owner. But you also want to have a good experience. And so making sure that you're getting some insight in order to ensure good experiences is important.

Laura Lynch: Let's dive back into money a little bit and talk about how you see the financial landscape evolving. I've just been kind of learning a lot myself on the financing front. So I'm super excited that we're having this conversation. What a big step forward to be able to have really longer term financing. So tell us the full spectrum of what you see going on in tiny home financing right now.

Abby Shank: Yeah. So I was actually speaking with a group yesterday and their questions kind of brought to light for me the underlying issue. A lot of people feel like it's lending, not facilitating a loan. But I think the big issue is the collateral, the way most people have built tiny homes is they're buying a trailer and they're building you the structure and people think, “Oh, well, they're getting a no inspection,” or, “They're a licensed contractor so they're good.” But the problem is if they're not state-recognized to retitle that trailer, you're still only buying the trailer. So you're agreeing with that contractor that the house is worth 100,000 dollars, but if the contractor doesn't give you anything more than basically ownership of the wheels, the lending company doesn't feel like they have that collateral to tie to.

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And that makes it really hard for banks to feel like you're going to tow it down the road. And if somebody hits you, all they tie to is a \$10,000 trailer. They don't tie to a \$100,000 house. So being able to retitle it so that it's a park model, and a lot of people, you'll see some builders say park model and others not.

Typically, if they're saying park model, that's the code that they're inspected to, but whether or not they're retitling as that really ties to the collateral and their ability to get true conventional lending. If they don't have the ability to get true conventional lending, then they're doing a personal loan, something like a LightStream or a Liberty Bank where you can only get up to \$100,000.

And then when you look at terms, you're usually looking at 14 to 21 percent interest over five to seven years. So still able to do payments, but you're looking at more like 1,500 to 2000 a month, where when we look at payments, because we're licensed with the state and because the house is retitled, we have several different lenders, we work with 21st Mortgage and Triad, the whole group of them that are able to do the loan.

They're offering like a 25-year loan. You don't have to do that. You could choose to do five or 10 years, but if you do 25 years at a conventional interest rate, right now we're at about 8%, I would say, is conventional rates, eight to nine percent. And that's looking at more like seven hundred dollars a month in a payment so whether you're looking at Airbnb in your backyard and make money on top of that payment Or you're just looking for lumping your house payment and your lot rent together, you're able to get to that affordable ratio.

So for our community, \$1,400 for their lot in their house is attainable because the median income allows for \$1,750. So that's kind of our goal is to keep our house payments and our lot rents within something that's attainable for people, but it does require that 25-year loan.

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Laura Lynch: Okay. So just to unwind this a little bit further, let me make sure that I summarize so that when you typically have gotten a tiny house on wheels, it has had a license tag on the back of it, and it has been a trailer, like registered at your department of motor vehicles as a trailer.

And so the house that was built on that was certainly an improvement of a trailer, but never something that a lender could view as collateral because it's just sitting on top of the trailer. So they only viewed the trailer because that's the only thing that was licensed with the state as being attachable from a collateralization perspective, meaning something that they could get back if they needed to repossess as an example.

And so as you are looking at retitling, you're now retitling these things as park models but that is not like a piece of real estate that has a parcel ID on a county website. So what is that in-between thing?

Abby Shank: Yeah, so the in-between of a park model is considered personal property. The upside of that is the depreciation is a lot higher. So for those who are used to buying real estate, like you said, the land with a deed, they're looking at 25 years depreciation, where if you're buying a trailer-based tiny home that's licensed and titled as a park model, you can depreciate it over five years. So as an investment, it's a great opportunity for people as well, but it requires that it's the same title.

It just instead of saying trailer, it says park model, and the value on it is higher. So you will pay sales tax, and that has been, you know, being a trailer has been nice that people are only paying sales tax on the value of the trailer. But when you work with the lender and you do it as a park model, you're going to pay on the value of the entire unit as well.

Laura Lynch: Yeah, it's so interesting because the jargon is now even getting sort of smushed together because now when I think of park model, I think of sort of more one time permanently placed tiny home that was on

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wheels that is too big to be towed by an F250 kind of thing. That's what I think of as park model. And so now you're bringing to me a whole different definition of park model. How many states are recognizing park models in the way that you're talking about?

Abby Shank: Yeah, so you can do a park model across the country. The process for being a manufacturer of them is different state to state to get your license to title it as such, but the inspection would be ANSI 119.5 the way NOAA or NTA would inspect a house. So the DIYers are already inspecting to be a park model. It's just they're not able to retitle that way without the state license, but the states across the board will recognize the park model as long as it is ANSI-certified and the manufacturer has gone through the licensing is great to see the code evolved to have something.

The only real requirement as far as size is 400 square feet. So, like you said, I'm used to looking at it as more of the small-scale mobile home and trying to differentiate that when tiny homes were always different than mobile homes. And now they're kind of meeting in the middle at that park model is good and bad in that it's hard to differentiate quality, I think, of the two because the tiny home park model is smaller higher-end and the mobile home park model is cheap or tiny. And so trying to find that differentiation, but also knowing the legalities can be a little bit tricky, but 400 square feet is the key of interior space. So not deck, even if it's a covered overhang, but 400 square feet if it's 10 by 40 or eight by longer than that, so just depends on the design that you want.

Laura Lynch: So does that mean that a DIY build, because you don't have a dealer's license, can never get the park model certification with the state?

Abby Shank: The only way that I'm aware of is called an MV41. It's a form that you would complete and take to the DMV, but you have to have a mechanic fill it out to say that they've inspected your unit, which can be a little bit tricky. I think you'd probably have a better time if you did a DIY build

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and you had NOAA certify it and then you could take that because otherwise you're going to be tearing out your walls to look at plumbing and things, but they're certifying that it now has a toilet. And it's a process that skoolies, a lot of times, have gone through. You take a school bus, you pull all of the seats out, you convert it, you're converting that to be more of a bus, like a motor home, than a school bus on the title. You'd be doing the same thing to say you're taking your trailer title to a park model trailer by going through that process. And I'm sure in PA that's what it's called. I'm sure every state is a little bit different, but I haven't seen great success for people finding a mechanic willing to do it and making the process easy.

I would love to see that be something a little bit simpler because most mechanics don't even have a space where they can take it inside to do that. And the state does require that it get into their garage to be inspected. So all the mechanics we called locally said, "Well, I don't even have a garage bay I could fit it in. The state would know I wasn't telling the truth if I said I did it."

So finding the right person for that would be tricky.

Laura Lynch: But NOAA can do that for you.

Abby Shank: NOAA can do the inspection of the house, but that doesn't give you that MV41 by the mechanic to say that you can convert the title. So I think if you took the NOAA certificate to a mechanic that was willing to do it, they could do the form for you and then you could take that to the DMV.

Laura Lynch: But in any case, it doesn't, you know, if you're doing a DIY build, you're not getting lending anyway. So it's really only relevant for permitting purposes, like having a park model in places where park models are more recognized from, you know, to get a certificate of occupancy on your land, for example, which I know isn't your areas of expertise because you're really in the community space, but just kind of thinking through all of these tangled webs.

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Abby Shank: Yeah, all of the hurdles. I mean, it's always better to have that. And that's why when you go to the township, having that NOAA certificate, I think, is your best first step or your ANSI certification, I could say, because NOAA is one of several inspection agencies. But having that so that the township feels like for occupancy permits and whatnot, they know that things were done correctly.

Because I know when we did our occupancy permits, their fear was always, "What if it burns down and someone was renting it?" Or, "What if something happens?" They had no way to certify it was done correctly, and that inspection really gives them that certainty.

Laura Lynch: Yeah, awesome. So earlier you were talking about your lending that you have access to, right? Because you're a dealer, you know, 25 years conventional lending, huge progress on that respect. And 21st-century Mortgage, I've just connected with, so they're doing it on the same sort of underwriting platform that they use for mobile homes, right?

And then LightStream loans, on the other hand, is an unsecured personal loan. "Hey, I've got good credit. I have a good credit history. Give me some money. I can use it for a variety of things, including buying a tiny house." So you could use that, for example, if you were buying one secondhand from someone or something along those lines, and then I was under the impression that you could get RV loans for more RV-certified tiny house on wheels, non-park models. Is that the case?

Abby Shank: That's going to be bank-by-bank dependent. Some have been flexible, especially credit unions that we've talked to. Some people have taken that certification to show the bank and say, "Well, look, it was inspected to be that." But a lot of times it still ties back to if your title says trailer and not RV, the bank can push back.

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So some have been willing and able to do it as an RV loan, and traditionally that's 10 or 15 years, just depends on if they're okay with your title.

Laura Lynch: And some tiny home builders, do they connect with RV lenders and they do the appropriate paperwork to get an RV loan?

Abby Shank: Most of the builders that I know of are just going the personal loan route through Liberty Bank or LightStream, or they are able to, because of their licensing, do more of a 21st conventional loan.

We have had some clients want to do the RV loan. Typically, I see that more on the investment side because they have the assets and it's a bank that they have a good relationship with that's more local. So I don't know of a ton of banks that are doing it for a bunch of builders on the RV loan side.

It is more of the mobile home transient. And like you said, because of the size, we had a loan pushback the other day because they said, "Well, you couldn't tow that to California." And I'm like, what do you mean? You just pick up a truck and you take it. But they were thinking mobile home because that's what they specialize in. So that medium of RV would be great to find a big bank that wants to do it across the country, but we've seen mostly local banks that already have a relationship with the client.

Laura Lynch: So Camping World isn't selling tiny homes on wheels yet and providing financing through there.

Abby Shank: I wish. I do believe that one of their former owners of Camping World also had a tumbleweed. So you'd think maybe something could evolve here in the future, but.

Laura Lynch: Yeah, more to come on that. Well, that's interesting. Well, that definitely is super helpful. So what are you seeing kind of what do you think the financing, where's that headed? What changes are you seeing? Is it

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getting easier for people to get financing? Is it getting harder? What do you think is happening right now?

Abby Shank: I think banks are more and more eager to find a way. And so I think the work being done with the ICC to make tiny homes a code on the building code side rather than the RV code side will be very helpful. Traditional lending would be great.

They're not HUD-certified units and they're not residential homes, but if it could be written into code similar to that, with that ICC council that has been put together, I think that will really help banks feel like that's then something they can tie to and make their job easier and being able to offer it.

Everybody likes when someone else kind of does the legwork and then says, "Here you go. I made it easy for you." So I think that'll roll it out on a much larger scale.

Laura Lynch: And so right now, I know from my work that there are a lot of states that have adopted the IRC, International Residential Code, Appendix Q or AQ, depending on whether it's 2018 or 2021. That is the building code requirements for tiny homes, which address the specifics of tiny homes, things like lofts and those stairs that are going to be different and that sort of thing. In fact, just as an aside, I see that there's also straw-bale construction in an Appendix S.

So what is happening with the ICC right now in this committee that has been put together that is doing something beyond what has already been done in the Appendix AQ or Q?

Abby Shank: Yeah, so the 1200 series that was done in the ICC has been sort of tiny home based, like you said, Appendix Q, and then ultimately AQ for movable tiny homes.

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So the new committee of 18 folks is the 1215 committee, really looking at how to bring all of it together and not have it be such a, I don't want to say piecemeal part, but something that will be able to be more widely adopted. I mean, the beauty of the IBC is that almost all the states other than Wisconsin have adopted it, but they could also still pick and choose what things they want.

So, like you said, if they adopted it in 2018 versus 2021 really depends on whether they can allow movable tiny homes. So as we go to look and do communities, if we go to a local municipality and the state has not adopted that, it's a sticking point because they have no way to get around it and allow us to do it.

We're basically an extended-stay RV park. But if we want to be a mobile home park where tiny homes can be placed, or we want to be a planned unit development where the homes are tiny, whether they're mobile or not really requires the state to have adopted that. So trying to get it into a more widely adopted and I think larger, more well-rounded piece of code will allow it to be something in the true building code that lenders and local municipalities are able to use to their resource.

Laura Lynch: It's so interesting because we're kind of in the middle of this entirely huge shift in housing happening, broadly speaking, that supply and demand piece, the affordability piece, and so many millennials wanting to buy their first house and they can't afford their first house and interest rates being where they are.

It's kind of the perfect storm and housing really kind of barreling this issue forward. I wonder how people's values will evolve over time relative to tiny space. If it will ultimately be more of a stepping stone for people, or if people will choose this as a lifestyle long term. I mean, historically speaking, homes have gotten larger over time while families have gotten smaller. And so this

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would be a really a reverse course in expectations for folks around what a house looks like. Any thoughts or sort of expansion on that idea?

Abby Shank: No, I think I second everything that you're saying. It really takes all the different resources coming together to make it something that is feasible for people.

I know recently we had someone reach out and say that they were in Massachusetts and there was an emergency meeting coming for housing and trying to put a bill forward, you know, not on the normal schedule of meetings because they saw a need to adopt Appendix Q and say this is something we have to do and we can't wait to do.

So, yeah, I think just having those resources available to them that when they realize in their county that it's an emergency or in their state that they can quickly pull from that resource to make it happen in their area is important, but it takes a lot of people coming together to see the need and wanting to fulfill it with tiny homes to make it happen.

Laura Lynch: Yeah, interesting. Well, Abby, thank you so much for all of that. You certainly helped me kind of pull pieces that I'm learning together in my mind. So I really appreciate your expertise and depth in this particular topic, especially around financing and understanding the different licensing pieces and all of that.

Thanks for the work that you're doing on attainable housing because for sure it can be very easy to just build for the wealthy and make a bigger profit margin that way. And so to be continuing to stay focused on the people who truly need and appreciate this industry, you know, another easy path to go the Airbnb route, right?

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A lot of profit margin there, but to be really focused on creating housing that average people can get into is just important work. So please share with audience where they could find or follow you.

Abby Shank: Yeah so Tiny Estates would be tiny-estates.com and our Tiny Estates Instagram and Facebook as well, or for the build company would be endeavoratomicityhomes.com, which is Endeavor Atomic Homes on Instagram. So feel free to follow us on both or shoot us a note if you'd like to chat at all.

Laura Lynch: Well, thank you, Abby, again, for all of your wisdom today.

Abby Shank: Thank you. I appreciate your time, Laura..

Hey, I'm honored that you listened to this episode of *Less House More Moolah*. I hope something in it will help you continue to move toward a life aligned with your values.

Every algorithm out there is trying to tell us what to prioritize, but we get to choose. If you haven't ever identified your key values, I have a free resource on my website to help you.

You just have to go to thetinyhouseadviser.com. It's the tiny house A-D-V-I-S-E-R dot com.

At the bottom of the page, you can grab the tiny life values worksheet. When we design a life around "what is our core truth?", we shortcut to deep fulfillment.

See you next Thursday.

Please see the show notes for an important disclosure regarding The Tiny House Adviser, LLC and this episode.

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