

The FACTs: HUD's Manufactured Housing Newsletter

Office of Manufactured Housing Programs

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NEW LOOK, NEW NEWS!

Welcome to the sixth edition of The FACTs: HUD's Manufactured Housing Newsletter! Innovation and reinvention is encouraged in our industry and with that in mind, the Office of Manufactured Housing Programs is introducing a new and improved newsletter.

The purpose of this newsletter is to connect to individuals who encompass the different aspects of manufactured housing - manufacturers, retailers, trade associations, state and local officials, lenders, and consumers. We also want to reach out to those who are curious about manufactured housing, HUD's role as a regulatory body, and the impact of rules and regulation on the industry.

If you would like to receive further issues of the FACTs newsletter, [click here](#) to be added to our database. In addition to information from HUD's Manufactured Housing program, a new feature will be implemented periodically.

This "spotlight" will feature a guest columnist from outside of the Department. The purpose of this new feature will be to relay items of interest to other manufactured housing stakeholders. If you are interested in submitting an article to the FACTs Newsletter, please send an email to mhs@hud.gov and include the words "Article Submission" in the subject line.

Thank you for reading our newsletter!

Manufactured Housing staff tours Chantilly

On July 30, 2014, members of the Office of Manufactured Housing Programs and the Institute for Building Technology and Safety (IBTS) toured the Meadows of Chantilly, a manufactured housing community located in Chantilly, Virginia.

The community tour was arranged by the Manufactured Housing Institute (MHI). Meadows of Chantilly was built in 1970 and is a thriving manufactured housing community with 500 sites.

There are no age restrictions in the community; however, older homes are replaced with newer models. The group met with Michael Benson, manager of the Meadows of Chantilly before touring the community.



Members of HUD's Manufactured Housing staff, IBTS, HUD's Monitoring Contractor, and the Manufactured Housing Institute pose for a group picture at a home at the Meadows of Chantilly community.

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Did you know that...

- Currently there are 50 corporations with 123 production facilities
- That there are ~2,000 retailers with about 4,000 locations
- There are about 10 million manufactured home owners
- 22 million Americans live in manufactured

Ground Anchor Installation—Final Rule

The final rule, published on September 10, 2014, amends the Manufactured Home Model Installation Standards by revising existing requirements for ground anchor installations and establishing standardized test methods to determine ground anchor performance and resistance.

Because there was no generally accepted method for rating and certifying ground anchors, states had adopted different requirements for certifying ground anchor performance. This final rule establishes a uniform test method that can be utilized to determine and rate ground anchor performance in different soil classifications and may be used by states to certify and accept ground anchor assemblies for Ground Anchor Installation. The rule becomes effective on November 10, 2014.

On July 26, 2013, HUD published a proposed rule to amend the Manufactured Housing Model Installation Standards by adopting recommendations made by the Manufactured Housing Consensus

Committee (MHCC) to revise existing requirements for ground anchor installations, and establish standardized test methods to determine ground anchor performance and resistance.

The performance of conventional ground anchor assemblies is critical to the overall quality and structural integrity of manufactured housing installations. HUD's proposed rule recognized that while the Model Manufactured Home Installation Standards (24 CFR part 3285) reference a nationally recognized testing protocol for ground anchor assemblies, there is currently no national test method to rate and certify ground anchor assemblies in different soil classifications.

The final rule establishes standard test methods for evaluating ground anchors by the anchor assembly/stabilizer plate test method, the vertical in-line anchor assembly test method, and the in-line ground anchor assembly test method. These standard test methods require determination of soil

classification by test probe at each testing site for each anchor assembly being certified.

Failure criteria is established as a displacement of 2 inches in either the horizontal or vertical direction prior to reaching a total working load of 3,150 pounds, or when the ground anchor head displaces 2 inches in the vertical direction or 3 inches in the horizontal direction prior to reaching a total load of 4,725 pounds, or when any component of the ground anchor shaft fails prior to reaching a total load of 4,725 pounds.

The final rule requires that the working load design value for each installation method and soil classification be reported in the ground anchor assembly listing or certification.

The final rule also permits the use of existing ground anchor designs to be used without retesting provided each such assembly had been previously tested and certified at the design loads required by the final rule in the weakest soil classification for which the anchors were evaluated.

Changes in Certification Label Fee

HUD finalized a rule to amend the Manufactured Housing Program Fee regulations to raise the fee for each transportable section of a manufactured home that the manufacturer produces in accordance with HUD's Manufactured Home Construction and Safety Standards. This fee is referred to as a label fee. After considering public comments on HUD's May 2, 2014, proposed rule, the final rule raises the label fee to \$100. The effective date of the certification label fee change was September 12, 2014.

On May 2, 2014, at 79 FR 25035, HUD published a proposed rule for public comment proposing to increase the fee to an amount between \$95 and \$105 per transportable section of manufactured housing unit produced. In proposing this increase, HUD stated that while it has had authority to modify the fee in order to collect the overall amount of the fee established by HUD's appropriation for the applicable fiscal year, HUD has not exercised this authority since 2002.

Given the increased costs related to overseeing the quality, safety, and durability of manufactured housing, the substantial reduction in fee collections since 2002 and, based on HUD's projected production levels of between 95,000 and 105,000 sections, HUD proposed raising the fee to an amount between \$95 and \$105 per transportable unit.

The final rule raises the amount of the fee to \$100 per transportable unit. When HUD last modified the amount of the fee per transportable section in 2002 (67 FR 52832, August 13, 2002), HUD divided the annual projected number of manufactured housing transportable units (350,000) into the amount appropriated by Congress for the manufactured housing program for the fiscal year. (See 67 FR at 52832.) As described in the May 2, 2014, proposed rule, HUD believes that a similar formula should form the basis of this revised fee.

This approach is also consistent with the method and formula used to determine the monitoring inspection fee in § 3282.307(e). In

this regard, HUD has determined, based on the current projected production levels, that the number of manufactured housing transportable units will be approximately 100,000 sections. This is the average of the range of production levels discussed in the proposed rule.

Additionally, as stated in HUD's 2015 budget justification, HUD has estimated that, at current production levels, approximately \$10 million annually is required to administer the Manufactured Housing Program in a manner that fulfills HUD's statutory oversight responsibilities. This is consistent with HUD's budget requests for FY 2015 which stated that HUD would through rulemaking increase the fee to an amount of up to \$100 per label.

Happy Anniversary Manufactured Housing!

August 22, 2014 marked the 40th anniversary of the passage of the Mobile Home Construction and Safety Standards Act.

Prior to the Act, manufactured housing did not have a national standardized construction code or regulation.

Recognizing that manufactured homes needed a formal national preemptive housing code, Congress passed the National Manufactured Housing Construction and Safety Standards Act in 1974. Manufacturers had to revise their manufacturing practices in order to meet

or exceed the building code established by HUD. The manufactured housing program became effective on June 15, 1976. The manufactured housing program has undergone significant changes to the construction code since the program began. The Federal manufactured housing code sets the standards for heating, plumbing, ventilation, air conditioning and electrical systems, design, construction, transportation, energy efficiency, wind resistance, and fire safety.

On October 24, 2000, the Manufactured Housing Improvement Act of 2000

(MHIA) was passed which amended the Manufactured Housing Construction and Safety Standards Act to include the Installation and Dispute Resolution programs.

THE MHIA also established the Manufactured Housing Consensus Committee, which is an advisory body charged with providing recommendations to the Secretary on the revision and interpretation of HUD's manufactured housing construction and safety standards and related procedural and enforcement regulations and provide for the appointment of an Administrator for Manufactured Housing to oversee the Federal program.



1974 Skyline mobile home



2014 Sunshine manufactured home

News...

*T*eresa Payne was appointed as the Deputy Administrator for the Office of Manufactured Housing Programs. Teresa has been with the Department of Housing and Urban Development since 1996 and began her career at the Department as an attorney in the Office of General Counsel.

In 2003, she became the Deputy Director for the Office of Real Estate and Settlement Procedures Act and Interstate

Land Sales (RESPA-ILS) where she participated in the nationwide compliance of RESPA and the Interstate Land Sales Full Disclosure Act (ILS).

Ms. Payne served as the Director of the Office of Business Development in Housing Operations from 2006 to 2010. She was responsible for overseeing Housing's critical systems, records management, and FHA's nationwide marketing campaigns. In addition, she created and led a nationwide

account liaison team.

In 2010, Ms. Payne was selected as the Associate Deputy Assistant Secretary for Regulatory Affairs and was responsible for the Office of Housing's programmatic enforcement of RESPA, ILS, the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act), and Manufactured Housing.

...and Events

- The Manufactured Housing Consensus Committee will meet on December 2, through December 4, 2014 at the Sheraton Pentagon City Hotel in Arlington, Virginia.

- Pamela Danner was the keynote speaker on October 23, 2014 in Detroit, Michigan for the Michigan Manufactured Housing Association's (MMHA) annual conference.

- On October 8, 2014, Pamela Danner was the keynote speaker at the Florida Manufactured Housing Association's (FMHA) Awards Luncheon Program. Approximately 250 industry leaders attended and participated in FMHA's Annual Convention.



Pamela Beck Danner, Administrator for the Office of Manufactured Housing Programs, poses with Tim DeWitt (left), Executive Director of MMHA, and William Sheffer, (right) Director of MMHA.



Pamela Beck Danner, Administrator for the Office of Manufactured Housing speaking with Jim Ayotte, Executive Director of the FMHA.

From the desk of the Administrator...

It has been a busy 6 months so it is time to provide you with another update on the Office of Manufactured Housing Programs' recent activities and our interest in providing better communication with the Program's participants and the public.

I am pleased to inform you that our Office will be holding its first full Manufactured Housing Consensus Committee face to face meeting since October of 2012 from December 2 through December 4, 2014 at the Sheraton Pentagon City Hotel in Arlington, Virginia. On September 16, 2014 the Systems Subcommittee met by conference call, which was followed by a letter ballot of items that will be brought forward to the full committee. We will be publishing the agenda for this meeting in the Federal Register soon.

On October 1, 2014, I issued a [memorandum](#) reiterating HUD's longstanding interpretation of the National Manufactured Housing Construction and Safety Standards Act's definition of "manufactured home" and its Recreational Vehicle exemption set forth at 24 CFR Section 3282.8(g) and its Interpretative Bulletin A-1-88. This memorandum was issued because it had come to our attention that several manufacturers have produced units marketed as "Park Model RVs" believing these units to fall under HUD's Recreational Vehicle exemption.

Such manufacturers have purportedly relied on the Recreation Vehicle Industry Association's 2012 Standards Bulletin (SNB-23/12) to measure square footage for the exemption under a voluntary standard ANSI A119.5 used by RVIA in connection with its own labeling program. HUD was not consulted regarding the issuance of this Bulletin. However, HUD will ask the MHCC at its next meeting whether the MHCC wishes to recommend to HUD modification of HUD's current RV exemption and informed the industry that it will not commence reviewing units for compliance until April 1, 2015.

I am also very pleased to announce that Teresa Payne has been appointed as the Deputy Administrator for the Office of Manufactured Housing Programs. Because Teresa was previously the Associate Deputy Assistant Secretary for Regulatory Affairs, she brings excellent experience of the federal manufactured housing program with her.

We look forward to hearing from you with any questions or concerns.



Pamela Beck Danner, Administrator



We're on the web!
www.hud.gov/mhs

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