

On-Site Completion of Construction of Manufactured Homes

Frequently Asked Questions

General Information for Implementation

1. Since some manufacturers use more than one organization to provide DAPIA services, how will a unique site completion numeric identification be assured across the multiple DAPIAs?

In order to ensure that site completion numeric identifications are unique, DAPIAs are required to incorporate some method in their review procedures, and within each specific approval, to ensure a unique identification. This may be done with the incorporation of a three letter abbreviation that has been used for each agency, or through some other system appropriately detailed within each agency's Site Construction (SC) design approval procedures to assure that it's issued identifications are unique.

2. Can a DAPIA approve an SC request and issue an approval before the effective date of the rule?

In order to assist in the transition period and facilitate conversion of Alternate Construction (AC) approvals to SC approvals, the Department will permit DAPIAs to review and issue SC approvals before the March 7, 2016, effective date. However, IPIAs are not permitted to allow homes that will be built under an SC approval to enter the first stage or phase of production until the effective date (March 7, 2016).

3. Please clarify what the effective date means for this rule?

The effective date of the rule means that homes built in accordance with the requirements of the rule cannot enter the first stage or phase of production until March 7, 2016.

4. How does the Department intend to enforce a non-specific definition of "substantial completion?"

This definition was intended to permit flexibility in recognition of the evolving and changing design and construction innovation used in manufactured homes. The Department will be ensuring compliance through measurement against the intent of the rule, as deemed consistent with the types of construction specifically identified in the rule (§3282.602) and whether the construction is of a limited nature and can be reasonably completed in the factory or whether it is more practicable to complete on-site. The Department will monitor the DAPIA approvals and perform monitoring inspections as may be necessary to properly implement and enforce the Regulations.

5. What will be the role of the monitoring contractor, particularly, in regard to the monitoring oversight of on-site work?

The monitoring contractor is expected to develop and implement procedures for evaluating how well the PIAs are performing the responsibilities for which they have been charged under this rule. The design review and auditing procedures are not changing, as this is only extending the quality assurance processes to the home site and will be monitored accordingly. Existing procedures reasonably include review of available records, monitoring of design approvals, monitoring of the oversight of quality assurance systems, retailer lots, and on-site monitoring of construction work.

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- 6. Which documentation (e.g. site inspection reports, IPIA's acceptance of the manufacturer's final site inspection report, etc.) needs to be kept in the home file to support the Subpart I process for homes completed under the on-site rule?**

Please refer to 24 CFR § 3282.417(e)(1) for information required to be contained in the manufacturer's records for each home.

- 7. Section 3282.606(c) requires that the manufacturer or retailer provide a prospective purchaser a copy of the Consumer Information Notice (CIN) before an agreement to purchase is executed. What proof of this will be required by 1) the prospective purchaser to obtain a copy of the CIN from the manufacturer, and 2) the manufacturer to verify that a CIN was provided to the prospective purchaser?**

Consistent with best practice for assuring that purchasers and or lessors are provided with the "Notice to Purchaser" under an Alternative Construction approval, manufacturers may choose to include a purchaser and or lessor sign off on a copy of the Consumer Information Notice. Otherwise, a manufacturer's request for SC approval needs to identify the method(s) it will use to ensure compliance with this requirement. The methods must provide for an auditable system that can be monitored by relevant parties such as during record reviews conducted by SAAs and the Department through its monitoring contractor.

- 8. Can a homeowner be authorized to complete the site work?**

The manufacturer may authorize others to complete construction work at the site, but the authorized parties must be a licensed contractor or similarly qualified professional and be provided prior authorization to do the work on the manufacturer's behalf. The homeowner could be allowed to perform the site construction work if authorized by the manufacturer, provided the work is performed under the supervision of a licensed contractor or similarly qualified individual that is authorized by the manufacturer to perform the work and the manufacturer agrees to be responsible for the final inspection and complete the required certification that all site work has been satisfactorily completed and conforms in all aspects to the Standards. Note: It is the manufacturer's responsibility to certify that the construction complies and the retailer cannot sell a home that does not comply with the Standards.

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DAPIA Approval of Manufacturer Requests for On Site Completion

9. Is it permissible for a manufacturer to bundle multiple aspects of construction that would be site completed under one site completion approval request?

The intent of the regulation is to maintain a system of approvals and inspections that can be easily navigated and tracked from design through final site inspection. Therefore, bundling of multiple aspects of construction into a single SC approval needs to be reviewed very closely in order to ensure that the system of design approvals and inspections can result in compliant construction on an ongoing basis. Bundling of various site construction elements/aspects/items may be allowed under one SC approval only on a case-by-case basis, subject to the approval of the DAPIA and required concurrences of the IPIA and should be closely coordinated with the Department to avoid potential issues and concerns.

10. Can there be a single DAPIA approval issued to a corporate manufacturer for a corporate design package that includes multiple, subsidiary manufacturing locations?

It is possible for a DAPIA to review and issue approval for an SC approval request for multiple manufacturing locations that use a single design approval manual and shared elements of a Quality Assurance Manual. However, all requirements and specifics necessary to ensure each location can build and complete compliant homes must be included in the approval. Necessary considerations that must be addressed include but are not limited to potential facility-specific quality control checklists, on-site inspection checklists, whether multiple IPIA's are involved requiring multiple written agreements and concurrences, as well as how the manufacturer will track, inspect, and report homes on a facility-specific basis.

11. Does a DAPIA's approval and unique site completion approval numeric identification (SC-XX) need to be IPIA and production facility-specific?

A DAPIA-issued, site construction approval, must include all necessary specifics that include but are not limited to identifying the specific manufacturing facilities that may use the approval, facility-specific quality control checklists, on-site checklists, and each IPIA must provide a written agreement to be responsible to complete on-site inspection of the homes built under their respective in-plant surveillance and the affected IPIAs must also concur on the quality systems developed to control in-plant and on-site construction.

12. Is the DAPIA required to initiate contact with the IPIA(s) after a request for approval has been submitted by a manufacturer?

It is the manufacturer's responsibility to coordinate with its contracted IPIA(s) and DAPIA(s) to develop a compliant and complete Site Construction approval request. The DAPIA is responsible to ensure, before it approves a request, that the manufacturer's request addresses all requirements for IPIA agreement(s) and concurrence(s).

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13. Is there a particular format (e.g. a simple email, an official notice on a letterhead, etc.) for a DAPIA's notice of approval (or rejection) to a manufacturer?

There are no specific formatting requirements for a DAPIA notification of approval. However, the notification of approval or rejection to the manufacturer and HUD must be made pursuant to all requirements of §3282.603. Each DAPIA should develop its procedures for handling requests for on-site construction completion that it needs to implement and enforce with its clients.

14. Is a formal rejection notice anticipated, or would the expectation be that the deviation report process would apply and a back and forth dialogue would ensue until the noted deficiencies have been adequately addressed?

If a DAPIA finds that a manufacturer's request does not meet the requirements contained in the Regulations, then it must notify the manufacturer that its request is denied and provide the reasons for the denial. Each DAPIA should develop its procedures for handling requests for on-site construction completion that it needs to implement and enforce with its clients. The design and quality assurance manual deviation report process may be integrated into that process provided the methods meet the requirements for notification and set forth reasons for denial.

15. Is the manufacturer required to supply and ship all of the materials, including fasteners, needed for the completion of the on-site work along with manufactured home?

The manufacturer will need to comply with all terms and conditions outlined in each DAPIA-issued SC approval. This approval needs to identify the specific items that must be completed at the factory versus those aspects to be completed on site and include listing of materials and components that will be shipped with the home and provided on site. These aspects will be controlled through manufacturer inspection, IPIA surveillance and inspections, and will be subject to monitoring by the Department.

16. Section 3282.604(e) requires the DAPIA to review Subpart M approvals every three years. How is this to be documented and monitored?

Each DAPIA needs to develop its procedures for completing and documenting the required reviews every three years. The procedures and resulting documentation of the three year reviews must result in clear documentation, available to the IPIAs and the Department, that the approvals are valid and current. As potential options, SC approvals may be re-approved every three years if the DAPIA deems that action appropriate or the DAPIA may stamp those approvals as limited approvals with a 3-year expiration noted on the approval stamp. Other methods may be developed to meet this intent. The Department will monitor DAPIA performance in this regard through monitoring.

17. Must dormers completed on-site be an approved engineered dormer set provided by the manufacturer or will stick built (i.e. dormers fabricated on-site) be allowed?

Specific instructions for completing work on-site must be DAPIA-approved and include the methods by which a manufacturer can choose to complete the construction on-site. In addition, the quality control and on-site inspection checklists must be adequately detailed enough to ensure conformance with the designs and where the designs are not specific, to the Standards.

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Reporting and Record Keeping

18. Will there be a specific format required for manufacturer systems of tracking the status of homes, or is it at the discretion of each manufacturer?

Each manufacturer must establish and implement its method for tracking homes from the time homes are built through to the time the homes are inspected by the IPIA. Each system must be part of the request as well as approval issued by the DAPIA. The tracking and reporting systems used in the current Alternative Construction process may be used as examples to accomplish tracking and reporting.

19. What level of detail is anticipated for the description of on-site work required to be included in monthly production reports (HUD 302)?

Each manufacturer must establish and implement its method for reporting a brief description of the on-site work applicable to each home it builds under an SC approval. This method must be included in the request for the DAPIA's approval and accomplish the intent of being able to understand from reviewing the report, the extent of the on-site construction work and inspection(s) expected for that construction.

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IPIA Inspections for On Site Completion Approvals

20. Will the IPIA be expected to monitor all elements of the on-site work throughout its duration, or just at the final inspection?

The IPIA is responsible to complete a full inspection of on-site work, whether managed through staged or multiple inspections or whether managed through inspection accommodated by access panels that permit inspection after completion. The site-inspection checklist must be developed in cooperation with each applicable IPIA and be included in the DAPIA approval.

21. Can there be a simple sign-off (such as an IPIA's acceptance statement) on the manufacturer's inspection report for its final inspection?

Yes, there can be a simple sign off documenting the IPIA's written acceptance of the manufacturer's inspection report. However, in that event, the entire manufacturer inspection report also becomes the IPIA's record of its inspection. Whether a separate inspection report is developed or whether an acceptance statement on the manufacturer's inspection report is utilized, the methods expected and required for any given SC IPIA inspection acceptance need to be auditable and outlined in each approval and demonstrate compliance with 3282.603(d)(9).

22. Will the IPIA be required to issue an independent inspection report document?

Consistent with §§3282.605(d)(3)(i) and (d)(3)(iii), in order to document an IPIA's acceptance of the final site construction, an IPIA may issue its own independent inspection report using the DAPIA-approved inspection checklist, or it may indicate its acceptance, in writing, of the manufacturer's completed site-inspection report by alternate means. See response to the previous question above as well.

23. How will the prohibition against occupancy before IPIA approval of the final inspection report and issuance of the certificate of completion be enforced from a practical standpoint?

IPIA's are responsible to complete inspections prior to occupancy. IPIA's need to report to HUD, the DAPIA, and manufacturer whenever any home is occupied before it inspects for compliance with all SC requirements and the Standards. IPIAs are also responsible to monitor the manufacturer's systems for notifying the IPIA when homes are ready for inspection and assuring that homes are not occupied before IPIA inspection and acceptance of the manufacturer's final site inspection report. This would be enforced on a case-by-case basis as determined based on IPIA inspection reporting or other sources of information indicating nonconformance. IPIAs are to monitor and report per 3282.607(g) specifically on this issue.

24. Section 3282.605(d)(3)(ii) appears to only require the IPIA to red tag a home when the manufacturer is "not performing adequately in conformance with the approval" and in the context of the final inspection. Is this correct?

No. An IPIA is required to red tag a home when it finds any failure to conform on site, regardless of when the issue is found during the IPIA's on-site inspection.

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Alternative Construction vs. On-Site Construction

25. Will HUD continue to provide AC approvals for construction that can otherwise be addressed through an On-Site Completion approval?

The Department will not review or approve AC requests for construction that can otherwise be approved through an SC approval. In order to facilitate a reasonable, yet timely transition from ACs to SCs, the Department is permitting a 6 month transition period, ending September 7, 2016. All ACs that can otherwise be approved through an SC approval, must be transitioned by September 7, 2016.

26. Is it permissible to produce a home that has both an AC approval and an SC approval?

Manufacturers may build a home that falls under both types of approvals, but the terms and conditions of each respective approval must be met, including identification of SC and AC in serial numbering.

27. Regardless of the specifics, can a manufacturer elect to request an AC approval rather than pursue an SC approval for construction that is eligible for SC approval?

Manufacturers should work with their IPIA(s) and DAPIA(s) to transition eligible AC approvals to SC approvals. After September 7, 2016, manufacturers will no longer be granted AC approval for construction eligible for SC approval. During the transition period (March 7, 2016 through September 7, 2016), existing AC approvals for construction that would be eligible for SC approval will continue to be allowed until the transition period is ended or until an SC approval is issued, whichever occurs first.

28. Can a manufacturer request an AC that covers aspects also covered by an SC approval?

For new or renewal AC requests that contain elements that include aspects of construction that require AC approval and have aspects that are eligible for SC, an AC request/approval will only be allowed during the transition period. Thereafter AC approvals must be modified or amended to remove aspects covered by a SC approval. For homes that incorporate aspects covered by an AC and SC approvals, all terms and conditions of each approval must be adhered to.

29. Why are attached garages not addressed in the on-site rule and will they be added later?

Due to the complexity of the structural design of the home and site construction that may be required based on the various manufacturer options and anticipated garage construction and location on home plans, the Department has decided to remain actively involved in the review and approval of such construction. During the interim, manufacturers may continue to submit requests for attached garages under the Alternative Construction provisions of the Regulations (24 CFR 3282.14). HUD is planning to revise the standards to include provisions for attached garages and once that is done, the Department would then be in a position to revise the on-site construction completion rule. Any such proposal either coming from HUD or the public would be forwarded to the MHCC for review.

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Clarifications on Correlating Standards Changes

30. Section 3282.603(e) refers to 3282.603(d)(3). Is this correct?

The current reference within 3282.603(e) incorrectly refers to paragraph (d)(3) of this section. The correct reference is to paragraph (d)(4) of this section that addresses the quality assurance manual approval.

31. In order to trigger the 40 PSF attic load design criteria in 3280.305(k)(1), does the space need to meet both height and area requirements, or does the space only need to meet one of them to require attic load design?

In order to trigger the 40 PSF design live load requirement, the attic space must meet both the ceiling height and living space (habitable room) requirements of the Standards.

32. Is it permissible to build a home with a roof slope of 7:12 or greater, without any access to the roof cavity and as such without any floor load design requirements?

An access panel may be required to facilitate the inspection of site construction in the attic area. However, access to the area of the attic is not a consideration that triggers the required live load design criteria. The Standard is specific that if the roof slope is 7:12 or greater, the area of the attic floor meeting the ceiling height and living space requirements of the Standards must be designed for 40 psf.

33. For homes with roof slopes less than 7:12 with an attic area, does the bottom chord of the truss need to be designed for a minimum 20 PSF load, regardless of whether an access is provided?

The attic floor design load provisions for storage are only applicable for roof slopes less than 7:12, when an attic access opening of at least 30 inches by 22 inches is provided by the manufacturer. If a manufacturer provides an access panel that does not meet or exceed those dimensions, manufacturers must place a warning label on or adjacent to the access panel that states: WARNING: ATTIC IS NOT DESIGNED OR TO BE USED FOR STORAGE. ACCESS IS PROVIDED FOR SERVICE OR INSPECTION ONLY. The text of the label shall be at least ½ inch high and the label shall be at least 5 inches by 7 inches.