



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

March 8, 2005

Robert E. Solomon, P.E.  
Project Manager  
National Fire Protection Association  
1 Batterymarch Park  
Quincy, MA 02269-7422

**Re: Update on Proposed Rule for On-Site Completion of  
Construction of Manufactured Homes**

Dear Mr. Solomon:

The Office of Manufactured Housing Programs is moving forward to initiate Departmental clearance to publish the proposed rule for On-Site Completion of Construction of Manufactured Homes (On-Site Rule) and is pleased to provide this summary of its current proposal. I would like to again thank the Manufactured Housing Consensus Committee (the MHCC) for its work in reviewing the original proposal and advice to the program office that has helped to further refine the proposed rule.

As you will recall, the program office provided the MHCC with a draft of this proposed rule following procedures established in the Manufactured Housing Improvement Act of 2000 (the Act), and the MHCC provided the program office written comments on the draft. The program office provided the MHCC with an update of its thoughts concerning the On-Site Rule at its August 2004 meeting in Alexandria. The program office has incorporated many of the MHCC's suggestions in its current proposal, and has taken into consideration all of the comments received from the MHCC. In addition, the program office has revised its proposal to make it consistent with decisions the Department has made concerning its proposed rule on Model Installation Standards.

**A Brief Overview of Major Recommendations of the  
Office of Manufactured Housing Programs**

In general, the program office's proposal would allow for limited on-site completion of manufactured homes without requiring manufacturers to obtain an alternative construction (AC) letter approved by the Department. The new procedures would only apply to homes that are substantially completed in the factory and that conform to the Manufactured Home Construction

and Safety Standards (the Construction and Safety Standards) when completed on-site. The office's proposal would also provide that any on-site work covered by the rule is part of the production process and thus covered under the Construction and Safety Standards. Alternative construction work would not be considered part of the installation of the home, which is the subject of a separate rulemaking under the Act and may be subject to State or local codes.

In addition, the on-site procedures could only be used when the manufacturer, its DAPIA, and its IPIA agree to follow them. It is anticipated that on-site completion would apply to design features like multi-story or cape cod-type designs, completion of high-pitched hinged roofs in Wind Zones II and III, site construction requiring penetration of the roof for completion of vents or skylights, and stucco and brick finishes.

### **Outline of Office of Manufactured Housing Programs' Proposal**

Under the program office's current proposal, in order to utilize the new on-site procedures, the manufacturer would request and obtain DAPIA approval to complete the final aspects of construction of a particular model or individual manufactured home on-site. The home leaving the factory would include a complete chassis, as well as structural assemblies and plumbing, heating, and air conditioning systems that are finished except for limited construction that cannot reasonably be completed in the manufacturer's production facility. The DAPIA approval would identify the work to be completed on site, and the DAPIA would stamp or sign each page of any set of designs accepted for completion on site. In effect, the on-site completion process would require the manufacturer's quality control system to extend to the site. As such, the DAPIA would also approve the part of the manufacturer's written quality assurance system that is applicable to completing the manufactured homes on site to the Construction and Safety Standards. The on-site completion approval would also include a checklist developed by the PIA's and manufacturer for use in final inspections.

As recommended by the MHCC, a home would be shipped from the factory with a special, permanent on-site completion certification label. The special label would be green, to distinguish it clearly from the traditional red manufacturer's certification label. Comment may be sought on whether it will be helpful to state and local regulators and consumers who might purchase homes completed under the on-site completion process, to identify such homes with a different color certification label.

The program office proposal would require that the manufacturer be responsible for maintaining a tracking system for completion of the homes and for ensuring the performance of all work necessary to comply with the Construction and Safety Standards upon completion of the alternative construction site work, regardless of who actually performs the work. After the manufacturer does its final inspection of work completed on site, it would provide the IPIA with a copy of a final report and certification. As with the procedures followed under the present process for approval of alternative construction, the manufacturer's IPIA would then be responsible for

inspecting all homes completed under the new process to assure that they comply with the DAPIA approved designs for site construction and with the Construction and Safety Standards. If satisfied with the manufacturer's compliance, the IPIA would notify the manufacturer of its acceptance of the manufacturer's final site acceptance report.

The manufacturer would also be required to provide a copy of the manufacturer's final site inspection report to the purchaser and the State Administrative Agencies (SAAs) of the states where the home is substantially completed in the factory and where the home is sited. The manufacturer would also be required to report to HUD the serial number and a brief description of the work done on site for each home produced under the new procedures. This report might be done as part of the manufacturer's standard monthly production report.

### **Notice to Consumers and Conclusion**

The Office of Manufactured Housing Programs' on-site completion proposal would also require the manufacturer to include a notice to consumers that explains that the home will comply with the requirements of the Construction and Safety Standards only after all of the on-site work has been completed and the home has been inspected. The sale of the manufactured home to the purchaser would not be considered complete until the purchaser has been provided with a copy of the manufacturer's final site inspection as reviewed and accepted by the IPIA.

By allowing manufacturers to complete construction on-site with DAPIA approval, the program office hopes to establish a more flexible method of compliance with the Construction and Safety Standards, resulting in more affordable housing. As indicated, the proposed rule prepared by the program office, is undergoing Departmental review. When it is published in the Federal Register, we will welcome comments from the MHCC and its members, and suggestions from the MHCC and the public on how to improve the process for the final rule.

Sincerely,



William W. Matchneer III  
Administrator  
Office of Manufactured Housing Programs