

The FACTs: HUD's Manufactured Housing Newsletter

Office of Manufactured Housing Programs

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Welcome to the ninth edition of The FACTs: HUD's Manufactured Housing 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.

Manufactured Housing hosts Manufactured Housing Consensus Committee Conference

The Office of Manufactured Housing Programs hosted the Manufactured Housing Consensus Committee (MHCC) meeting at the Holiday Inn - Capitol on August 18, through 20, 2015. The meeting was a follow-up to the December 2014 meeting held in Arlington, Virginia.

MHCC Chairman, Richard Weinert, welcomed new members Joseph L. Anderson II, Joseph H. Sadler, Jr., Robin Roy, and John W. Weldy and asked that they introduce themselves to the committee.



Pamela Danner and Demetress Stringfield of HUD's Office of Manufactured Housing Programs meet with the new members of the Manufactured Housing Consensus Committee .

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MHCC Conference



Pictured: David Tompos, MHCC Vice Chair, Rick Mendlen, Senior Structural Engineer, MHCC Chairman Richard Weinert, Pamela Danner, DFO and Administrator for the Office of Manufactured Housing Programs, and Teresa Payne, Deputy Administrator.

Pamela Beck Danner, the Designated Federal Official for the MHCC, introduced to the attendees the staff members for the Office of Manufactured Housing Programs, HUD's monitoring contractor, the Institute for Building Technology and Safety (IBTS), Michael Henretty with SEBA Professional Services for the HUD Manufactured Home Installation Program, and Shelby Giles with Savan Group for the HUD Manufactured Home Dispute Resolution Program.

After the minutes for the December 2014 meeting were approved, Manuel Santana, Chairman of the Technical Systems Subcommittee, stated that there were no items to report. David Tompos, Chairman of the Structure and Design Subcommittee, presented three Log Items to the committee for action. After the Log Items were approved, the full MHCC members moved forward with motions on additional Log Items.

Ed Golding, Principal Deputy Assistant Secretary for Housing (HUD), addressed the committee and thanked them for their hard work and commitment to ensure that manufactured homes remained an affordable housing option.

Joseph Hagerman, Policy Advisor with the Department of Energy, gave a presentation of the DOE Manufactured Housing Working Group (MHWG). Under section 413 of the Energy Independence and Security Act of 2007, DOE is to establish updated energy standards for manufactured housing. The MHWG was tasked by the DOE Appliance Standards and Rulemaking Federal Advisory Committee to complete the Term Sheet for a proposed rule.

After Mr. Hagerman's presentation, the MHCC resumed discussion of Log Items for the remainder of the day. When the meeting adjourned, MHCC members, meeting attendees along with HUD staff members and their contracting staff engaged in a networking session.

On the second day of the meeting, Ms. Danner introduced Frank Vetrano, Deputy Assistant Secretary for Risk Management and Regulatory Affairs. Mr. Vetrano commended the Consensus Committee on the diversity of its members and spoke of the challenges HUD faces as the American population changes. Mr. Vetrano also stated that the aging in-place community is an additional

underserved group that is looking to the manufactured housing industry for solutions to their continuing housing needs.

Erik Winchester, Acting Chief, Fibers and Organics Branch, National Program Chemicals Division of the Environmental Protection Agency (EPA), presented information regarding the status of EPA's Formaldehyde Emissions Final Rule. Mr. Winchester provided background information on the Toxic Substance Control Act Title VI and highlighted product emission standards in statutes and provided details of EPA's proposal. The EPA intends to issue a final rule by the end of 2015.

Jeff Legault, a Producer member of the MHCC, provided a review of HUD Code reference standards to identify which updated reference standards, if adopted, would have the greatest impact on the industry and which would have little or no impact to everyday practice.

A motion was approved to refer to the Structure and Design Subcommittee for review of the following reference standards: AISC, Steel Construction Manual, NER 272, National Evaluation Report, Power Driven Staples, Nails and Allied Fasteners for Use in All Types of Building Construction, and APA H815E, Design and Fabrication of All-Plywood Beams.

The MHCC also discussed reference standards' ANSI/ASHRAE 62.2, Ventilation and Acceptable Indoor Air Quality in Low-Rise Residential Buildings, ASTM E96, Standard Test Methods for Water Vapor Transmission of Materials, and NFPA 70, National Electrical Code. The motion carried to refer these standards to the Technical Systems Subcommittee.

In a review of the MHCC by-laws, Chairman Weinert provided some background on the additional language proposed to Section 9. The idea behind the change is to provide the MHCC the same structure as other code writing entities by operating on a 2-year cycle. A motion was approved to change the by-laws as proposed.

After the full MHCC reconvened, Ms. Danner introduced Erhiuvie Abu President and CEO of SEBA Professional Services, Michael Henretty, Project Manager for the Manufactured Home Installation Contract, and Angelo Wallace, the Government Technical Manager with the Office of Manufactured Housing Programs. Ms. Abu updated the Committee on the progress of the Manufactured Home State Installation Program. Ms. Abu informed the Committee that a pilot training program was launched in Maryland on July 14, 2015 requiring all installers in Maryland to be licensed by November 1, 2015. Installers are required to pay for their training but there is no fee for the license.

Ms. Abu informed the MHCC members that the program's website has launched with additional program information, forms, and FAQs.

On the final day, there were four Log Items discussed by the MHCC; two of the items were approved and two were disapproved. During the discussion regarding anti-scalding valves, everyone was in agreement that this is a very important issue, but was not in agreement regarding the best approach to a solution. Rick Mendlen reminded the Committee that a guidance memorandum on this topic was published by HUD on April 24, 2015. A motion to refer the issue of field adjustment of Automatic Compensating Valves to the Regulatory Subcommittee was approved by the MHCC.

Rick Mendlen and James Martin from HUD and Jason McJury from IBTS gave a presentation

summarizing the proposed changes to State Administrative Agencies' (SAA) fee payment calculation. Mr. Mendlen stated that if the first option was accepted, there would be significant disparities because some states would enjoy additional funding and other states would experience decreased funding which would put the enforcement of the manufactured housing program at risk. The second option would fund the states by a guaranteed floor - not a ceiling. The MHCC voted to refer the SAA Payment Options to the Regulatory Subcommittee. The motion was approved.

The next presenter was Shelby Giles with the Savan Group. Ms. Giles provided an update of activities of the Manufactured Home Dispute Resolution Program. Ms. Giles praised the work the SAAs are doing in resolving issues before they become official disputes. In addition to her presentation, Ms. Giles announced that a new website would soon be available and that a video is in the works.

Ms. Danner stated that she was impressed with the effectiveness of the program and that many of the participants are retired industry officials. Debra Blake commented that a colleague serves as a screener for the program which is working well.

James Turner and Aashish Shahani with IBTS gave a solar technology presentation with a focus on system components that are currently available and how this could affect the manufactured housing industry. The main issues regarding solar panels are proper flashing of the roof penetrations and the additional weight of the panels.

Following the presentation there was a discussion regarding if, how, and when should there be a section added to the standards regarding solar panel installation and whether HUD should provide guidance that would indicate how to make a house solar ready from the manufacturer and still be approved in accordance with the HUD code.

During the public comment period, Mark Weiss, President of MHARR, thanked HUD for its responsiveness to the SAA issue and thanked MHCC members Mark Mazz and David Tompos for moving the multifamily proposed change forward. Mr. Weiss urged the Committee to review and act on the DOE ruling before it is published and thanked the Committee for their work.

Lois Starkey, Vice President of MHI, also thanked HUD and the MHCC for all of their hard work and suggested that the Committee should also look into the issues regarding Alternative Construction letters since it was discussed at the last meeting. Ms. Starkey also said that the solar panel problem needed to be reviewed and encouraged the Committee to continue to work on this issue.

Ms. Danner congratulated the MHCC and thanked them for their time. During the meeting wrap up, Ms. Danner presented five outgoing MHCC members (David Tompos, Timothy Sheahan, Greg Scott, Manuel Santana, and Michael Lubliner) with certificates and thanked them for their service to the industry.

Chairman Weinert also thanked the Committee and all participants for their time before adjourning the meeting.

Manufactured Housing Consensus Committee Meeting August 19 - 20, 2015



*Erik Winchester, Acting Chief, Fibers and Organics Branch,
National Program Chemicals Division—EPA*



*Shelby Giles, with the Savan Group, presenting an overview of
the Dispute Resolution Program.*



*Michael Henretty, Project Manager for the Manufactured Home
Installation Program*



*Jason McJury, IBTS, Rick Mendlen and James Martin, HUD,
presenting SAA Payment Options*



MHCC Group Picture

MHCC Member Recognition by HUD



Pamela Beck Danner, David Tompos, and Teresa Payne



Pamela Beck Danner, Timothy Sheahan, and Teresa Payne



Pamela Beck Danner, Greg Scott, and Teresa Payne



Pamela Beck Danner, Manuel Santana, and Teresa Payne



Pamela Beck Danner, Michael Lubliner, and Teresa Payne.



On-Site Rule...

On September 8, 2015, the On-Site Completion of Construction of Manufactured Homes Final Rule was published in the Federal Register. This final rule establishes a procedure whereby construction of new manufactured housing that is substantially completed in the factory can be completed at the installation site, rather than in the plant.

The On-Site Rule simplifies this process by establishing uniform procedures by which manufacturers may complete construction of their homes at the installation site without having to obtain advance approval from HUD. The final rule applies only to the completion of homes subject to the Manufactured Home Construction and Safety Standards, not to the installation of homes subject to the Model Manufactured Home Installation Standards. Moreover, this final rule would not apply if a major section of a manufactured home is to be constructed on-site.

The final rule establishes simplified, uniform procedures at 24 CFR part 3282, subpart M, that permit manufacturers to complete the construction of manufactured housing on-site, rather than in the factory, under certain circumstances, without obtaining advance approval from HUD through the alternative construction letter process.

The final rule lists numerous aspects of construction of a manufactured home that may be approved to be completed on-site. This final rule will encourage the use of innovative designs and techniques that will further demonstrate the adaptability and versatility of manufactured housing and eliminate the need for manufactures to apply for advance approval to complete construction of a manufactured home on-site. Easing the process for on-site construction of manufactured homes supports achievement of the goal of widely available safe, durable, and affordable manufactured housing. The effective date for this rule is March 7, 2016.

...Chassis Bonding Connections

On August 31, 2015, HUD issued a memorandum to all State Administrative Agencies and Primary Inspection Agencies regarding the adequacy of the methods used by a number of manufacturers to bond the chassis to the ground in the panel box, in particular, the bonding connection of the grounding terminal to the chassis. The issue involves the use of sheet metal screws and self-tapping screws for this application.

A further review of the National Electrical Code (2005) (NEC) revealed that "sheet metal screws shall not be used to connect grounding conductors or connections to enclosures" (NEC section 250.8). The issue raised indicated that sheet metal screws were being used to bond a grounding terminal to the frame and therefore not in compliance with the Federal Manufacturing Housing and Construction Safety Standards (FMHC&SS) and the NEC.

In the memorandum, HUD requested that all Design Approval Primary Inspection Agencies (DAPIAs) review all approved designs to assure that sheet metal screws are not approved for this purpose and as necessary issue a design deviation report to affected manufacturers as appropriate. However, HUD determined that self-tapping screws can be used to bond a ground terminal to the steel chassis. In addition, DAPIAs are requested to submit a copy of each deviation report issued to the Institute for Building Safety and Technology (IBTS). All Production Inspection Primary Inspection Agencies (IPIAs) are requested to assure that sheet metal screws are not being used for this bonding connection.

Design and Quality Assurance Manual Deviation Reports

HUD issued a memorandum on August 31, 2015, highlighting the role that the DAPIAs, Manufacturers, and IPIAs play in the design and construction oversight process to assure that manufacturers produce quality and compliant homes in accordance with the U.S. Department of Housing and Urban Development's (HUD) Manufactured Home Construction and Safety Standards (24 CFR Part 3280) and Procedural and Enforcement Regulations (24 CFR Part 3282).

DAPIAs are responsible to make sure that manufacturers' designs and quality assurance manuals comply with the Standards and Regulations. The IPIAs, in turn, are responsible to make sure that manufacturers build homes in accordance with DAPIA-approved designs and the Standards. Aside from these core responsibilities, there are related responsibilities to assure continued use of up-to-date DAPIA-approved designs and to take actions when it is found that one or more designs were approved in error. The design related issues are handled through a system of issuance, tracking and closure of design and quality assurance manual deviation reports as envisioned through the outline of expected actions described in this memorandum. The Regulations at 24 CFR §3282.361(b)(3) and §3282.361 (c)(2) require DAPIAs to issue deviation reports to notify a manufacturer that a design or aspect of its construction design package, and/or its quality assurance manual require correction in order to produce manufactured homes that comply with the Standards and Regulations.

Manufacturers are responsible for immediately updating their sets of approved designs by removing those designs or manual pages from each of their affected production facilities. The designs or pages can no longer be utilized in production until the manufacturer addresses and corrects all issues described in the deviation report and the DAPIA has evaluated and approved all revisions and corrections made by the manufacturer that were identified in the report. Manufacturers are responsible to make necessary changes to designs and manuals in accordance with requirements set forth in 24 CFR Part 3282, Subpart E and outline the required system to maintain copies of only current, DAPIA-approved drawings. IPIAs are responsible, as part of their surveillance, to ensure that any construction and/or quality assurance manual designs reference in any deviation report are not available for use in the production of homes.

Did you know?...

Below are graphics that show floor and home production data provided by the Institute for Building Technology and Safety.

Monthly Percent Change in Floors Produced From the Previous Year

Month/Year	Single-Wide Homes	Multi-Wide Homes	Total Homes	Floors
September 2014	2,693	3,169	5,862	9,103
September 2015	2,728	3,597	6,325	10,005
% change	+1%	+14%	+8%	+10%

Monthly Breakout of Homes and Floors Produced by Year-to-Date

Year / Previous Year	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2011/2010	-17.9	-19.3	-13.2	-21.5	-15.8	-10.6	-15.5	+1.5	+8.7	+26.5	+36.5	+34.1
2012/2011	+38.8	+37.5	+14.0	+16.0	+17.4	+5	+11.1	+10.6	-8.6	+1.2	-10.5	-7.2
2013/2012	+7.9	+3	-2.3	+15.0	+7.9	+4.8	+15.1	+4.2	+18.9	+18.3	+11.5	+15.5
2014/2013	+7.1	+7.3	+8.7	+6.6	+2.7	+5.9	+14.0	-0.2	+10.1	+5.6	+1.7	+15.4
2015/2014	+9.4	+8.3	+13.6	+8.4	+2.2	+8.0	+10.3	+8.2	+9.9			

Fiscal Year to Date Production Information and Comparison

Month	FY11		FY12		FY13		FY14		FY15	
	Floors	Homes	Floors	Homes	Floors	Homes	Floors	Homes	Floors	Homes
October	6,209	3,849	7,857	5,418	7,954	5,127	9,412	6,078	9,938	6,505
November	5,511	3,459	7,522	5,332	6,736	4,365	7,509	4,870	7,636	4,955
December	4,354	2,745	5,838	3,798	5,420	3,480	6,262	3,985	7,228	4,704
January	4,341	2,796	6,023	3,983	6,496	4,242	6,959	4,405	7,614	4,969
February	4,547	2,892	6,254	4,145	6,271	4,151	6,729	4,361	7,290	4,803
March	6,226	4,035	7,095	4,671	6,930	4,467	7,530	4,899	8,554	5,602
April	6,123	3,944	7,101	4,630	8,167	5,313	8,707	5,653	9,441	6,085
May	6,859	4,464	8,050	5,211	8,682	5,622	8,914	5,733	9,113	5,798
June	7,864	5,021	7,906	5,075	8,287	5,338	8,779	5,624	9,481	6,062
July	5,781	3,676	6,506	4,221	7,489	4,793	8,538	5,675	9,413	6,085
August	7,944	5,187	8,789	5,580	9,154	5,886	9,132	5,955	9,883	6,332
September	7,610	5,055	6,956	4,393	8,269	5,483	9,103	5,862	10,005	6,325
TOTALS	73,369	47,123	85,897	56,457	89,855	58,267	97,574	63,100	105,596	68,225

From the desk of the Administrator...

We have now finished Fiscal Year 15 and are into the first quarter of Fiscal Year 16. It has been an exciting and busy year for the National Manufactured Housing Program. From my perspective, it is a good time to look back on our progress since our last newsletter in May and to look forward to plans for this year.

As discussed in this newsletter, after many years, the on-site completion of construction final rule was published on September 8, 2015, with an effective date of March 7, 2016. My staff is currently working on developing a webinar which will provide compliance information to the PIAs, SAAs, retailers, and manufacturers. We plan to launch this presentation at the upcoming MHCC meeting in January and then follow up with the online webinar.

As detailed previously, we are very pleased with the participation at the August Manufactured Housing Consensus Committee (MHCC) meeting here in DC in August. Based on the results of this meeting, since then, we have held a Regulatory Subcommittee teleconference meeting and will be holding the Technical Systems Subcommittee teleconference meeting on December 2, 2015 and the Structure and Design Subcommittee teleconference meeting on December 10, 2015. These meetings, managed by our contractor, Home Innovation Research Labs, are being held so that we can have a very productive full in-person MHCC meeting from January 19-21 in Louisville, KY. We look forward to this meeting and additional meetings in 2016! To submit standards change proposals visit mhcc.homeinnovation.com.

The installation program is being launched on a rolling basis in the 13 HUD-administered states. A Notice of installer licensing deadlines was published in the Federal Register on October 14, 2015 for the 13 states. We rolled out two pilots with Maryland's installer license deadline on November 1st, and Nebraska's deadline on December 1st. We kicked off the Eastern States roll out on December 1st and will be launching the program in the remaining states in 2016! With the assistance of our contractor, SEBA Professional Services, we have undertaken an extensive outreach and communication program for this roll out. Our staff with SEBA staff recently made presentations at industry meetings in Connecticut and Massachusetts. We continue to update the installation website (<http://manufacturedhousinginstallation.com>) with additional questions and answers and other information regarding this program.

I am very pleased to report that the Dispute Resolution Program has successfully handled several disputes to completion. A video, developed by our contractor, Savan Group, intended to educate consumers and industry, outlines eligibility and process for the program. The video will soon be completed and available on our website and for SAAs to link or post on their websites, in those states that do not have a HUD-approved dispute resolution program. To learn more about this program and to stay abreast of happenings in HUD-administered states in 2016, please visit www.hudrp.net.

My office is very fortunate to have two new staff members: Jason McJury, Structural Engineer, and Gregory Miller, Architect. I am sure that many of you will be working with them in this upcoming year.

As 2015 draws to an end, I want to thank you all for your support and cooperation to make this National Program an even better program for manufactured homeowners. I wish you all a wonderful holiday season and happy New Year.



Pamela Beck Danner, Administrator



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

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