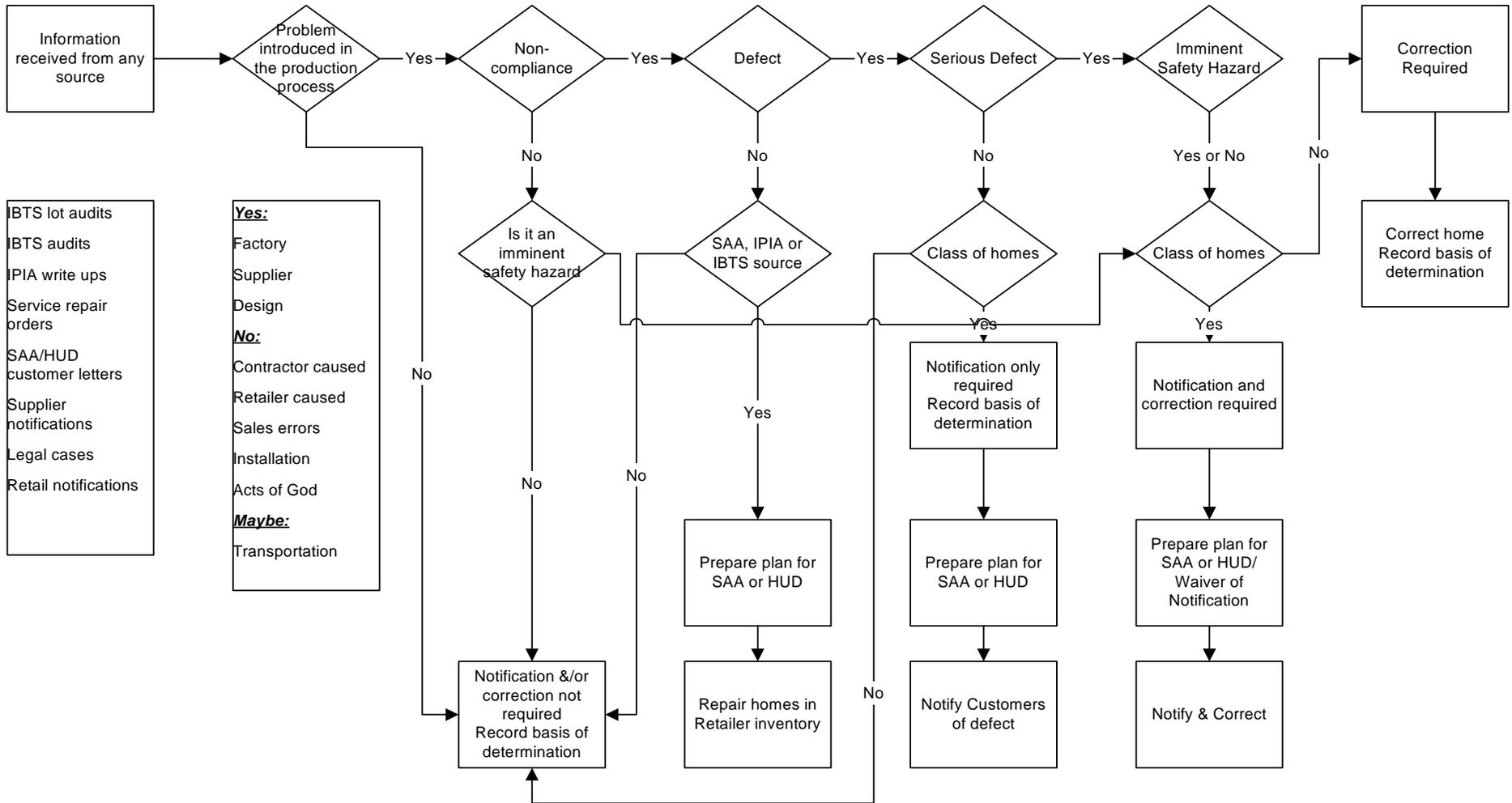

Sub-Part I Implementation

Bill Byrnes
Champion Enterprises, Inc.

The Sub Part I Process

- Purpose
 - What is Sub-Part I from the grass roots perspective
- Topics
 - How do we teach Champion plants to implement Sub-Part I
 - Review of actual plant implementation of Sub-Part I
 - Problems we are having administering Sub-Part I
 - Statistics
 - Complaints
 - Cost of Sub-Part I
 - Assessment of Sub-Part I
 - What's working
 - What's not working

The Sub-Part I Process



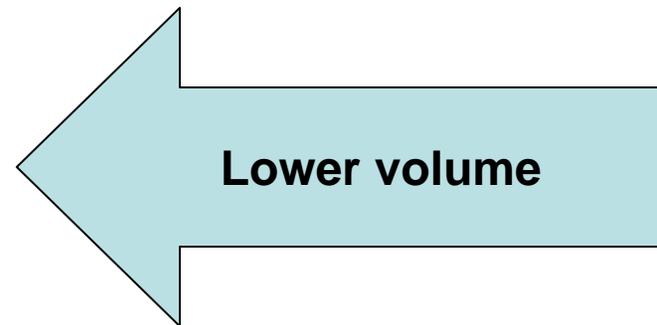
The Way Sub-Part I is Taught at Champion

When the manufacturer receives knowledge of a problem from any source, a determination must be made:

Question to ask:	Answer:	What to do:
Is the problem one that is consistently introduced in the production process?	If yes	Continue
Is the problem a noncompliance with a standard or manufacturers installation instructions?	If yes, and there is more than one	Develop a class and repair homes in dealer's inventory
Is the problem a defect? (A non-compliance and the problem renders the part or any part of the home not fit for its intended use)	If yes and there is more than one	Develop a class and notify customers that there is a defect but tell them that the manufacturer does not have to repair it
Is the problem a serious defect? (A defect plus it poses an unreasonable risk of injury or death)	If yes, and only one If yes and more than one	Repair the one home Develop a class, notify and correct in 60 days or waive notification if it can be corrected in 60 days
Is the problem an imminent safety hazard (It poses an unreasonable risk of injury or death even though it is not a non-compliance)	If yes, and only one If yes and more than one	Repair the one home Develop a class, notify and correct in 60 days or waive notification if it can be corrected in 60 days

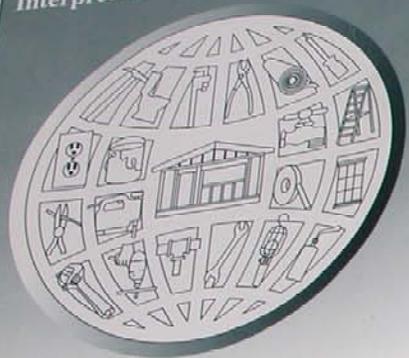
Knowledge from any source

- IBTS audits
- IBTS lot audits
- IPIA write-ups
- State-SAA complaints
- Legal cases
- Supplier notifications
- Retailer notification



-
- Consumer notification/Service is the most voluminous
 - Usually 90% to 95% of Sub-Part I administration

PART 3280
**Manufactured Home Construction and
Safety Standards**
and
Interpretative Bulletins to the Standards



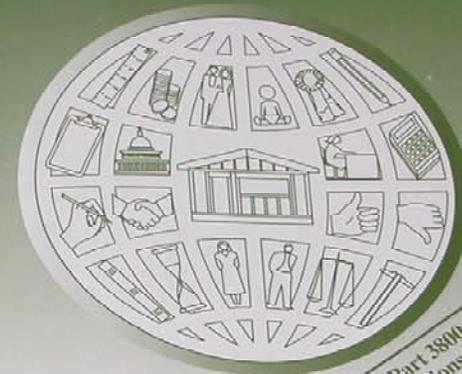
**The National
Manufactured Housing
Construction and Safety
Standards Act**

**Unofficial Compilation of Title VI as
Amended by the Manufactured Housing
Improvement Act of 2000**

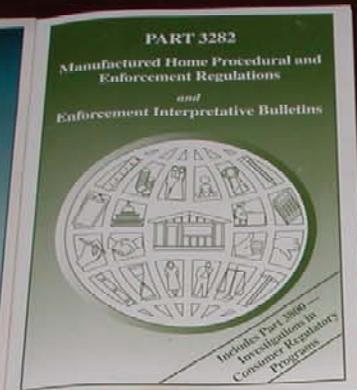
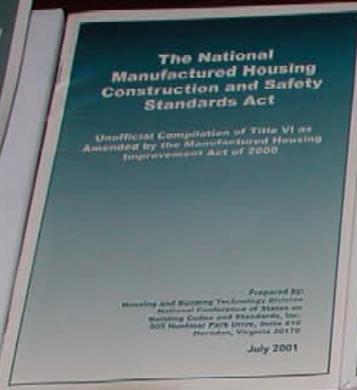
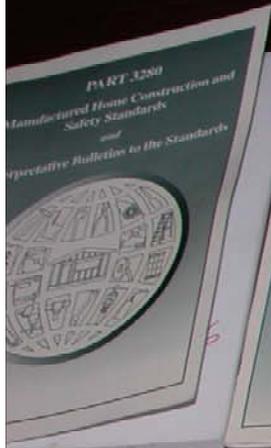
Prepared by:
Housing and Building Technology Division
National Conference of States on
Building Codes and Standards, Inc.
505 Huntmar Park Drive, Suite 210
Herndon, Virginia 20170

July 2001

PART 3282
**Manufactured Home Procedural and
Enforcement Regulations**
and
Enforcement Interpretative Bulletins



**Includes Part 3800 —
Investigations in
Consumer Regulatory
Programs**



CEI

INDEX

A SIDE, FRONT AND REAR OVERHANGS
CONCRETE CHAIRS

BLIND OR FLURRED SPACES WITH 5/16" CYPRES CEILING.
 NO ADDITIONAL STOP REQUIRED.
 BLIND OR FLURRED SPACES WITHOUT DIFFERENT CEILING.
 5/16" CYPRES REQUIRED AT CEILING OVER ENTIRE SPACE. CYPRES FIRE STOP MAY BE ABOVE OR BELOW CEILING PANELS.

B DOUBLE-WIDE MARRIAGE WALLS

ELECTRICAL WIRE SHALL NOT BE BUTTERED IN A JOINT OR
 SET ON TOP OF PLATE.
 3/4" WALL WITH PLATE OR LIGHT
 NO SEALANT REQUIRED FOR JOINT MORTAR.

C TUB

NO JOINTS SHALL BE LOCATED WITHIN THE LARGER ROOM
 THE JOINTS SHALL BE LOCATED IN THE SMALLER ROOM.
 JOINTS SHALL BE LOCATED IN THE SMALLER ROOM.
 JOINTS SHALL BE LOCATED IN THE SMALLER ROOM.
 JOINTS SHALL BE LOCATED IN THE SMALLER ROOM.

DISCREETAL SPACES

APPROVED
 PFS Corporation
 Dallas - 2
 0000002
 HUD Manufactured Home Construction & Safety Standard

APPLICABLE: 6-20-10
 A. REVISED SHEET NO. 1 (DATE: 6-15-10)
 B. SOURCE CODE: 2009-1 (DATE: 6-15-10)
 C. CHANGE: NONE
 D. REVISION: 7/15/10 (BY: J/S)

FIRE STOPPING P-503.00.02C
 SHEET 2 OF 2

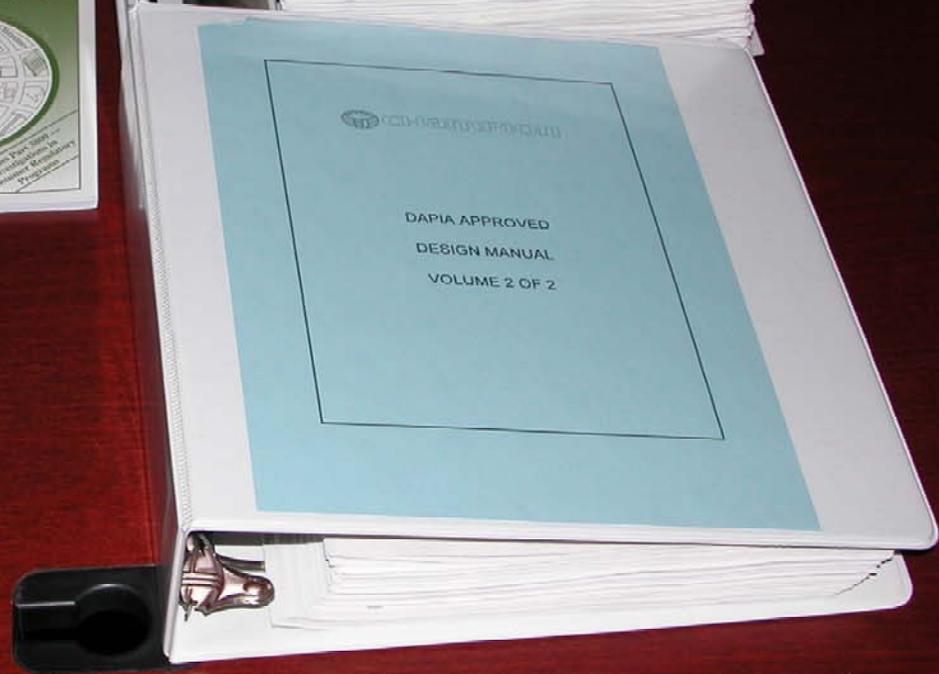
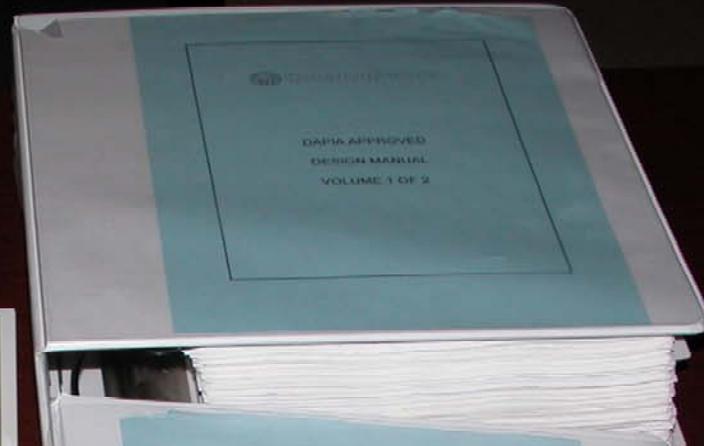
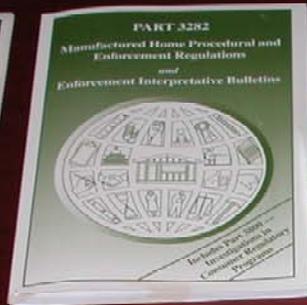
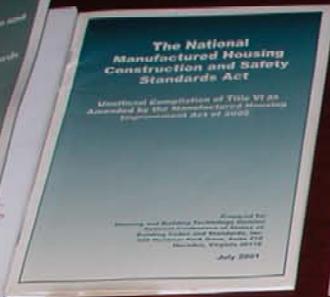
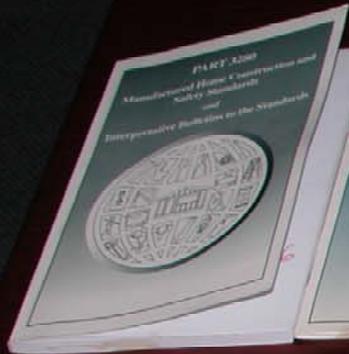
CHAMPION

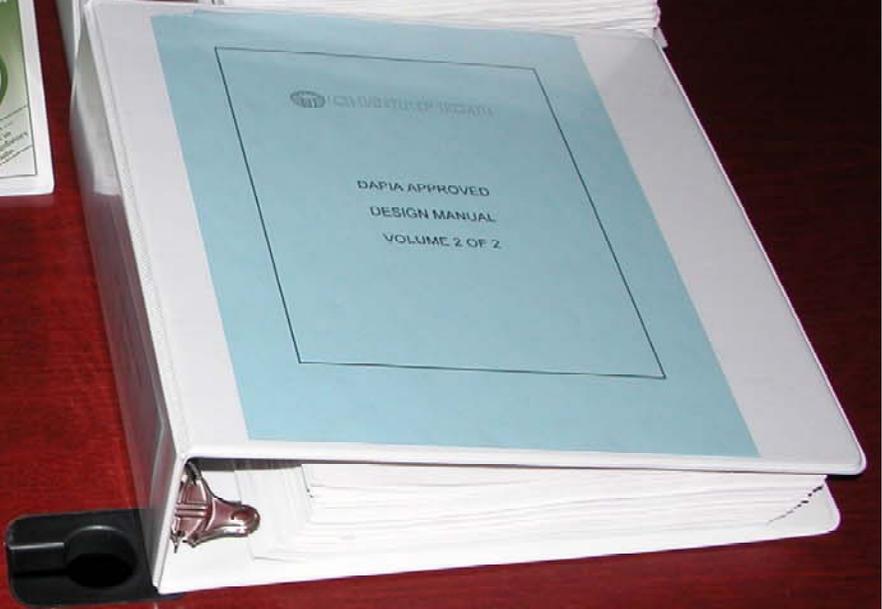
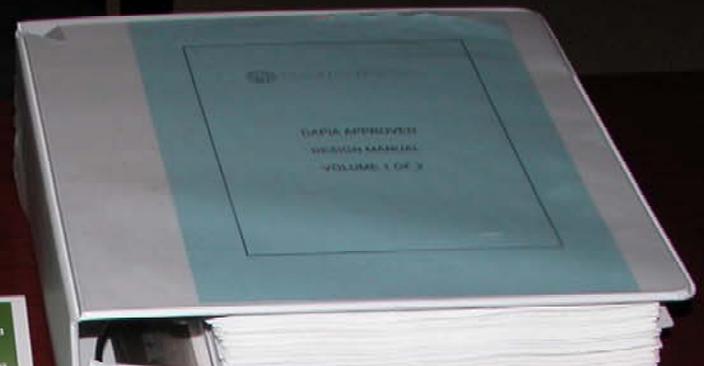
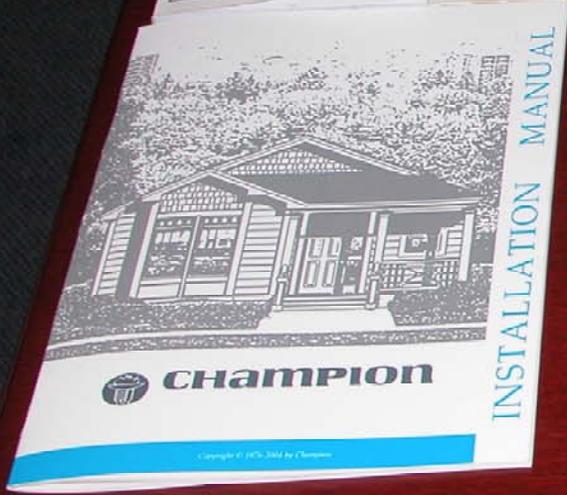
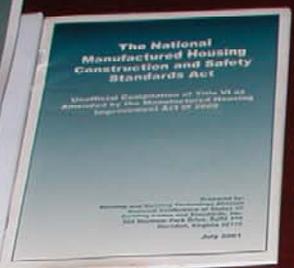
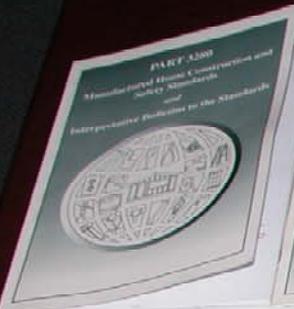
HV HVAC

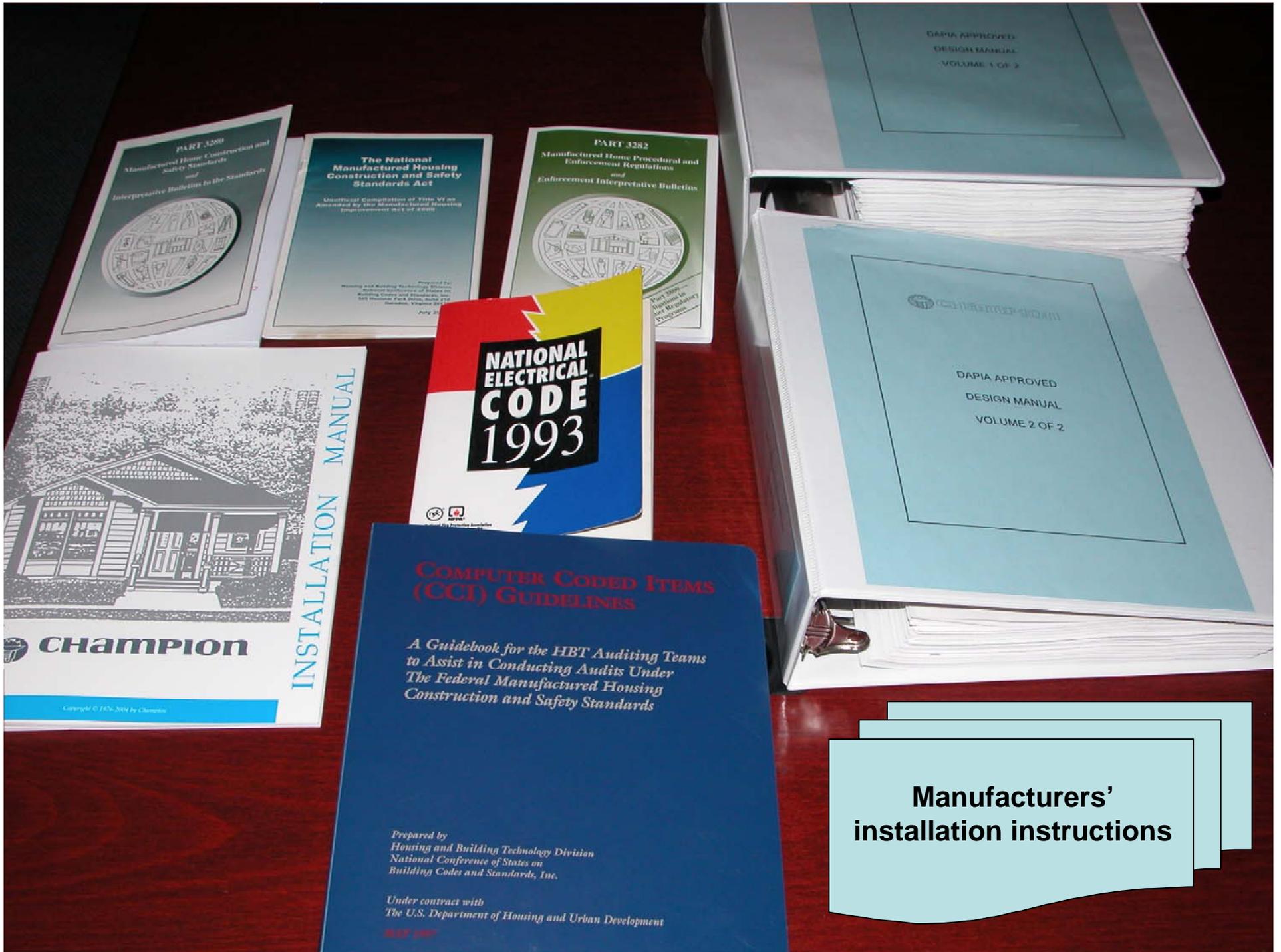
EL ELECTRICAL PL PLUMBING TH THERMAL CH CHASSIS

FL FLOOR SW SHEAR WALLS WA WALLS RF ROOF

EX EXTERIOR







Manufacturers' installation instructions

Example of non-compliance found in an IBTS audit

December 2002 **IBTS IN-PLANT AUDIT REPORT** Form E-2
 Report No. _____ Date 7/15/2004 Page 9 of 25

Serial Number	HUD Label Number/Date of Manufacturer	Station	Close-out	Shown To	Legend	Item
28297A	_____	11	A	4-3	1. QC Manager	9b
28360A	_____	10	A	4-3	2. QC Inspector	CCI
					3. IPIA Supervisor	
					4. IPIA Inspector	
					5. _____	46.4
					6. _____	
					7. _____	
					8. _____	Units affected
					9. _____	2

Repeat from: IPIA Report(s): NO Previous IBTS Report: NO
 *Items are considered repeats, when an "exact repeat" failure to conform occurs three or more times in the last 10 IPIA reports.

DESCRIPTION OF FAILURE TO CONFORM

References: 3280.610(h)

Failure to conform and Requirement:
28297A- The drain line for the tub had reverse slope & there was no blocking.
28360A- The Washer drain line had reverse slope. The standards require 1/4" of fall per foot.

Description of Close-Out (B, C, E Items): Inspector Signed off.

Source of related information: UNKNOWN

Other units may be affected because: 46 other homes checked.
 No other units checked: _____

Description of Close-Out

A. The QC inspection has been completed for inspection and the failure to conform has not been located by the QC.
 *B. The QC inspection has not been conducted and the failure to conform is covered-over.
 *C. The work has been completed and has progressed beyond a stage where the QC customarily inspects the item or where the inspection or correction will be impractical.
 * Description of close-out must be expanded in the text.

D. The unit is labeled and the failure to conform exists.
 *E. The failure to conform has been found by QC and is not properly corrected.
 F. The manufacturer does not have a DAPIA-approved design for method of construction.

Note: Circled items require a response from the IPIA.

Auditor's Signature _____

A two page determination form must be filled out for every problem

SUBPART I DETERMINATION FORM

Manufacturer: _____
 Address: _____
 Date: _____ Serial # _____ D.O.M. _____ Model #: _____
 Dealer: _____ Consumer: _____
 Address: _____ Address: _____
 Consumer Complaint # _____
 Date Information Received _____ Determination Made by: _____ Determination Date: _____
 Description of Item(s): _____
 _____ See attached report

Imminent Safety Hazard <input type="checkbox"/>	Serious Defect <input type="checkbox"/>	Defect <input type="checkbox"/>	Noncompliance <input type="checkbox"/>	Does Not Apply <input type="checkbox"/>
One Condition: a. It presents an imminent and unreasonable risk of death or severe personal injury. NOTE: It may or may not represent a failure to conform to the Standards.	Three Conditions: a. It is a failure to comply with the Standards. b. It renders the home or any part thereof unfit for ordinary use for which it was intended. c. It results in an unreasonable risk of injury or death to occupants of the affected homes.	Two Conditions: a. It is a failure to comply with the Standards. b. It renders the home or any part thereof unfit for ordinary use for which it was intended.	Two Conditions: a. It is a failure to comply with the Standards. b. It is not a defect, serious defect or Imminent Safety Hazard.	Three Conditions: a. It is not a failure to comply with the Standards. b. It was not introduced into the home during the manufacturing process. c. It is not a defect, serious defect or imminent Safety Hazard.

1. Source of Information: _____ Customer Complaint _____ SAA On-Site Inspection _____ IPIA Reports _____
 _____ NCSBCS Reports _____ Design Deviation Reports _____ Suppliers Product Alert Information _____
 _____ Quality Control Records _____ Service Records _____ Dealer/Outside Repairs _____ SAA Review _____

2. Is more than one home affected (class of homes)? _____ Yes _____ No
 If Yes, please list serial numbers of all homes affected. _____

3. What basis was used to determine the number of homes affected?
 _____ Customer Complaint Records & Unit Files _____ Site Inspection & Service Reports _____
 _____ Quality Control & In-Process Inspection Records _____ Particular Employee or Manufacturing Records _____
 _____ IPIA Reports & Letters _____ NCSBCS Audit Reports _____ Error in Designer Deviation Reports _____
 _____ Suppliers Records & Product Alert Information _____ Transportation Damage & Delivery Inspection Reports _____

4. _____ was caused by: _____ Design _____ Defective Material
 _____ Workmanship _____ Transit _____ Dealer _____ Homeowner

5. Is notification/request for waiver of notification required? _____ Yes _____ No

6. Explain what corrective action was taken: _____

 Date Completed: _____

I certify that the above information is true and complete to the best of my knowledge. I certify that all required notification and/or repair have been completed in full conformance to the Manufactured Housing Construction and Safety Standard, 24 CFR, Part 3282, Subpart I.

Manufacturer's Representative: _____ Date: _____

I agree with the method used by the manufacturer to determine the class of affected homes.

IPIA's Representative: _____ Date: _____

H:\forms\forms\Form 10
rev. 6/21/04 kc



FOR OFFICIAL USE ONLY BY MANUFACTURER

The information provided indicates possible violations of the Federal Manufactured Housing Construction and Safety Standards Act of 1974, Amended. As the manufacturer of factory-built (mobile) homes, your company is required to investigate any nonconformances pursuant to 24 CFR 3282, Subpart I, of the Federal Manufactured Home Procedural and Enforcement Regulations.

Date Complaint Received: _____ Date of your Company Inspection _____

Name and Title of Inspector: _____

Consumer Complaint File Number: _____ Complainant's Name: _____

Please check item(s) which apply to the above home (you may check more than one item, if applicable):

_____ Imminent Life Safety Hazard _____ No Defect(s)
 _____ Serious Defect(s) _____ Nonconformance(s)
 _____ Defect(s) _____ Cosmetic

DETERMINATIONS AND BASIS FOR EACH

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____

REMEDIAL ACTION(S)

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____

Description of complaint: _____ Class of Homes
 _____ Unique
 _____ Copies of completed signed work orders attached
 _____ Other (Please list on a separate sheet)

Signature of Official _____

Date _____

- The average IBTS audit could require five of these determination forms
- The average investigation to complete the form requires about 5 hours

Dealer Complaints

Vehicle Verification
before and Program Report

Notes

Final Report

ES-100
2/1/00

IPCA Insp Report
2/1/00

Supplier Notifications

2001 Cars Audit Report

IBTS Audits &
Lot Audits

Production Report
Per Bill

HUD Letters

SAA Letters

SERVICE MANUAL

ALCOHOL & DRUGS

STATUS REPORTS

IPIA + IBTS

HR Dept. Assn.

NOE-acts
classroom

GATEWAY
DARIA

Example of a typical service repair order


CHAMPION HOMES DIVISION
 SERVICE WORK ORDER
 V/B

DIVISION NC
 SERIAL NO
 CUSTOMER

WORK ORDER NO. **51472**
 Page 1

RETAIL SOLD DATE **11/01/2002**
 DATE RECEIVED **12/10/2002**

UNIT HISTORY COPY
 HOME PHONE
 DAY PHONE
 DEALER PHONE
 Entered By **ML** CSR
 Model No. **CU703C** Model Year **2003**

SERVICE REPAIRS REQUESTED	WORK PERFORMED	Assessment	Labor Hours	Expense	Material Cost
call for directions to home GAIL PHROPER SIGNED					
05-01 INTER. TRIM/MOLDING DAMAGED check mstr bath moulding - REPLACE	05-51 REPLACE		0.50		
05-03 INTER. TRIM/MOLDING SIZED/CUT WRONG trim gapped above stove, loose in window in mstr bath - GILL GAP, RENAIL	05-50 REPAIR / RECUT		0.25		
05-06 INTER. TRIM/MOLDING NOT WHAT trim above tub different color - REPLACE CEILING COVE	05-51 REPLACE		0.25		
06-07 WALL PANELS - DAMAGED / CRACKED hole in wall by front door due to rot door stop - REPLACED	06-52 REPLACE		1.50		
06-07 WALL PANELS - DAMAGED / CRACKED panel in util damaged or needs cleaned - CLEAN	06-58 CLEAN		0.25		
06-11 WALL PANEL BATTENS BROKEN, LOOSE, batt short in family room & batt by front door broken, batt above tub in mstr bath, stub wall by shower - REPLACE	06-52 REPLACE		1.00		
08-06 SHINGLE DAMAGED, BLOWN-OFF, RIDGING check roof - NOTHING NOTED	08-61 NO REPAIR				

SERVICEMAN'S SIGNATURE DALE STRAIGHT	STARTING DATE 12/23/2002	LABOR	\$272.00	ASSESSMENT CODES 01 Material Handling 02 Control Panel 03 Sizing 04 Death 05 Homeowner 06 Other
CUSTOMER'S SIGNATURE	FINISH DATE 12/23/2002	EXPENSE		
	STARTING TIME	MATERIAL		
	FINISH TIME	TOTAL COST	\$272.00	
(CONFIRM ACCEPTANCE AND TO EFFECT OF WARRANTY WORK PERFORMED)	INVOICE TOTAL	DRIVING HRS	4.00	
		MILEAGE CHARGE	200	

- The average repair order has approximately 10 items to repair
- Most problems are cosmetic and adjustments
- Before computers, it was necessary to complete a two page determination form for each problem
 - 21 pieces of paper per repair order

Champion service repair order Sub-Part I coding report

Report Date: 06/20/2000
 Previous Report Date: 06/09/2000

138 - SANF

Subpart I Class Evaluation

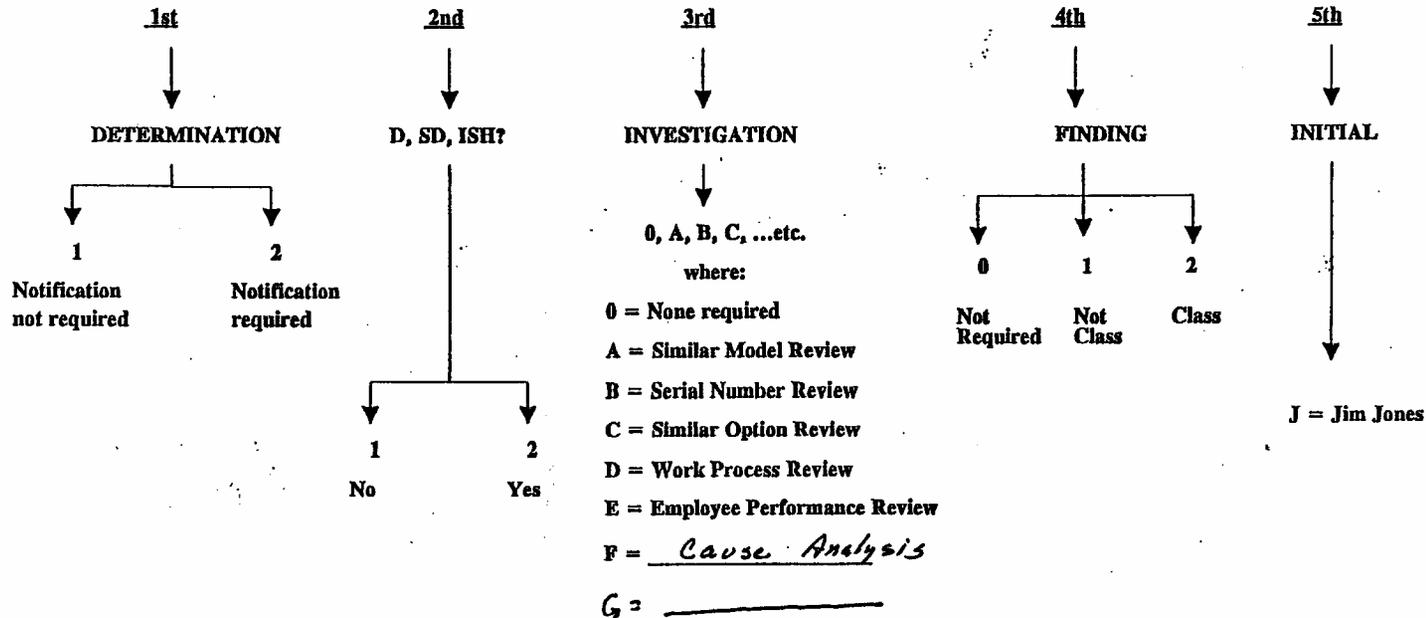
blem Code	Serial Number	Work Order #	Received	Comment	Svc Mgr Evaluation
01	138-41383	16895	08/20/2000	bel y board is torn in places	11005 4/ 20= 0.20 28 / 393 = 0.07
01	138-41372	3027	05/13/1999	REPAIR UNDERBELLY DAMAGE	
01	138-41374	13688	02/08/2000	bottom board torn resecurd	
01	138-41402	573	02/26/1999	R/R BELLY BOARD	
01	138-42594	16948	08/20/2000	check belly board for tears and repair as needed	11005 5/ 25= 0.20 29 / 474 = 0.06
01	138-42585	1332	03/12/1999	R/R TORN BELLY BOARD	
01	138-42596	15463	04/13/2000	repair belly board	
01	138-42602	16108	05/10/2000	CLOSED BELLY BOARD UNDER KITCHEN	
01	138-42603	10399	10/21/1999	SEALED BELLY UNDER HOME BACK FRONT CORNER- FRONT EDGE, MIDDLE MIDDLE, FRONT BACK EDGE(BELLY HANGING DOWN):	
01	138-45857	17034	06/26/2000	Insulation missing in belly board	11005 11/ 33= 0.33 135 / 763 = 0.18
01	138-45841	5033	08/03/1999	REPAIR BELLY BOARD IN SEVERAL PLACES UNDER HOME	
01	138-45841	5992	08/24/1999	REPAIR BELLY BOARD	
01	138-45841	9568	09/28/1999	REPAIRED BELLY BOARD	
01	138-45849	11918	12/08/1999	BLACK BOTTOM TORN - PATCHED BOTTOM BOARD	
01	138-45857	13584	02/05/2000	R/R BELLY BOARD-repaired belly board paper	
01	138-45858	6362	07/01/1999	RESECURE BELLY BOARD	
				REPAIR: SECURED BOARD	
01	138-45858	12504	12/20/1999	TORN SIMPLEX-REPAIRED	
01	138-45863	7002	07/22/1999	TAPED HOLE IN BOTTOM BOARD	
01	138-45868	12581	12/21/1999	Installed bekky paper under home	
01	138-45877	10377	10/21/1999	SEALED BELLY- BELLY HANGING DOWN FRONT SIDE 2 PLACES	
201	138-46987	16434	05/26/2000	belly board is busted out in several places under the home **taped up eight torn places (big ones) under home	11005 2/ 33= 0.06 7 / 647 = 0.01
201	138-46975	12510	12/20/1999	TORN SIMPLEX	
201	138-47165	16710	08/09/2000	INSULATION TORE WHEN THEY PULLED IT IN.	11005 4/ 26= 0.15 58 / 611 = 0.09
201	138-47150	15481	04/13/2000	REPAIR BELLY BOARD- REPAIRED WHERE TORN	

A

Sub-Part I report coding process

- The average service manager spends about 2 hours per week completing this review
- More time is required if a serious problem is found

RECORD OF DETERMINATION 5-DIGIT CODE



Example #1: 1100J : notification not required because issue did not represent a D, SD, or ISH, as determined by Jim Jones

Example #2: 12A1J : notification not required because issue, which was D, SD, or ISH, was not related to a class based on a review of similar models, as determined by Jim Jones.

**Service Sub-Part I coding reports
3.5 years**



IBTS audit where a bundle of lumber wasn't inspected for grade 2 stamp on every joist

December 2002 **IBTS IN-PLANT AUDIT REPORT** Form E-2
 Report No. _____ Date 7/14/2004 Page 4 of 29

Serial Number	HUD Label Number/Date of Manufacturer	Station	Close-out	Shown To	Legend	Item
8373 B		FURS	A,C	1,4	1. QC Manager 2. QC Inspector 3. IPIA Supervisor 4. IPIA Inspector 5. 6. 7. 8. 9.	(B) CCI CCI Units affected 1+

Repeat from: IPIA Report(s) _____ Previous IBTS Report _____
 *Items are considered repeats, when an "exact repeat" failure to conform occurs three or more times in the last 10 IPIA reports.

DESCRIPTION OF FAILURE TO CONFORM

Reference: FS GNL (7-3-94)

Failure to conform and Requirement: A number of floor joists did not have any grade stamps on them, sfp #2 is required. This also affected 2 other floors in process. Total number of joists affected was > 40.

Description of Close-Out (B, C, E items): Floors - Inst. Check signed off & work proceeding

Source of related information: seen on 2 other floors, also.

Other units may be affected because: Appears to be isolated. 16' wide ahead was ok
 No other units checked: other units were checked.

Descriptions of Close-Out

A. The QC inspection has been completed for _____ and the failure to conform has not been located by the QC.
 B. The QC inspection has not been conducted and the failure to conform is covered-over.
 C. The work has been completed and has progressed beyond a stage where the QC customarily inspects the item or where the inspection or correction will be impractical.
 D. The unit is labeled and the failure to conform exists.
 E. The failure to conform has been found by QC and is not properly corrected.
 F. The manufacturer does not have a DAPLA-approved design for method of construction.

Note: Circled items require a response from the IPIA.

Auditor's Signature _____

- Non-compliance is a reference to a lumber grading standard
- It is almost impossible to inspect all lumber in a bundle when it is received
- Lumber grading at the mill is a subjective sorting process
 - Once sorted, it would be almost impossible to mix graded and un-graded lumber
- Technically, the plant is required to correct every home in dealer inventory
 - Remove bottom boards from home
 - Inspect the joists
 - Replace with a stitched together joist
- Where is the value to the consumer?
 - Chance to damage the home
 - No improvement in the performance of the home
 - The only result would be to have a stamp on the joist that no one could see and would add no value to the home

Customer Complaint Handling

Typical SAA letter to a plant when complaint is received

The responsibility of the State Fire Marshal's office as a State Administrative Agency pursuant to the Manufactured Housing and Construction and Safety Act of 1974, as amended (42 U.S.C. 5403) and its implementing regulations, the Manufactured Homes Procedural and Enforcement Regulations is to oversee the handling of consumer complaints by manufacturers within the state. Also with the responsibility, the SAA is required to monitor manufacturer compliance (3282.405(a)) with Subpart I, and particularly with (3282.404(b)).

The home was manufactured by _____ on or near November 15, 2001. The _____ purchased the home as a new home from _____ in _____. An installer that was hired by the retailer placed the home for _____ habitation at _____ still reside.

The manufactured home is a double-wide home with vinyl siding on the exterior of the home and a shingled roof bearing the last four digits of the serial number as _____ and a HUD number of _____ and is set on a concrete pier system.

The owners' primary complaint(s) consist of, but not limited to:

- (1) Shower wall in master bathroom
- (2) Vent covers broke
- (3) Icemaker does not work
- (4) Dishwasher needs mixing valve
- (5) Bedroom wall bowed out
- (6) Gasket in master bathroom sink
- (7) Air does not come in bedroom vents
- (8) Staples coming through floor in hall
- (9) Siding loose on outside of the home

On December 11, 2002, the State Fire Marshal's Office performed an inspection of the home and noted problems in which this office has jurisdiction over, and deems these problems to be a potential serious defect or imminent safety hazard.

Based upon our findings during the investigation, it is the opinion of the Manufactured Housing Division of the State Fire Marshal's Office that the problems need to be addressed and/or corrected accordingly:

Page 2

- (1) Shower damaged and doors not on track. The doors for the shower are not aligned properly so they will close when the shower is in use. The unit appears to be damaged that hinders the doors from closing properly.
- (2) AC floor vents are damaged. The floor vents do not open and close properly.
- (3) Trim molding at mateline failing. The molding that was installed at the mateline is coming down.
- (4) Drain from washing machine leaks in sink. The homeowner stated that when the washing machine drains the water backs up in the sink.
- (5) Holes for the AC lines not sealed. The penetrations through the decking of the home where the air conditioner was installed are not sealed properly.
- (6) Dryer vents under the home. The homeowner should vent the dryer where it vents outside the home.
- (7) Icemaker damaged. Icemaker still leaks and is leaking on the floor.

In the conclusion of this report we find that the manufacturer is required to correct as set forth in 24 CFR Part 3282.406, Subpart I of the Regulations, stating that the manufacturer is required, at its expense, any imminent safety hazard or serious defect that can be related to an error in design or assembly of the manufactured home by the manufacturer, including an error in design or assembly of any component or system incorporated in the manufactured home by the manufacturer. This SAA has determined that the component is not performing as required, and therefore, requires further investigation and repair, including a class search of at least 5 homes before the date of manufacture and 5 homes after the date of manufacture of the effected home.

We have further determined that the dealer/installer as set forth in the Movable Homes Law, which is codified as Sec 75-49-1 to 75-49-21, MISS CODE ANN, as amended, is actionable. This determination is based upon our observation of the above noted problems. Again, please forward a copy of any work orders upon the completion of repairs, class searches, etc., of this home to this office for review.

How was this complaint addressed

- Items that we were ordered to repair were corrected at the plant's expense even though many are not Sub-Part I issues nor plant responsibility
 - Try to keep satisfied customers
 - Maintain a relationship with the state
 - SAA sometimes have difficult customers and need them handled
- Many items have nothing to do with manufacturer responsibility
 - Trim molding at marriage line coming down
 - It is installed by the dealer at home installation
 - Holes for the AC line are not drilled by the plant
- Sub-Part I has nothing to do with how this complaint was resolved
 - Customers would not be happy with:
 - “This is not a problem introduced in the production process, therefore, no notification or correction required”
 - “This problem is a defect, therefore we are notifying you but not correcting the problem.”
- Result of this SAA letter
 - Champion worked with the state and fixed the problems
 - The service department prepared 32 additional pieces of paper (Sub-Part I determination forms) to put in the file

Classification of defects is very difficult



- Champion plants would classify this misaligned door as “cosmetic”
- Some SAA’s might call it a “defect”
 - Does not the door manufacturers clearance standard
 - May not be fit for its intended use
- What is the intended use of a door?
 - To cover the door opening?
 - To open and close?
 - To keep air and water out?
 - To keep burglars out?
- Some SAA’s claim that all problems are defects
 - “There is no such thing as a non-compliance because the intended use of the part is to meet the standard”
- Alabama and Texas are two of the most litigious states
 - Having a reference to “defect” in the unit file results in law suits
- Most manufactures will fix the home before sending a letter stating that they won’t

HUD requested information

- Number of complaints Champion receives a year
 - Based on a sample of 5 plants, the average Champion plant receives less than one SAA complaint per month
 - The average is higher in Alabama and Texas
 - Plants in other states receive about one SAA complaint every 3 months
 - Almost all serious complaints are due to the customer being caught in a responsibility dilemma
- The average plant has one full time person to administer Sub-Part I
 - Other part time contribution by managers results in the equivalent of another full time person
- Average cost per plant to administer Sub-Part I is 150K to 200K per year
 - This is approximately \$240-\$320 a home
 - This does not include the cost of any repairs made
- 90%-95% of Champion's warranty and customer complaints are not due to items covered by Sub-Part I
 - Cosmetic items
 - Damage
 - Retailer installation

What's working and what's not

What are the objectives of Sub-Part I

- Safety
- Consumer complaint resolution
- Quality improvement
- Paper work increase/reduction

What's working?

Objective	Actual Situation	Recommendation
Safety	Sub-Part I requirements provide a regulated mechanism to react to, notify and correct customer safety problems in a timely manner	<ul style="list-style-type: none"> ➤ No major changes
		<ul style="list-style-type: none"> ➤ Clear up the 60 day repair discrepancy <ul style="list-style-type: none"> • Can have waiver of notification if fixed in 60 days • If we notify, we must correct within 60 days
Quality	IPIA inspections provide discipline to build to Federal Standards and early warning of safety problems that should be corrected	<ul style="list-style-type: none"> ➤ No major changes

What's not working?

Objective	Actual Situation	Recommendation
Customer complaint resolution	Customer complaints are resolved differently from state to state. Sub-Part I is a paper work add-on. Customers are caught in responsibility dilemmas.	<ul style="list-style-type: none"> ➤ Use escalation procedures and Alternative Dispute Resolution programs rather than Sub-Part I resolve customer complaints
	<p>The administration of defects is not workable.</p> <ul style="list-style-type: none"> ➤ Sending a letter that tells the customer the defect won't be fixed is not feasible ➤ There is no consistent definition of a defect 	<ul style="list-style-type: none"> ➤ Rewrite the regulations to provide consistency to define a defect ➤ Reinstate HUD/COSAA meetings with Sub-Part I training and discussion ➤ Flexibility in states with high litigation rates
Quality	Repair of minor defects on Retailer lots is not workable	<ul style="list-style-type: none"> ➤ Categorize non-compliances into those that require repairs and those that don't
	Sub-Part I does not help the manufacturer track quality problems. Most manufacturers have more sophisticated problem tracking	<ul style="list-style-type: none"> ➤ Let the manufacturer use its own quality systems to track and resolve quality problems.

Bureaucracy and administration

Objective	Actual Situation	Recommendation
Reduce paperwork	Current documentation for determinations is too paperwork intensive	<ul style="list-style-type: none"> ➤ Revise documentation requirements for isolated problems
	Most SAA's have their own requirements about how paperwork must be kept. The 3282 regulations state that the manufacturer must keep records in a way that is understandable to the SAA. Most SAA's prefer paper vs. computer records	<ul style="list-style-type: none"> ➤ Move SAA's toward standardized and computerized record keeping, especially for service records. Publish standards for manufacturers to use when keeping computerized records ➤ Reinstate HUD/COSAA meetings with Sub-Part I training and discussion