

HUD Manufactured Housing Consensus Committee
 Regulatory Enforcement Subcommittee Conference Call
 August 17, 2011

Regulatory Enforcement Subcommittee Roll Call	
Members:	Attendance
Dickens, Ishbel	Y
Sheahan, Tim	Y
Nelson, Terry	Y
Santana, Manuel	Y
Legault, Jeff	Y
Wade, Michael - Chair	Y
Poggione, Leo	N
Freeborne, William	Y
Rust, Adam	N
Walter, Frank	Y
Weinert, Richard	Y
AO:	
Phil Sapone	Y
HUD:	
Jim Everett, DFO	Y
Lane Pethel	Y
Rick Mendlen	Y
Guests:	
Mark Weiss	MHARR
Lois Starkey	MHI
Thayer Long	MHI
Gary West	Tennessee State Fire Marshal's Office
Darlene Warren	Tennessee State Fire Marshal's Office
Bill Garpow	RPTIA

The Chair called the meeting to order at 11:00am

The AO performed the roll call.

The Chair noted that the subcommittee meeting would be more of an informational type meeting. There wouldn't be any voting on anything at this meeting. Instead, each of the agenda items would be introduced to the subcommittee members and a short question and answer session regarding each one would follow.

Sub Part I Proposed Rule

The Chair introduced and briefly described the Sub Part I Proposed Rule.

HUD noted that Sub Part I is in the phase of final sign-offs to become a final rule.

It was asked if the recommendations made during the comment period for this rule were unanimous.

- It was noted that recommendations related to this were far from unanimous, and there was quite a bit of discussion on the topic. The industry was generally not happy with the rule.
- It was also noted that specific comments of the proposed rule are available online, or should be. Subcommittee members could go there to view them.

It was requested that the AO send out a link to subcommittee members that would lead them to the site so that people could read comments or dissention regarding the rule.

It was stated that the review of rulemakings is difficult to do, due to cross-outs and underlines. It was asked if there could be a change in format – perhaps an unofficial version of the rule could be distributed to MHCC members so it would be easier to review.

- HUD stated that the format is fixed. However, it was also stated that there could be a change to the format in the future.

HUD was asked if there was a timeframe for a final rule

- HUD responded that a timeframe could not be put on a final rule at this point.

PIA Rule

The Chair introduced and briefly described the PIA Rule.

It was clarified that HUD had little direct control over their third-parties (IPIAS and DAPIAS). This rule will allow HUD to better regulate their third-party agencies.

It was asked what the status of the PIA rule was?

- HUD answered that it's under development at this time. The rule itself has been completed, but the preamble needs to be modified somewhat.

It was asked if there's any proposed rule in the federal register.

- HUD replied that at this time, there wasn't.
- It was noted that at this time there's no approved comments on this from the MHCC.

HUD stated that it will not be returning to the MHCC with their proposal on this. However, the committee can make comments once the proposed rule is released.

- It was decided that the committee will make comments when the proposed rule is released.

On-Site Proposed Rule

The Chair provided a brief introduction to the rule.

It was asked what the status of this rule was.

- HUD stated there is a draft for a proposed rule that has been prepared. Due to staff transition, there is a backup of work that needs to be reviewed by key officials. HUD asked for patience with this and that in the meantime this draft is unlikely to be reviewed.

It was stated that comments for the proposed rule making should be online for this as well.

It was asked if there's an instance where a manufacturer might say, 'This doesn't comply with the standard so I'd like to get approval for alternative construction,' but HUD would respond by saying, 'No this falls under the on-site rule.'

- HUD stated it felt that this would be clear. There are other instances where HUD has worked with manufacturers to approve an alternative to a standard that's in place.

It was noted that it would be difficult and costly to follow this rule since it would extend the QC process out into the field.

It was noted that from a manufacturers' perspective, they want to see an improvement to the AC process. It is too time consuming, and this proposal doesn't really get them to where they want to be.

HUD clarified that a manufacturer can opt out and follow the AC process instead of the proposed rule.

RV-Park Model Regulations

The Chair provided a brief introduction and review of the agenda item.

It was clarified that RV producers are limited to structures smaller than 400 SF. If a larger unit is approved, what impact does this have on the manufactured housing industry?

The RPTIA is seeking a legislative fix and have come to MHI to see if they would be supportive. Several members of Congress have been approached, but the industry has concerns about eliminating the size requirement altogether.

It was stated that they're trying to get their products regulated by NHTSA and the Department of Transportation. The industry would prefer not to be regulated by HUD.

RPTIA has a separate proposal into HUD, which would accomplish several things:

- 400 SF maximum would stay in place as this is appropriate for their products
- Have the ANSI A119.5 standard for park trailers be recognized by HUD as an acceptable exception to the HUD standard
- Convince HUD to eliminate the reference to a light-duty truck

It was noted that an issue remains with manufacturers who are not members of RPTIA. In California there are all kinds of units that don't apply, they're not a manufactured home or an RV, and this happens enough such that it's a problem.

- In response, it was stated that RPTIA represents about 97 percent of all manufacturers, the ones they aren't association members are small local manufacturers that are just getting started or only do business in a small area.

It was asked that if these products were regulated by HUD would they be dwellings? How would this be different than from what they are now?

- It was answered that these are not year-round structures, they are a seasonal structure. However, certain requirements they're required to follow mirror the requirements for a dwelling - like safety, for instance.

It was asked if there's a requirement for anchoring the units out in the field.

- The standard requires the manufacturer to include tie-down straps, but anchoring itself is really specified locally.

A concern was expressed that people who have been forced out of their homes from foreclosure are buying RV's instead. Is this expected to affect demand for these homes on a permanent basis?

- It was stated that manufacturers in the industry do not promote their RV's as permanent dwellings, but once they get in the hands of consumers it's possible they could be used as such. RV parks can take a stand and not allow people to live permanently in the structure. It could also be enforced by the local planning and zoning departments.
- The industry is not in favor of using RV's as a year-round domicile. Its view is that they are vacation and seasonal dwellings.

HUD noted that some of the issues raised are legal issues and would need to be reviewed by their legal department.

HUD also stated that a revised proposal might be out at the next consensus meeting in October based on past comments that have been provided relative to this issue.

It was asked why RV's are made to be anchored down if they're not expected to be permanent housing.

- The explanation provided was that if the product is placed in a high wind zone, it could be in harm's way. While the structure is seasonal it occupies a spot in an RV park for an extended period of time. The products are large as well; they are not moved too often.

It was asked how manufacturers who aren't yet members of the industry association are approved prior to becoming members.

- Before a check is accepted for a membership, a third party inspection is required – everything is checked per ANSI A119.5 and that compliance with this will in fact happen. Once he is in compliance he can join the association. Then he's inspected unannounced four times per year.
- In the future, if the manufacturer has a 'Class A' deviation (could hurt or kill someone immediately) and it's repeated, he's given notice and given one last chance to correct it. The third-party will come back once more...if it's been corrected, random inspections resume as normal, if it's not then the General Counsel puts it on the agenda for the Board of Directors and they decide if the manufacturer should be removed from the association.

It was asked what version of the proposal might come before the MHCC at the meeting in October.

- HUD stated it will address whatever comments were made as best they can and then the proposal will be presented.

Old / New Business Items

There were no old business items to discuss.

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The Chair thanked the subcommittee for their participation during the call.

Meeting adjourned at 12:20 p.m.