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Texas Department of Housing and Community Affairs  
Manufactured Housing Board Meeting  
on July 18, 2005

Valeri Stiers Malone, Chair

Michael H. Bray, Member

Clement "Pete" Moreno, Member

Kimberly A. Shambley, Member

Frances Shannon, Member

**Texas Department of Housing and Community Affairs**  
**Manufactured Housing Board Meeting**  
**July 18, 2005**

**ROLL CALL**

	<u>Present</u>	<u>Absent</u>
Valeri Stiers Malone, Chair	_____	_____
Michael H. Bray, Member	_____	_____
Clement "Pete" Moreno, Member	_____	_____
Kimberly A. Shambley, Member	_____	_____
Frances Shannon, Member	_____	_____
Number Present	_____	
Number Absent		_____

\_\_\_\_\_, Presiding Officer

**MANUFACTURED HOUSING BOARD MEETING  
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
507 Sabine, 4<sup>th</sup> Floor Boardroom, Austin, Texas 78701  
July 18, 2005                      9:00 a.m.**

**AGENDA**

**CALL TO ORDER, ROLL CALL  
CERTIFICATION OF QUORUM**

Chair  
Chair

The Board of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs (TDHCA) will meet to consider and possibly act upon:

**ACTION ITEMS**

- |         |   |             |
|---------|---|-------------|
| Item 1. | Presentation, discussion and consideration to approve minutes of board meeting of January 12, 2005.   | Chair       |
| Item 2. | Presentation, discussion and consideration of possible approval of the State Office of Administrative Hearings (SOAH) Proposal for Decision:<br>(a) Approval of Manufactured Housing Case:<br>In the Matter of the Complaint of TDHCA vs. Anna Saenz dba Diamond Manufactured Homes, Docket Number: 332-05-2801.<br>(b) Approval of Manufactured Housing Case:<br>In the Matter of the Complaint of TDHCA vs. Abel's Wholesale Homes, Docket Number: 332-05-3397.<br>(c) Approval of Manufactured Housing Case:<br>In the Matter of the Complaint of TDHCA vs. Mobile Home Mall, L.P., Docket Number: 332-05-3792 | Jim Hicks   |
| Item 3. | Presentation, discussion and consideration to approve the FY 2006 Operating Budget.   | Kassu Asfaw |
| Item 4. | Presentation, discussion and consideration to approve renewal of the administrative services agreement for FY 2006 between the Manufactured Housing Division and TDHCA.   | Kassu Asfaw |
| Item 5. | Presentation, discussion and possible approval to propose and publish for comment new and amended rules to 10 TAC, Chapter 80.  | Tim Irvine  |

**REPORT ITEMS**

- |         |                             |            |
|---------|-----------------------------|------------|
| Item 1. | Executive Director's Report | Tim Irvine |
| Item 2. | Y-T-D Performance Measures  | Tim Irvine |
| Item 3. | Update on HB 2438           | Tim Irvine |

**PUBLIC COMMENT**

Chair

**ADJOURN**

Chair

*To access this agenda or request information, please visit our website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) or contact Sharon Choate, TDHCA, 507 Sabine, Austin, Texas 78701, 512-475-2206, [sharon.choate@tdhca.state.tx.us](mailto:sharon.choate@tdhca.state.tx.us).*

*Individuals who require auxiliary aids, services or translators for this meeting should contact Gina Esteves, ADA Responsible Employee, at 512-475-3943 or Relay Texas at 1-800-735-2989 at least two days before the meeting so that appropriate arrangements can be made.*

*Agenda Action Item No. 1*

**MINUTES OF THE BOARD OF DIRECTORS**

**MANUFACTURED HOUSING DIVISION**

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

On Wednesday, January 12, 2005, at 10:36 a.m. the Department held the regular meeting of the Board of Directors (the "Board") of the Manufactured Housing Division ("MHD") of the Texas Department of Housing and Community Affairs ("TDHCA") at the Fort Worth State Office Building, 1501 Circle Drive, Room 160, Fort Worth, Texas. Ms. Valeri Malone presided. The following members, constituting a quorum, were present: Michael Bray, Valeri Malone, and Frances Shannon. Pete Moreno and Cary Yates were absent. The following members of MHD staff were present: Tim Irvine, Heidi Maldonado, and Bradlee Dansbee.

Tim Irvine called roll and declared the presence of a quorum. The minutes of the previous meeting were approved unanimously upon motion by Michael Bray and second by Frances Shannon.

Tim Irvine presented action item 2 for discussion and consideration to approve adoption of proposed §80.201(e). This was unanimously approved upon motion by Michael Bray and second by Valeri Malone.

Tim Irvine presented action item 3 for discussion and consideration to approve proposing review of existing rules for public comment. This was unanimously approved upon motion by Valeri Malone and second by Michael Bray.

Tim Irvine presented action item 4(a) for discussion of additional new rules: §80.20(k) relating to assessing a \$30 fee on dishonored checks; §80.116 relating to Liquidator's License; §80.117 relating to Broker's Responsibilities; and §80.118 relating to Installer's Responsibilities. No action was taken by the Board on this item.

Tim Irvine presented action item 4(b) for discussion and consideration to approve publishing for comment new and amended proposed rules to 10 TAC, Chapter 80. This was unanimously approved upon motion by Michael Bray and second by Francis Shannon.

There being no further business to come before the Board, the meeting was adjourned at 12:48 p.m.

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Sharon Choate  
Secretary

Approved:

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Valeri Stiers Malone, Presiding Officer

*Agenda Action Item No. 2(a)*



**MANUFACTURED HOUSING DIVISION**

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**Rick Perry**  
GOVERNOR

**Timothy K. Irvine**  
EXECUTIVE DIRECTOR

**Board Members**  
*Presiding Officer*, Valeri Stiers Malone  
Michael H. Bray  
Clement P. Moreno  
Kimberly A. Shambley  
Frances Shannon

TO: Governing Board of the Manufactured  
Housing Division of the Texas Department of Housing and Community  
Affairs

FROM: Jim R. Hicks, Consumer Protection Supervisor

THROUGH: Timothy K. Irvine, Executive Director

SUBJECT: Summary of Proposal for Decision

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Anna Saenz dba Diamond Manufactured Homes (“Respondent”)

Docket Number: 332-05-2801

Complaint Numbers: MHD2004001304-DT

**Background**

It was found and determined by the staff of the Manufactured Housing Division that:

On or about June 19, 2004, Respondent sold a used manufactured home without the appropriate, timely transfer of a good and marketable title to Henry Fraga for the manufactured home identified by HUD Label Number TEX0414471, in violation of Section 1201.451 of the Act. Specifically, the home was sold to Henry Fraga with delinquent property taxes owing to the Bexar County Tax Office in the amount of \$948.00.

Respondent also violated Sections 1201.107(b) of the Act and Section 80.123(b) and (c) of the Rules by selling the manufactured home identified by HUD Label Number TEX0414471 to Henry Fraga from 7616 Upper Seguin Road, Converse, Texas 78109, on or about June 19, 2004. The Department’s licensing records indicate the location on Upper Seguin Road was not bonded or licensed by Anna Saenz DBA Diamond

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

P. O. Box 12489 ♦ Austin, Texas 78711-2489

512-475-2200 800-500-7074

[www.tdhca.state.tx.us/mh.htm](http://www.tdhca.state.tx.us/mh.htm)

Manufactured Homes, and is not contiguous to, or located within 300 feet of a bonded location and requires a separate license. Anna Saenz DBA Diamond Manufactured Homes (RBI-35444) is bonded and licensed to sell and display homes from 10346 Hwy 90 W, San Antonio, Texas 78245.

After proper notice, an administrative hearing was held on September 14, 2004. An Administrative Law Judge (ALJ) at the State Office of Administrative Hearings (SOAH) issued the attached Proposal for Decision (PFD) as a result of that meeting.

### **Proposal for Decision**

The Proposal for Decision dated February 8, 2005, recommends that the Respondent be assessed an administrative penalty of Five Hundred Dollars (\$500.00).

### **Recommendation**

It is recommended that the Board approve the following administrative action with respect to the Respondent, as supported by the record and the PFD.

Respondent be assessed an administrative penalty of Five Hundred Dollars (\$500.00).

**DOCKET NO. 332-05-2801**  
**COMPLAINT NO. MHD2004001304-DT**

THE MANUFACTURED HOUSING	§	BEFORE THE
	§	
DIVISION OF THE TEXAS	§	GOVERNING BOARD OF THE
	§	
DEPARTMENT OF HOUSING AND	§	MANUFACTURED HOUSING DIVISION
	§	
COMMUNITY AFFAIRS	§	OF THE TEXAS DEPARTMENT OF
	§	
vs. ANNA SAENZ DBA DIAMOND	§	HOUSING AND COMMUNITY AFFAIRS
	§	
MANUFACTURED HOMES	§	

**FINAL ORDER**

**I. PREAMBLE**

**CAME ON TO BE CONSIDERED**, the matter of the enforcement action identified as MHD2004001304-DT, *In the Matter of the Complaint of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs vs. Anna Saenz dba Diamond Manufactured Homes*, pursuant to the Texas Manufactured Housing Standards ACT “ACT”, Occupations Code, Section 1201; Chapter 2306 of the TEX. GOVT. CODE ANN. ch. 2306 (“Ch. 2306”); and the Administrative Procedures Act, TEX. GOVT. CODE ANN. ch. 2001 (“ch. 2001”). The Governing Board issues this Final Order based on the Findings of Fact and Conclusions of Law set forth in the Proposal for Decision of the Administrative Law Judge in this case which is hereby adopted in its entirety (a copy of which is attached). The Board’s vote in this case(s) was \_\_\_\_\_ for \_\_\_\_\_ against, and \_\_\_\_\_ abstention(s).

**II. ORDER**

NOW, THEREFORE, IT IS ORDERED BY THE GOVERNING BOARD OF THE MANUFACTURED HOUSING DIVISION OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:

1. Respondent be assessed an administrative penalty of five hundred dollars (\$500.00) for violations of the Act and Rules as detailed in the Proposal for Decision;

2. Respondent shall pay the penalty to the Texas Department of Housing and Community Affairs within thirty (30) days of the date of this FINAL ORDER. The penalty payment shall be mailed to Texas Department of Housing and Community Affairs, PO Box 12489, Austin, TX 78711-2489;
3. **In the event the final decision is appealed by the Respondent, the full cost of the preparation of the transcript and all administrative costs authorized by Ch. 2001, are hereby assessed against the Respondent; and**
4. The determination of the Texas Department of Housing and Community Affairs in the above-captioned matter is approved. The Respondent **SHALL CEASE AND DESIST** from violating the Act and Rules of the Texas Department of Housing and Community Affairs.

SIGNED AND ENTERED this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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Valerie Stiers Malone, Presiding Officer  
Governing Board of the Manufactured Housing Division  
Texas Department of Housing and Community Affairs

### **CERTIFICATION**

I certify that a true and correct copy of the forgoing has been sent by U.S. certified mail (Number 7003 1010 0002 5170 4269), return receipt requested, to Anna Saenz dba Diamond Manufactured Homes, 10346 HWY 90 West, San Antonio, Texas 78245 on this the \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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Jerry Jensen, Investigator



# State Office of Administrative Hearings



Shelia Bailey Taylor  
Chief Administrative Law Judge

February 8, 2005

Edwina P. Carrington  
Executive Director  
Texas Department of Housing and Community Affairs  
507 Sabine, Ste. 400  
Austin, Texas 78711-3941

**VIA HAND DELIVERY**

**RE: Docket No. 332-05-2801; Texas Department of Housing and Community Affairs  
v. Anna Saenz dba Diamond Manufactured Homes**

Dear Ms. Carrington:

Please find enclosed a Proposal for Decision in this case. It contains my recommendation and underlying rationale.

Exceptions and replies may be filed by any party in accordance with 1 TEX. ADMIN. CODE § 155.59(c), a SOAH rule which may be found at [www.soah.state.tx.us](http://www.soah.state.tx.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Penny A. Wilkov".

Penny A. Wilkov  
Administrative Law Judge

PAW/tm  
Enclosure

xc: Docket Clerk, State Office of Administrative Hearings - **VIA HAND DELIVERY**  
Jim R. Hicks, Consumer Protection Supervisor, 507 Sabine, Ste 400, Austin, TX 78711-3941 - **VIA HAND DELIVERY**  
Jerry Jenson, Prosecutor, Texas Department of Housing and Community Affairs, 507 Sabine, Ste. 400, Austin, Texas 78711-3941 - **VIA HAND DELIVERY**  
Anna Saenz dba Diamond Manufactured Homes, 10346 Hwy 90 West, San Antonio, TX 78245 - **VIA REGULAR MAIL**

**SOAH DOCKET NO. 332-05-2801  
TDHCA COMPLAINT NOS. MHD2004001304-DT**

<b>TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS,</b>	§	<b>BEFORE THE STATE OFFICE</b>
	§	
<b>Petitioner</b>	§	
	§	
<b>V.</b>	§	<b>OF</b>
	§	
<b>ANNA SAENZ DBA DIAMOND MANUFACTURED HOMES,</b>	§	
<b>Respondent</b>	§	<b>ADMINISTRATIVE HEARINGS</b>

**PROPOSAL FOR DECISION**

Staff of the Manufactured Housing Division (Division) of the Texas Department of Housing and Community Affairs (Department or Staff) brought this enforcement action against Anna Saenz dba Diamond Manufactured Homes (Respondent) for violating Texas Manufactured Housing Standards Act (the Act), TEX. OCC. CODE ANN. Chap 1201. Staff recommended that Respondent be assessed an administrative penalty for failing to timely transfer good and marketable title after a sale of a used manufactured home and by failing to have a bond at a location at which a manufactured home is shown to the public or offered for sale. Despite being sent proper notice, Respondent did not appear and was not represented at the hearing in the matter. Based on Respondent's failure to appear, Staff's allegations were accepted as true, establishing the violations. The Administrative Law Judge (ALJ) agrees with Staff's recommendation.

**I. PROCEDURAL HISTORY**

The hearing convened on January 20, 2005, before ALJ Penny A. Wilkov in the William P. Clements Building, 300 West 15<sup>th</sup> Street, Fourth Floor, Austin, Texas. Staff was represented by Jim R. Hicks, Consumer Protection Supervisor, who moved for a default based on Respondent's failure to appear.

Staff offered competent evidence establishing that appropriate notice of the hearing was provided to Respondent. Those matters are set forth in the Findings of Fact and Conclusions of Law.

## II. RECOMMENDATION

Based on the following Findings of Fact and Conclusions of Law and in accordance with 1 TEX. ADMIN. CODE § 155.55, the ALJ granted Staff's motion for default and recommends that Respondent be assessed an administrative penalty for the violations alleged and established in this proceeding.

## III. FINDINGS OF FACT

1. On December 6, 2004, Staff of the Texas Department of Housing and Community Affairs (Staff or Department) mailed its notices of alleged violations and administrative hearing to Anna Saenz dba Diamond Manufactured Homes (Respondent).
2. The notices were mailed to Respondent's address of record at 10346 Hwy 90 West, San Antonio, Texas, 78243 and P. O. Box 762253, San Antonio, Texas, 78245 by both certified mail, return receipt requested, and by regular first-class mail. These addresses are contained in the Department's official records, pursuant to 10 TEX. ADMIN. CODE § 1.12(c), as Respondent's business addresses. Although, the certified mail receipt was returned as unclaimed despite two notifications by the postal service, the regular mail was not returned.
3. The notice of hearing contained a statement of the time, place, and nature of the hearing; a statement of the legal authority and jurisdiction under which the hearing would be held; a reference to the particular sections of the statutes and rules involved; and a short, plain, statement of the matters asserted.
4. The notice of hearing advised Respondent in 12-point bold-faced type that failure to appear at the hearing could result in the factual allegations within the notice being deemed true and the granting by default of the relief sought in the notice.

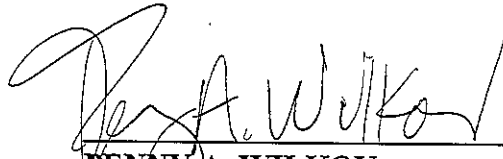
5. The hearing was convened before Administrative Law Judge, Penny A. Wilkov, at the State Office of Administrative Hearings ("SOAH") as scheduled on January 20, 2005, at 1:00 p.m., in the William P. Clements Building, 300 W. 15<sup>th</sup> St., Austin, Texas.
6. The Department staff appeared at the hearing, but Respondent was neither present nor represented. Respondent did not file for a continuance or provide either prior or subsequent explanation for the failure to appear.
7. On or about June 19, 2004, Respondent sold to Henry Fraga (Purchaser) a manufactured home, Serial No. CLW002357TX, HUD Label No. TEX0414471, which had an outstanding delinquent property tax owed to Bexar County, Texas.
8. Subsequently, Respondent failed to provide to Purchaser an appropriate and timely transfer of a good and marketable title for the manufactured home.
9. Respondent sold the manufactured home to Purchaser at the location of 7616 Upper Seguin Road, Converse, Texas, which was not a bonded or licensed location for the sale of a manufactured home.
10. The administrative penalty of \$500.00 was reasonable considering that the penalty was consistent with past Department practice and taking into account that Respondent had not previously been charged with such violations.

#### IV. CONCLUSIONS OF LAW

1. The Department has jurisdiction in this case pursuant to the Texas Manufactured Housing Standards Act (the Act), TEX. OCC. CODE ANN. Chap 1201, and has authority to take disciplinary action pursuant to TEX. OCC. CODE ANN. § 1201.605 and TEX. GOV'T CODE ANN. ch. 2306.
2. The State Office of Administrative Hearings has jurisdiction over matters related to the hearing in this action, including the authority to issue a proposal for decision, pursuant to TEX. GOV'T CODE ANN. ch. 2003.
3. Proper and timely notice was provided to Respondent pursuant to the Act, TEX. GOV'T CODE ANN. chs. 2001 and 2306, 1 TEX. ADMIN. CODE § 155.55, and 10 TEX. ADMIN. CODE § 80.126.
4. Respondent violated §1201.451 of the Act by failing to timely and appropriately transfer a good and marketable title to the purchaser of a used manufactured home.

5. Respondent violated §1201.107(b) of the Act by operating a location where a manufactured home is shown to the public or at which the home is offered for sale without a separate bond or other security at that location.
6. Based upon the foregoing Findings of Fact and Conclusions of Law and the criteria set forth in TEX. GOV'T CODE ANN § 2306.604, Respondent should be assessed an administrative penalty of \$500.00.

**SIGNED February 8, 2005.**



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**PENNY A. WILKOV**  
**ADMINISTRATIVE LAW JUDGE**  
**STATE OFFICE OF ADMINISTRATIVE HEARINGS**

*Agenda Action Item No. 2(b)*



**MANUFACTURED HOUSING DIVISION**

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**Rick Perry**  
GOVERNOR

**Timothy K. Irvine**  
EXECUTIVE DIRECTOR

**Board Members**  
*Presiding Officer*, Valeri Stiers Malone  
Michael H. Bray  
Clement P. Moreno  
Kimberly A. Shambley  
Frances Shannon

**TO:** Governing Board of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs

**FROM:** Jim R. Hicks, Consumer Protection Supervisor

**THROUGH:** Timothy K. Irvine, Executive Director

**SUBJECT:** Summary of Proposal for Decision

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Abel Narezo dba Abel's Wholesale Homes aka Abel's Mobile Homes, Svc, Inc. ("Respondent")

Docket Number: 332-05-3397

Complaint Numbers: MHD2004000828-DT

**Background**

It was found and determined by the staff of the Manufactured Housing Division that:

On or about August 28, 1998, Abel's Wholesale Homes sold a used manufactured home, without the appropriate, timely transfer of a good and marketable title to Reggie Hill for the manufactured home identified by HUD Label Number RAD0902630/1, as required by Section 8(d) of the Act (currently found under Section 1201.451 of the Occupations Code).

Respondent did not inform the consumer that the home had outstanding property tax owing to Hood County for 1998, the year the home was sold to Mr. Hill. The consumer reported discovering this fact on March 8, 2004, after calling TDHCA-MHD. Specifically, Reggie Hill is not required to pay any delinquent taxes or penalty interest due or accrued against the home for the period of time when Reggie Hill did not own or possess the home. The outstanding tax delinquencies owed to Hood County for the period of time before the sale were required to be paid by the Respondent.

After proper notice, an administrative hearing was held on March 23, 2005. An Administrative Law Judge (ALJ) at the State Office of Administrative Hearings (SOAH) issued the attached Proposal for Decision (PFD) as a result of that meeting.

### **Proposal for Decision**

The Proposal for Decision dated June 7, 2005, recommends that the Respondent be assessed an administrative penalty of One Thousand Dollars (\$1,000.00).

### **Recommendation**

It is recommended that the Board approve the following administrative action with respect to the Respondent, as supported by the record and the PFD.

Respondent be assessed an administrative penalty of One Thousand Dollars (\$1,000.00).

**DOCKET NO. 332-05-3397  
COMPLAINT NO. MHD2004000828-DT**

THE MANUFACTURED HOUSING	§	
	§	BEFORE THE
DIVISION OF THE TEXAS	§	
	§	GOVERNING BOARD OF THE
DEPARTMENT OF HOUSING AND	§	
	§	MANUFACTURED HOUSING DIVISION
COMMUNITY AFFAIRS	§	
	§	OF THE TEXAS DEPARTMENT OF
vs. ABEL NAREZO DBA ABEL'S	§	
	§	HOUSING AND COMMUNITY AFFAIRS
WHOLESALE HOMES AKA ABEL'S	§	
	§	
MOBILE HOMES, SVC, INC.	§	

**FINAL ORDER**

**I. PREAMBLE**

**CAME ON TO BE CONSIDERED**, the matter of the enforcement action identified as MHD2004000828-DT, *In the Matter of the Complaint of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs vs. Abel Narezo dba Abel's Wholesale Home aka Abel's Mobile Homes, Svc, Inc.*, pursuant to the Texas Manufactured Housing Standards ACT, previously TEX. REV. CIV. STAT. ANN. art. 5221f (“Act”) re-codified effective June 1, 2003, as under the Occupations Code, Section 1201; Chapter 2306 of the TEX. GOVT. CODE ANN. ch. 2306 (“Ch. 2306”); and the Administrative Procedures Act, TEX. GOVT. CODE ANN. ch. 2001 (“ch. 2001”). The Governing Board issues this Final Order based on the Findings of Fact and Conclusions of Law set forth in the Proposal for Decision of the Administrative Law Judge in this case which is hereby adopted in its entirety (a copy of which is attached). The Board’s vote in this case(s) was \_\_\_\_\_ for \_\_\_\_\_ against, and \_\_\_\_\_ abstention(s).



## **II. ORDER**

**NOW, THEREFORE, IT IS ORDERED BY THE GOVERNING BOARD OF THE MANUFACTURED HOUSING DIVISION OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:**

1. Respondent be assessed an administrative penalty of one thousand dollars (\$1,000.00) for violations of the Act and Rules as detailed in the Proposal for Decision;
2. Respondent shall pay the penalty to the Texas Department of Housing and Community Affairs within thirty (30) days of the date of this FINAL ORDER. The penalty payment shall be mailed to Texas Department of Housing and Community Affairs, PO Box 12489, Austin, TX 78711-2489;
3. **In the event the final decision is appealed by the Respondent, the full cost of the preparation of the transcript and all administrative costs authorized by Ch. 2001, are hereby assessed against the Respondent; and**
4. The determination of the Texas Department of Housing and Community Affairs in the above-captioned matter is approved. The Respondent **SHALL CEASE AND DESIST** from violating the Act and Rules of the Texas Department of Housing and Community Affairs.

SIGNED AND ENTERED this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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Valerie Stiers Malone, Presiding Officer  
Governing Board of the Manufactured Housing Division  
Texas Department of Housing and Community Affairs

Page 3

Final Order

In the Matter of Abel Narezo dba Abel's Wholesale Home aka Abel's Mobile Homes, Svc, Inc.

Docket No. 332-05-3397

Complaint No. MHD2004000828-DT

### **CERTIFICATION**

I certify that a true and correct copy of the forgoing has been sent by U.S. certified mail (Number 7003 1010 0002 5170 4276), return receipt requested, to Abel Narezo dba Abel's Wholesale Home aka Abel's Mobile Homes, Svc, Inc., 8900 Jacksboro Hwy, Fort Worth, Texas 76135 on this the \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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Jerry Jensen, Investigator

# State Office of Administrative Hearings



Shelia Bailey Taylor  
Chief Administrative Law Judge

June 7, 2005

Tim Irvine  
Executive Director  
Texas Department of Housing  
and Community Affairs, Manufactured Housing Division  
507 Sabine St., 10<sup>th</sup> Floor  
Austin, Texas 78711-2489

**VIA HAND DELIVERY**

**RE: Docket No. 332-05-3397; Abel's Wholesale Homes**

Dear Mr. Irvine:

Please find enclosed a Proposal for Decision in this case. It contains my recommendation and underlying rationale.

Exceptions and replies may be filed by any party in accordance with 1 TEX. ADMIN. CODE § 155.59(c), a SOAH rule which may be found at [www.soah.state.tx.us](http://www.soah.state.tx.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Pacey".

Stephen J. Pacey  
Administrative Law Judge

SJP/trp  
Enclosure

xc: Docket Clerk, State Office of Administrative Hearings - **VIA HAND DELIVERY**  
Jim Hicks, Texas Department of Housing and Community Affairs, Manufactured Housing Division, 507 Sabine St., 10<sup>th</sup> Floor, Austin, TX 78711-2489 - **VIA HAND DELIVERY**  
Abel Narezo, Abel's Wholesale Homes, 8900 Jacksboro Hwy, Fort Worth, TX 76135 - **VIA REGULAR MAIL**

SOAH DOCKET NO. 332-05-3397

TEXAS DEPARTMENT OF	§	BEFORE THE STATE OFFICE
HOUSING AND COMMUNITY	§	
AFFAIRS,	§	
Petitioner	§	
V.	§	OF
	§	
ABEL NAREZO D/B/A ABEL'S	§	
WHOLESALE HOME A/K/A ABEL'S	§	ADMINISTRATIVE HEARINGS
MOBILE HOMES , SVC, INC.,	§	
Respondent	§	

**PROPOSAL FOR DECISION**

Staff of the Manufactured Housing Division (Division) of the Texas Department of Housing and Community Affairs (Department or Staff) brought this enforcement action against Abel Narezo d/b/a Abel's Wholesale Homes a/k/a Abel's Mobile Home Svc, Inc. (Respondent) for violating the Texas Manufactured Housing Standards Act (the Act), TEX. OCC. CODE ANN. (Code) Chap 1201.<sup>1</sup> Staff recommended that Respondent be assessed a \$1,000.00 administrative penalty for failing to transfer good and marketable title after a sale of a used manufactured home. The Administrative Law Judge (ALJ) agrees with Staff's recommendation.

**I. PROCEDURAL HISTORY, NOTICE, AND JURISDICTION**

Department has jurisdiction over this matter pursuant to the Texas Manufactured Housing Standards Act (the Act), TEX. OCC. CODE ANN. ch. 1201, and TEX. GOV'T CODE ANN. § 2306.6023. The State Office of Administrative Hearings has jurisdiction over matters related to the hearing in this proceeding, including the authority to issue a proposal for decision with proposed findings of fact and conclusions of law, pursuant to TEX. GOV'T CODE ANN. ch. 2003.

The hearing convened on March 23, 2005, before ALJ Stephen J. Pacey in the William P. Clements Building, 300 West 15<sup>th</sup> Street, Fourth Floor, Austin, Texas. Staff was represented by

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<sup>1</sup> Recodified effective June 1, 2003. Previously found at TEX. REV. CIV. STAT. ANN. art. 5221f.

Jim R. Hicks, Consumer Protection Supervisor, and Respondent was represented by Calena Rogan, Respondent's office manager. The ALJ questioned Department's authority to bring an action under a statute effective June 1, 2003 for an alleged 1998 infraction. The ALJ requested that Staff brief the law in existence at the time of the alleged infraction. The ALJ received Staff's brief on April 5, 2005, and after waiting a week for a response, closed the record on April 12, 2005. There was no jurisdictional bar because the predecessor statute was substantively the same as the current statute.<sup>2</sup>

Staff offered competent evidence establishing that appropriate notice of the hearing was provided to Respondent. Those matters are set forth in the Findings of Fact and Conclusions of Law.

## II. ANALYSIS

On August 28, 1998, Respondent sold Reggie Miller a used manufactured house, Serial Number TXFLT84A/B51865GH11, HUD Label Number RAD-0902630/1. At the time of the sale, Respondent had not paid the taxes for 1998 and did not inform the consumer that the home had delinquent property tax owing to Hood County in the amount of \$759.28 plus interest.<sup>3</sup> On January 31, 1999, Hood County perfected a \$759.28 tax lien on the home. Mr. Miller discovered the tax lien in 2004, and filed a complaint dated March 15, 2004.<sup>4</sup> Respondent has not taken steps to correct this action.

The law in effect at the time of the sale, §8(d) of the Act, TEX. REV. CIV. STAT. ANN. Art. 5221f, requires that good and marketable title must be transferred. Good and marketable title

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<sup>2</sup> Code ch. 1201.451 is a recodification of Section 8(d) of the Act, Tex. Rev. Civ. Stat. Ann. Art 5221f(5221f) with no substantive changes. 5221f was in effect when the sale occurred.

<sup>3</sup> Department's Exhibit D, pp 3-5.

<sup>4</sup> Department's Exhibit B, pp. 1 and 2.

requires title to the manufactured home free of any claims or clouds, including the claim for back taxes. Respondent's argument that in 1998 it was not common practice to check back taxes does not relieve Respondent's responsibility to provide Mr. Hill with a good and marketable title. The ALJ recommends a \$1,000 administrative penalty, which is consistent with Department's practice and rules.

### III. FINDINGS OF FACT

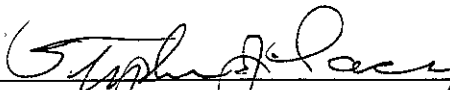
1. On February 23, 2005, Staff of the Texas Department of Housing and Community Affairs (Staff or Department) mailed its notices of alleged violations and administrative hearing to Abel Narezo d/b/a Abel's Wholesale Homes a/k/a Abel's Mobile Home Svc, Inc. (Respondent).
2. The notices were mailed to Respondent's address of record by certified mail, return receipt requested. These addresses are contained in the Department's official records, pursuant to 10 TEX. ADMIN. CODE § 1.12(c), as Respondent's business addresses.
3. United States Postal Service Form 3811, domestic return receipt, indicates that the certified mail was received by Respondent on February 28, 2005.
4. The notice of hearing contained a statement of the time, place, and nature of the hearing; a statement of the legal authority and jurisdiction under which the hearing would be held; a reference to the particular sections of the statutes and rules involved; and a short, plain, statement of the matters asserted.
5. The hearing convened on March 23, 2005, before ALJ Stephen J. Pacey in the William P. Clements Building, 300 West 15<sup>th</sup> Street, Fourth Floor, Austin, Texas. Staff was represented by Jim R. Hicks, Consumer Protection Supervisor, and Respondent was represented by Calena Rogan, Respondent's office manager. The record closed April 12, 2005.
6. On August 28, 1998, Respondent sold Reggie Miller (Purchaser) a used manufactured house, Serial Number TXFLT84A/B51865GH11, HUD Label Number RAD-0902630/1.
7. At the time of the sale, Respondent had not paid the taxes for 1998 and did not inform the Purchaser that the home had delinquent property tax owing to Hood County in the amount of \$759.28 plus interest.
8. On January 31, 1999, Hood County perfected a \$759.28 tax lien on the home.

9. Respondent failed to provide to Purchaser an appropriate and timely transfer of a good and marketable title for the manufactured home.
10. Respondent should pay a \$1,000.00 administrative penalty, which is consistent with Petitioner's practice and rules.

#### IV. CONCLUSIONS OF LAW

1. The Department has jurisdiction in this case pursuant to the Texas Manufactured Housing Standards Act (the Act), TEX. OCC. CODE ANN. Chap 1201, and has authority to take disciplinary action pursuant to TEX. OCC. CODE ANN. § 1201.605 and TEX. GOV'T CODE ANN. ch. 2306.
2. The State Office of Administrative Hearings has jurisdiction over matters related to the hearing in this action, including the authority to issue a proposal for decision, pursuant to TEX. GOV'T CODE ANN. ch. 2003.
3. Proper and timely notice was provided to Respondent pursuant to the Act, TEX. GOV'T CODE ANN. chs. 2001 and 2306, 1 TEX. ADMIN. CODE § 155.55, and 10 TEX. ADMIN. CODE § 80.126.
4. Respondent violated §8(d) of the Act, TEX. REV. CIV. STAT. ANN. Art. 5221f (currently §1201.451 of the Act) by failing to timely and appropriately transfer a good and marketable title to the purchaser of a used manufactured home.
5. Based upon the foregoing Findings of Fact and Conclusions of Law and the criteria set forth in TEX. GOV'T CODE ANN § 2306.604, Respondent should be assessed an administrative penalty of \$1000.00.

SIGNED June 7, 2005.

  
\_\_\_\_\_  
STEPHEN J. PACEY  
ADMINISTRATIVE LAW JUDGE  
STATE OFFICE OF ADMINISTRATIVE HEARINGS

*Agenda Action Item No. 2(c)*



**MANUFACTURED HOUSING DIVISION**

---

**Rick Perry**  
GOVERNOR

**Timothy K. Irvine**  
EXECUTIVE DIRECTOR

**Board Members**  
*Presiding Officer*, Valeri Stiers Malone  
Michael H. Bray  
Clement P. Moreno  
Kimberly A. Shambley  
Frances Shannon

**TO:** Governing Board of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs

**FROM:** Jim R. Hicks, Consumer Protection Supervisor

**THROUGH:** Timothy K. Irvine, Executive Director

**SUBJECT:** Summary of Proposal for Decision

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Mobile Home Mall, Inc. ("Respondent")

Docket Number: 332-05-3792

Complaint Numbers: MHD2005000246-LRV

**Background**

It was found and determined by the staff of the Manufactured Housing Division that:

Respondent violated Section 1201.151 of the Occupations Code by refusing to refund the deposit given by the consumers. Respondent accepted a deposit of \$5,000.00 from consumers, on or about September 9, 2004, to special order a home from the Manufacturer. Respondent did not give consumers conspicuous written notice of the requirements concerning retention of deposits, as required by the Act, Section 1201.151(b)(4) of the Occupations Code.

Respondent also violated Section 1201.151(a) of the Occupations Code. It did not return the deposits given by the consumers within 15 (fifteen) days of receiving written notice from the consumers requesting the refund, as required by the Act, Section 1201.151(a) of the Occupations Code. The consumers requested a return of their deposit, in writing, on or about October 7, 2004, yet Respondent refused to return the deposit.



After proper notice, an administrative hearing was held on April 25, 2005. An Administrative Law Judge (ALJ) at the State Office of Administrative Hearings (SOAH) issued the attached Proposal for Decision (PFD) as a result of that meeting.

### **Proposal for Decision**

The Proposal for Decision dated June 21, 2005, recommends that the Respondent be assessed an administrative penalty of two hundred fifty dollars (\$250.00).

### **Recommendation**

It is recommended that the Board approve the following administrative action with respect to the Respondent, as supported by the record and the PFD.

Respondent be assessed an administrative penalty of two hundred fifty dollars (\$250.00).

**DOCKET NO. 332-05-3792**  
**COMPLAINT NO. MHD2005000246-LRV**

THE MANUFACTURED HOUSING	§	
	§	
DIVISION OF THE TEXAS	§	BEFORE THE
	§	GOVERNING BOARD OF THE
DEPARTMENT OF HOUSING AND	§	MANUFACTURED HOUSING DIVISION
	§	OF THE TEXAS DEPARTMENT OF
COMMUNITY AFFAIRS	§	HOUSING AND COMMUNITY AFFAIRS
	§	
vs. MOBILE HOME MALL, L.P.	§	

**FINAL ORDER**

**I. PREAMBLE**

**CAME ON TO BE CONSIDERED**, the matter of the enforcement action identified as MHD2005000246-LRV, *In the Matter of the Complaint of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs vs. Mobile Home Mall, L.P.*, pursuant to the Texas Manufactured Housing Standards ACT (“Act”), Occupations Code, Section 1201; Chapter 2306 of the TEX. GOVT. CODE ANN. ch. 2306 (“Ch. 2306”); and the Administrative Procedures Act, TEX. GOVT. CODE ANN. ch. 2001 (“ch. 2001”). The Governing Board issues this Final Order based on the Findings of Fact and Conclusions of Law set forth in the Proposal for Decision of the Administrative Law Judge in this case which is hereby adopted in its entirety (a copy of which is attached). The Board’s vote in this case(s) was \_\_\_\_\_ for \_\_\_\_\_ against, and \_\_\_\_\_ abstention(s).

**II. ORDER**

**NOW, THEREFORE, IT IS ORDERED BY THE GOVERNING BOARD OF THE MANUFACTURED HOUSING DIVISION OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS THAT:**

1. Respondent be assessed an administrative penalty of two hundred fifty dollars (\$250.00) for violations of the Act and Rules as detailed in the Proposal for Decision;

2. Respondent shall pay the penalty to the Texas Department of Housing and Community Affairs within thirty (30) days of the date of this FINAL ORDER. The penalty payment shall be mailed to Texas Department of Housing and Community Affairs, PO Box 12489, Austin, TX 78711-2489;
3. **In the event the final decision is appealed by the Respondent, the full cost of the preparation of the transcript and all administrative costs authorized by Ch. 2001, are hereby assessed against the Respondent; and**
4. The determination of the Texas Department of Housing and Community Affairs in the above-captioned matter is approved. The Respondent **SHALL CEASE AND DESIST** from violating the Act and Rules of the Texas Department of Housing and Community Affairs.

SIGNED AND ENTERED this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

---

Valerie Stiers Malone, Presiding Officer  
Governing Board of the Manufactured Housing Division  
Texas Department of Housing and Community Affairs

#### **CERTIFICATION**

I certify that a true and correct copy of the forgoing has been sent by U.S. certified mail (Number 7003 2260 003 2769 4012), return receipt requested, to Mobile Home Mall, L.P., PO Box 143386, Austin, Texas 78714 on this the \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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Jerry Jensen, Investigator

# State Office of Administrative Hearings



Shelia Bailey Taylor  
Chief Administrative Law Judge

June 21, 2005

Tim Irvine  
Executive Director  
Texas Department of Housing  
and Community Affairs, Manufactured Housing Division  
507 Sabine St., 10<sup>th</sup> Floor  
Austin, Texas 78711-2489

**VIA HAND DELIVERY**

**RE: Docket No. 332-05-3792; Manufactured Housing Division of the Texas  
Department of Housing and Community Affairs**

Dear Mr. Irvine:

Please find enclosed a Proposal for Decision in this case. It contains my recommendation and underlying rationale.

Exceptions and replies may be filed by any party in accordance with 1 TEX ADMIN. CODE § 155.59(c), a SOAH rule which may be found at [www.soah.state.tx.us](http://www.soah.state.tx.us).

Sincerely,

A handwritten signature in black ink that reads "Penny A. Wilkov".

Penny A. Wilkov  
Administrative Law Judge

PAW/rm  
Enclosure

xc: Docket Clerk, State Office of Administrative Hearings - **VIA HAND DELIVERY**  
Nichole Bunker-Henderson, Assistant Attorney General, Office of the Attorney General, Administrative Law  
Division, 300 W. 15<sup>th</sup> Street, 12<sup>th</sup> Floor, Austin, TX 78701 - **VIA HAND DELIVERY**  
Joseph A. Pitner, Assistant Attorney General, Office of the Attorney General, Administrative Law Division,  
300 W. 15<sup>th</sup> Street, 12<sup>th</sup> Floor, Austin, TX 78701 - **VIA HAND DELIVERY**  
Jim Hicks, Texas Department of Housing and Community Affairs, Manufactured Housing Division, 507 Sabine  
St., 10<sup>th</sup> Floor, Austin, TX 78711-2489- **VIA HAND DELIVERY**  
R. Kemp Kasling, Attorney at Law, Kasling, O'Toole, Hemphill & Dolezal, L.L.P., 700 Lavaca Street, Suite  
1000, Austin, TX 78701 - **VIA REGULAR MAIL**

**SOAH DOCKET NO. 332-05-3792**

<b>MANUFACTURED HOUSING DIVISION</b>	<b>§</b>	<b>BEFORE THE STATE OFFICE</b>
<b>OF THE TEXAS DEPARTMENT OF</b>	<b>§</b>	
<b>HOUSING AND COMMUNITY</b>	<b>§</b>	
<b>AFFAIRS,</b>	<b>§</b>	<b>OF</b>
<b>    Petitioner</b>	<b>§</b>	
	<b>§</b>	
<b>V.</b>	<b>§</b>	<b>ADMINISTRATIVE HEARINGS</b>
<b>MOBILE HOME MALL, L.P.,</b>		
<b>    Respondent</b>		

**PROPOSAL FOR DECISION**

The Manufactured Housing Division of the Texas Department of Housing and Community Affairs (the Department) brought this proceeding against Mobile Home Mall, L.P., (MHM) seeking administrative penalties based on two complaints: a refusal to refund a deposit given by a consumer for the purchase of a specially-ordered manufactured home, and a failure to return the deposit within fifteen days of receiving written notice from the consumer requesting the refund. The Administrative Law Judge (ALJ) agrees with the Department's recommendation to assess an administrative penalty of \$250.00.

**I. PROCEDURAL HISTORY, NOTICE, AND JURISDICTION**

There were no contested issues of notice or jurisdiction in this case. Therefore those matters are set out in the proposed findings of fact and conclusions of law without further discussion here.

The hearing was convened on April 25, 2005, by ALJ Penny A. Wilkov at the offices of the State Office of Administrative Hearings, William P. Clements Building, 300 West Fifteenth Street, Austin, Texas. The Department was represented by Assistant Attorney General Nichole Bunker-Henderson and by Assistant Attorney General Joseph A. Pitner. Respondent was represented by legal counsel, R. Kemp Kasling. The hearing concluded and the record closed that same day.

## II. DISCUSSION

### A. Background

MHM is licensed as a retailer, broker, and installer by the Manufactured Housing Division of the Department. On September 9, 2004, Kenneth and Judy Nolke (the Nolkes) executed a Purchase Memo and paid \$5,000.00 for a custom built manufactured home to be put on their lake lot. Returning to the dealership a few days later, on September 15, 2004, Judy Nolke and MHM signed a Manufactured Home Cash Sale Contract and Deposit Agreement, with Ms. Nolke paying an additional \$20,000.00 in cash towards the purchase of the specially-ordered manufactured home. The total cash price for the home was \$43,000.00. On September 17, 2004, MHM placed the order for the manufactured home, a C200 Champion with the manufacturer, Champion Homes. In October 2004, the Nolkes refused delivery of the specially-ordered manufactured home. On October 13, 2004, the Nolkes, through legal counsel, submitted a letter requesting a refund of the \$25,000.00 cash paid. On October 14, 2004, MHM responded to the letter and refused to return the \$5,000.00 or \$20,000.00 paid by the Nolkes.

On February 5, 2005, the Department proposed to assess administrative penalties, citing two charges in support of its action:

1. Respondent violated TEX. OCC. CODE ANN. §1201.151 by refusing to refund the deposit given by Kenneth and Judy Nolke. Respondent accepted a deposit of \$5,000.00 from Kenneth and Judy Nolke on September 9, 2004, and \$20,000.00 on September 15, 2004, for a manufactured home. Respondent did not give consumers Kenneth and Judy Nolke conspicuous written notice of the requirements concerning retention of deposits, as required by TEX. OCC. CODE ANN. §1201.151(b)(4). Because of this, Respondent is not entitled to retain any part of the deposit received from Kenneth and Judy Nolke pursuant to TEX. OCC. CODE ANN. §1201.151(b) yet it has refused to return \$25,000.00 received as a deposit.
2. Respondent also violated TEX. OCC. CODE ANN. §1201.151(a). It did not return the deposit given by Kenneth and Judy Nolke within 15 (fifteen) days of receiving written notice from the consumer requesting the refund, as required by TEX. OCC. CODE ANN. §1201.151(a). The consumers requested a return of their deposit, in

writing on October 7, 2004. Respondent did not return the deposit. Respondent has refused to return the consumer's deposit as of the date of this notice.

At the hearing, the Department introduced evidence and presented the testimony of Jim R. Hicks, Consumer Protection Supervisor. MHM introduced evidence and presented the testimony of Richard J. Minor, Jr., MHM President, the testimony of Joseph L. Anderson, Executive Director of Texas Manufactured Housing Association and the deposition testimony of Judy Browning Nolke.

### **B. Legal Standards**

The Department has been given legislative authority to take disciplinary action against its licensees under TEX. OCC. CODE ANN. § 1201.002 which provides in part, "The state is responsible for ...protecting state residents who want to purchase manufactured housing by regulating the construction and installation of manufactured house and....providing fair and effective consumer remedies..."

The Department has charged MHM with violating the provisions of TEX. OCC. CODE ANN §1201.151(a) and (b).

Section §1201.151 of the Occupations Code, entitled Refund of Deposit, lists the conditions that provide grounds for disciplinary action by the Department. The provisions are set forth below:

- (a) Except as otherwise provided by this section, a retailer, salesperson, or agent of the retailer must refund a consumer's deposit not later than the 15th day after the date that a written request for the refund is received from the consumer.
- (b) The deposit may be retained only if:
  - (1) the consumer specially orders from the manufacturer a manufactured home that is not in the retailer's inventory;
  - (2) the home conforms to the specifications of the special order and any representations made to the consumer;
  - (3) the consumer fails or refuses to accept delivery and installation of the home by the retailer; and
  - (4) the consumer was given conspicuous written notice of the requirements for retaining the deposit.
- (c) The retailer may not retain more than five percent of the estimated cash price of the specially ordered home and must refund any amount that exceeds five percent.

(d) This section does not apply to:

- (1) a deposit held in escrow in a real estate transaction; or
- (2) money stated to be a down payment in an executed retail installment sales contract.

Pursuant to 10 TEXAS ADMIN. CODE §§ 80.11(21) and (24), the Commission has defined the terms “deposit” and “down payment” as:

Deposits--Money or other consideration given by a consumer to a retailer, salesperson, or agent of a retailer to hold a home in inventory for subsequent purchase or to special order a home for subsequent purchase.

Down Payment--An amount, including the value of any property used as a trade-in, paid to a retailer to reduce the cash price of goods or services purchased in a credit sale transaction.

Further, TEX. OCC. CODE ANN §1201.1505, entitled Deposit on Specially Ordered Manufactured Homes, provides the circumstances under which an earnest money deposit can be required:

A retailer may require an earnest money deposit on a specially ordered manufactured home only if:

- (1) an earnest money contract has been signed by all parties;
- (2) if applicable, the original binding loan commitment letter issued by the lender is delivered to the consumer; and
- (3) the consumer has not rescinded the contract under Section 1201.1501.

**C. Was the Consumer’s Payment a Deposit or a Down Payment?**

Section §1201.151 of the Occupations Code, entitled Refund of Deposit, forms the basis of the allegation that MHM violated this section “by refusing to refund the *deposit* given by [the Nolkes].”

**1. Department’s Argument and Evidence**

The Department contends that the entire \$25,000.00<sup>1</sup> paid by the Nolkes to MHM met the definition of a “deposit” as contained in the Department’s rules and was not considered a “down

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<sup>1</sup> This includes the \$5,000.00 paid on September 9, 2004 and the \$20,000.00 paid on September 15, 2004.



payment” as argued by MHM. The Department points to the agreement that was signed by Ms. Nolke on September 15, 2004, as proof that the transaction involved a deposit and not a down payment.<sup>2</sup> The contract was entitled “Manufactured Home Cash Sales Contract and Deposit Agreement.” (Cash Sales Contract) and in Section B of the agreement, entitled “Down Payment,” states “4. Cash Deposit Paid \$25,000.00” and “5. Total Down Payment or Deposit \$25,000.00.” In another section of the agreement, entitled “H. Special Express Agreements,” the terms provide that “Purchaser(s) forfeit any Cash Deposit Paid as liquidated damages.”

The Department also argued that the exception to a violation of Section §1201.151(d) of the Occupations Code, and specifically, that money stated to be a down payment in an *executed retail installment sales contract*, is the only allowable exclusion to not returning the money paid by the Nolkes. Therefore, according to the Department, since the transaction was based entirely on cash and no installment sales contract was involved, it is a violation to not return the deposit to the Nolkes because the only exception to the Statute does not apply here.

## 2. MHM’s Argument and Evidence

MHM contends that there is no violation of Section §1201.151(a) or (b) of the Occupations Code as alleged. MHM reasons that the Nolkes were not entitled to a refund of the \$25,000.00 paid since the entire amount was intended as a down payment on a specially-ordered manufactured home. MHM points to the September 9, 2004 Purchase Memo which states that the “Total Down Payment” paid was \$5,000.00 and the subsequent September 15, 2004 Cash Sales Contract, Section B, entitled “Down Payment,” which states “5. Total Down Payment or Deposit \$25,000.00.”

In support of the argument that the money paid was intended as a down payment, MHM points out that the Department’s rule, 10 TEXAS ADMIN. CODE § 80.11(21), defines a deposit in terms of money paid to special order a home for subsequent purchase. MHM argues that \$25,000.00 was 58% of the purchase price of \$43,000.00. Therefore, according to MHM, the money tendered

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<sup>2</sup>Petitioner’s Exhibit 2.

by the Nolkes was not a deposit for the subsequent purchase of the home but instead, was given towards the purchase of the manufactured home as would be the case with a down payment.

### 3. ALJ's Analysis

Based on the totality of the circumstances, including the deposition testimony of Judy Nolke,<sup>3</sup> verbiage of the various agreements,<sup>4</sup> and timing of the transactions,<sup>5</sup> the ALJ concludes that the \$5,000.00 paid by the Nolkes on September 9, 2004, coinciding with the signing of the Purchase Agreement, meets the Department's definition of a deposit, found at 10 TEXAS ADMIN. CODE § 80.11(21). On the other hand, the \$20,000.00 paid on September 15, 2004, does not meet the Department's definition of a deposit. This section expounds that a "deposit" is a payment intended to be "money or other consideration given by a consumer to a retailer, salesperson, or agent of a retailer to hold a home in inventory for *subsequent purchase* or to special order a home for *subsequent purchase*."(emphasis added). It was at this time, on September 9, 2004, that Judy Nolke and MHM signed an agreement where the terms provided "Buyer and Seller have discussed Buyer's *possible* purchase of the manufactured home and the furnishings described in the memo along with the *anticipated* costs." (emphasis added). Thus, it appears that the parties, on September 9, 2004, were interested in the special order of a home for subsequent purchase.

On the contrary, the \$20,000.00 paid on September 15, 2004, does not fit the definition of a deposit. The payment of this amount represented approximately 53% of the purchase price and triggered the placement of the September 18, 2004, order of the home from the manufacturer, Champion Homes, including specially ordered tan exterior paint and green trim, appliances,

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<sup>3</sup> Respondent's Exhibit 11 page 37. The deposition testimony of Judy Browning Nolke, dated February 17, 2005, shows that on September 15, 2004, she paid the \$20,000.00 towards the purchase of the home.

<sup>4</sup> The receipt given to the consumers on September 15, 2004, states "purchase of home/ Champion C200."

<sup>5</sup> The September 9, 2004 Purchase Memo states "C. Itemization of Possible Costs," while the September 15, 2004 Cash Sales Contract states "Purchaser(s) forfeit any Cash Deposit Paid as liquidated damages."

accessories, and floors.<sup>6</sup> The payment of this amount also coincided with the preparation of home delivery information, construction standards notice, warranty information, and other required disclosures, including documents with the sentence, "I (we) am (are) aware that I (we) am (are) purchasing my (our) home..."<sup>7</sup> Thus, it is clear that the \$20,000.00 paid on September 15, 2004, was not for some future purchase but rather, was for the effective purchase of the manufactured home.

Thus, the \$20,000.00 paid on September 15, 2004 will not be considered as part of the analysis of the proposal to assess administrative penalties; however, the \$5,000.00 paid on September 9, 2004, will be considered.

**D. Did MHM give conspicuous written notice regarding retention of the \$5,000.00 deposit?**

**1. Department's Argument and Evidence**

The Department argues that MHM was obligated to return the deposit(s) paid by the Nolkes toward the purchase of the specially-ordered manufactured home because it had not complied with the three conditions<sup>8</sup> required to retain a five percent portion of the \$43,000.00 sales price, or approximately \$2,150.00. The Department conceded that two of the three conditions required by statute to retain five percent had been met but did not agree that MHM had met the third condition since it failed to give the Nolkes conspicuous written notice of the requirement to retain the deposit.<sup>9</sup>

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<sup>6</sup> Respondent's Exhibit 5.

<sup>7</sup> Respondent's Exhibit 3.

<sup>8</sup> Pursuant to TEX. OCC. CODE ANN §1201.151, a retailer must refund the deposit but may retain up to five percent of the estimated cash price of the specially ordered home only if: (1) the home conforms to the specifications of the special order and any representations made to the consumer; (2) the consumer fails or refuses to accept delivery and installation of the home by the retailer; and (3) the consumer was given conspicuous written notice of the requirements for retaining the deposit.

<sup>9</sup> The Department agreed that the manufactured home conformed to the specifications of the special order and the Nolkes failed to accept delivery.

The Department pointed to the contract, entitled Manufactured Home Cash Sale Contract and Deposit Agreement, which contains small print that “If the Cash Balance Due is not paid on the date set forth....Purchasers forfeit any Cash Deposit paid as liquidated damages.” The Department argues that the small print was not conspicuous.

## **2. MHM’s Argument and Evidence**

MHM argues that any requirement that a notice must be conspicuous is waived if there is proof that the consumer read the notice. MHM cites the Cash Sale Contract as providing notice that the cash deposit would be forfeited as liquidated damages, although MHM concedes that the print was small. MHM points to the deposition testimony of Ms. Nolke wherein she agreed that she read all documents prior to signing her name.<sup>10</sup>

MHM also provided the testimony of Joseph L. Anderson, the Executive Director of the Manufactured Housing Association, who testified that the Cash Sale Contract was a boilerplate form common in the industry, including the language relating to forfeiture of any cash deposit.

## **3. ALJ’s Analysis**

Based on a review of the available evidence, the ALJ concludes that neither the Purchase Agreement nor the Cash Sale Contract contained conspicuous language sufficient to apprise the Nolkes “of the requirements for retaining the deposit.” Pursuant to TEX. OCC. CODE ANN. § 1201.006, the Business & Commerce Code applies to transactions relating to manufactured housing. The term “conspicuous” as defined at TEX. BUS. & COM. CODE ANN. § 1.201 expresses that the item must be written, displayed or presented so that a reasonable person ought to have noticed it and includes the following:

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<sup>10</sup> Respondent’s Exhibit 11, page 31.

(A) a heading in capitals equal to or greater in size than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same or lesser size; and  
(B) language in the body of a record or display in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from surrounding text of the same size by symbols or other marks that call attention to the language.

Here, it is evident that the notice was not sufficiently conspicuous to apprise the Nolkes of the requirements for retaining the deposit which would include the statutory language of TEX. OCC. CODE ANN §1201.151 relayed in a noticeable manner.

**E. Did MHM timely return the \$5,000.00 deposit after receiving written notice?**

**1. Department's Argument and Evidence**

The Department contended that even if MHM considered the payment a down payment, MHM was obligated to refund the deposit not later than the fifteenth day after the date that a written request for the refund is received from the consumer. The Department argued that only one exception exists to a violation of Section §1201.151 of the Occupations Code. Specifically, that money stated to be a down payment in an *executed retail installment sales contract* is the only allowable exclusion to not returning the money paid by consumers. Therefore, according to the Department, since the transaction was based entirely on cash and no installment sales contract was involved, it is still a violation to not return the money to the Nolkes.

**2. MHM's Argument and Evidence**

MHM contends that Section §1201.151 of the Occupations Code does not apply in this situation since money stated to be a down payment in an executed retail installment contract is excepted from the statute. MHM argues that this exclusion applies equally to a retail installment sales contract or a cash sales contract, given that the down payment is for a specially-ordered manufactured home that is not in the retailer's inventory. MHM argues that it would lead to absurd results if a cash sale and retail installment contract were treated differently since the risk of loss is no different depending on the form of payment.

### 3. ALJ's Analysis

The ALJ concludes that MHM was obligated to refund the \$5,000.00 deposit not later than the fifteenth day after the date that a written request for the refund was received from the Nolkes. The statute is very specific concerning the method and requirements for retaining the deposit. Absent some showing that the method and requirements were met, MHM is obligated to return the deposit in a timely manner as requested in writing.

### F. Conclusion

MHM violated TEX. OCC. CODE ANN. §1201.151 by refusing to refund the \$5,000.00 deposit given by the Nolkes and by not returning the \$5,000.00 deposit within fifteen days of receiving written notice from the Nolkes requesting the refund. Therefore, the ALJ recommends that the Department enter an order imposing an administrative penalty of \$250.00.

## III. FINDINGS OF FACT

1. Mobile Home Mall, LP (MHM) is licensed as a retailer, broker, and installer by the Manufactured Housing Division of the Texas Department of Housing and Community Affairs (the Department).
2. On September 9, 2004, Kenneth and Judy Nolke (the Nolkes) executed a Purchase Memo and paid \$5,000.00 for a custom built manufactured home to be put on their lake lot.
3. On September 15, 2004, Judy Nolke and MHM signed a Manufactured Home Cash Sale Contract and Deposit Agreement, with Ms. Nolke paying an additional \$20,000.00 in cash towards the purchase of the specially-ordered manufactured home. The home had a total cash price of \$43,000.00.
4. On September 17, 2004, MHM placed the order for the manufactured home with the manufacturer, Champion Homes.
5. In October 2004, the Nolkes refused delivery of the specially-ordered manufactured home.

6. On October 13, 2004, the Nolkes, through legal counsel, submitted a letter requesting a refund of the \$25,000.00 cash paid.
7. On October 14, 2004, MHM responded to the letter and refused to return the \$5,000.00 or \$20,000.00 paid by the Nolkes.
8. The \$5,000.00 paid by the Nolkes on September 9, 2004, coinciding with the signing of the Purchase Agreement, was a deposit in that it was a payment intended to be money given by a consumer to a retailer to special order a home for subsequent purchase. The terms provided that the parties have discussed the Nolke's possible purchase of the manufactured home and the furnishings described in the memo along with the anticipated costs.
9. The \$20,000.00 paid by the Nolkes on September 15, 2004, was not a deposit in that it was money not intended for a future purchase but was intended for the present purchase of the specially-ordered manufactured home.
10. MHM did not give the Nolkes conspicuous written notice of the requirements concerning retention of the \$5,000.00 deposit.
11. MHM failed to return the \$5,000.00 deposit given by the Nolkes within fifteen days of receiving written notice dated October 13, 2004, from the Nolkes requesting the refund.
12. On February 3, 2005, the Department's Manufactured Housing Division filed a notice of hearing with the State Office of Administrative Hearings and sent a copy to MHM.
13. The notice contained a statement of the time, place, and nature of the hearing; a statement of the legal authority and jurisdiction under which the hearing was to be held; a reference to the particular sections of the statutes and rules involved; and a short, plain statement of the matters asserted.
14. The hearing was held April 25, 2005, before Administrative Law Judge (ALJ) Penny A. Wilkov. The Department was represented by Assistant Attorney General Nichole Bunker-Henderson and by Assistant Attorney General Joseph A. Pitner. MHM was represented by legal counsel, R. Kemp Kasling.
15. Based on the violations alleged in Finding of Fact No. 11 and 12, Staff recommended MHM be assessed a \$250.00 administrative penalty.

**IV. CONCLUSIONS OF LAW**

1. The Department has jurisdiction over this matter under the Texas Manufactured Housing Act, TEX. OCC. CODE ANN. Chapter 1201.
2. SOAH has jurisdiction over all matters relating to the conduct of a hearing in this proceeding, including the preparation of a proposal for decision with findings of fact and conclusions of law, pursuant to TEX. GOV'T CODE ANN. Chapter 2003.
3. Adequate and timely notice of the hearing was provided in accordance with TEX. GOV'T CODE ANN. §2001.052.
4. Based on Finding of Fact No. 11, MHM violated TEX. OCC. CODE ANN §1201.151 by refusing to refund the \$5,000.00 deposit given by the Nolkes. MHM failed to give conspicuous written notice of the requirement concerning retention of deposits as required.
5. Based on Finding of Fact No. 12, MHM violated TEX. OCC. CODE ANN §1201.151 by not returning the deposits given by the Nolkes within 15 days of receiving written notice from the consumer requesting the refund.
6. Based on Conclusion of Law No. 4 and 5, and the criteria in 10 TEXAS ADMIN. CODE § 80.129, MHM should pay an administrative penalty of \$250.00.

**SIGNED June 21, 2005.**



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**PENNY A. WILKOV**  
**ADMINISTRATIVE LAW JUDGE**  
**STATE OFFICE OF ADMINISTRATIVE HEARINGS**



*Agenda Action Item No. 3*

**Texas Department of Housing and Community Affairs  
Historical Budget Analysis  
Manufactured Housing Division  
For FY 2005 and 2006**

**D R A F T**

Budget Categories	FY 05 Budget (a)	FY 06 Budget (b)	Variance (b-a)	Percentage Change
Salaries and Wages	\$ 2,660,460	\$ 2,780,460	\$ 120,000	4.5%
4 % Salaries Increase	0		0	100.0%
Payroll Related Costs	666,115		-666,115	-100.0%
Travel In-State	200,000	200,000	-	0.0%
Travel Out-of State	0	0	-	0.0%
Home Owner Consumer Claims ( Rider # 18 )	100,000	100,000	-	0.0%
Professional Fees	31,000	33,000	2,000	6.5%
Materials and Supplies	65,000	65,000	-	0.0%
Repairs/Maintenance	56,000	56,000	-	0.0%
Printing and Reproduction	28,000	50,000	22,000	78.6%
Rental/Lease	358,393	256,000	(102,393)	-28.6%
Membership Dues	0	500	500	100.0%
Registration Fees	500	500	-	0.0%
Texas Online	0	14,000	14,000	100.0%
Professional Liability Insurance	0	13,000	13,000	100.0%
Employee Tuition	0	2,500	2,500	100.0%
Advertising	200	200	-	0.0%
Freight/Delivery	5,000	4,000	(1,000)	-20.0%
Temporary Help	30,000	50,000	20,000	66.7%
Furniture/Equipment	0	26,000	26,000	100.0%
Communications/Utilities	125,000	130,500	5,500	4.4%
Capital Outlay	10,000	10,000	-	0.0%
State Office of Risk Management	10,000	10,000	-	0.0%
Subtotal	4,345,668	3,801,660	(544,008)	-12.5%
Indirect Support	500,000		(500,000)	-100.0%
<b>Total Manufactured Housing</b>	<b>\$ 4,845,668</b>	<b>\$ 3,801,660</b>	<b>\$ (1,044,008)</b>	<b>-21.5%</b>
FTE's	64	64	-	0.0%
<b>Method of Finance:</b>				
General Revenue	2,264,943	114,000	(2,150,943)	-95.0%
Appropriated Receipts	2,345,345	3,473,660	1,128,315	48.1%
Federal Funds	235,380	214,000	(21,380)	-9.1%
<b>Total, Method of Finance</b>	<b>\$ 4,845,668</b>	<b>\$ 3,801,660</b>	<b>\$ (1,044,008)</b>	<b>-21.5%</b>

Texas Department of Housing and Community Affairs  
 Manufactured Housing Division  
 Operating Budget Allocation to Direct Strategies  
 For FY 2006

Description	Expenditures	E.1.1. Titling & Licensing	E.1.2. Installation Inspections	E.1.3. Complaints Enforcement	E.1.4. Texas Online	Total Budget
Salaries and Wages	\$ 2,780,460	\$ 950,244	\$ 907,884	\$ 922,332		\$ 2,780,460
4 % Salaries Increase	0	-	-	-		0
Payroll Related Costs	0	-	-	-		0
Travel In-State	200,000	3,000	119,000	78,000		200,000
Travel Out-of State	0	0	0	0		0
Home Owner Consumer Claims ( Rider # 18 )	100,000	0	0	100,000		100,000
Professional Fees	33,000	11,220	10,890	10,890		33,000
Materials and Supplies	65,000	22,100	21,450	21,450		65,000
Repairs/Maintenance	56,000	19,040	18,480	18,480		56,000
Printing and Reproduction	50,000	17,000	16,500	16,500		50,000
Rental/Lease	256,000	79,480	92,040	84,480		256,000
Membership Dues	500	170	165	165		500
Registration Fees	500	170	165	165		500
Texas Online	14,000	-	-	-	14,000	14,000
Professional Liability Insurance	13,000	2,420	6,290	4,290		13,000
Employee Tuition	2,500	850	825	825		2,500
Advertising	200	68	66	66		200
Freight/Delivery	4,000	1,360	1,320	1,320		4,000
Temporary Help	50,000	17,000	18,500	14,500		50,000
Furniture/Equipment	26,000	8,160	8,920	8,920		26,000
Communications/Utilities	130,500	41,458	45,977	43,065		130,500
Capital Outlay	10,000	1,862	4,069	4,069		10,000
State Office of Risk Management	10,000	3,400	3,300	3,300		10,000
<b>\$</b>	<b>3,801,660</b>	<b>1,179,002</b>	<b>1,275,841</b>	<b>1,332,817</b>	<b>14,000</b>	<b>3,801,660</b>
		28	17.40	18.60		64

Method of Finance:

	General Revenue	Appropriated Receipts	Federal Funds	Total
Strategy One:	1,179,002	0	1,179,002	1,179,002
Strategy Two:	1,275,841	0	90,000	1,275,841
Strategy Three:	1,332,817	100,000	124,000	1,332,817
Strategy Four	14,000	14,000	0	14,000
<b>\$</b>	<b>3,801,660</b>	<b>114,000</b>	<b>214,000</b>	<b>3,801,660</b>

Indirect Support:

	F.1.1.	F.1.2.	F.1.3.	Total
Central Administration	254,825			254,825
Information Resource Technologies	156,815	156,815		156,815
Operating Support	78,408		78,408	78,408
<b>\$</b>	<b>490,048</b>	<b>156,815</b>	<b>78,408</b>	<b>490,048</b>

Method of Finance:

Appropriated Receipts	\$ 490,048	\$ 254,825	\$ 156,815	\$ 78,408	\$ 490,048
-----------------------	------------	------------	------------	-----------	------------

**Manufactured Housing Division  
Revenue Summary and Projections  
For FY 2005-06**

<b>FEE TYPE</b>	<b>FY 2005 Act/Est. (c)</b>	<b>FY 2006 Projected (d)</b>	<b>Variance (d-c)</b>	<b>Percentage Change</b>
Training	74,000	74,000	-	0%
Titles	5,359,355	5,500,000	140,645	3%
Licenses	955,000	955,000	-	0%
Inspections	1,419,000	1,450,000	31,000	2%
Admin. Penalties	34,120	34,120	-	0%
Public Information	1,200	1,200	-	0%
Reimbursement - HORF	419,020	419,020	-	0%
Returned Check Charge	2,000	2,000	-	0%
	<b>8,263,695</b>	<b>8,435,340</b>	<b>171,645</b>	<b>2%</b>
<b>Federal Funds:</b>				
Floors Shipped	454,420	400,000	(54,420)	-12%
Floors Produced	128,170	120,000	(8,170)	-6%
Federal Inspection Reimbursement	5,841	5,841	-	0%
	<b>588,431</b>	<b>525,841</b>	<b>(62,590)</b>	<b>-11%</b>
<b>Total</b>	<b>\$ 8,852,126</b>	<b>\$ 8,961,181</b>	<b>\$ 109,055</b>	<b>1%</b>

*\* Note: The assumptions for FY 2006 revenues use the actual/estimates for FY 2005 and modified historical trends.*

**Texas Department of Housing and Community Affairs  
 Manufactured Housing Division  
 Budget and Expense Status  
 From September to August  
 For FY 2005**

<b>Budget Categories</b>	<b>Annual Budget (a)</b>	<b>*1 YTD Act/Est Expenses Sep - Aug (b)</b>	<b>YTD Variance Sep - Aug (a-b)</b>	<b>Remaining Budget As of August</b>
Salaries and Wages	\$ 2,660,460	2,479,483	180,977	180,977
Payroll Related Costs	666,115	560,000	106,115	106,115
Travel In-State	200,000	151,420	48,580	48,580
Travel Out-of State	0	0	0	0
Home Owner Consumer Claims ( Rider # 18 ) *2	100,000	93,736	6,264	6,264
Professional Fees	31,000	6,082	24,918	24,918
Materials and Supplies	65,000	56,785	8,215	8,215
Repairs/Maintenance	56,000	37,184	18,816	18,816
Printing and Reproduction	28,000	11,079	16,921	16,921
Rental/Lease	358,393	383,012	(24,619)	(24,619)
Membership Dues	0	133	(133)	(133)
Registration Fees	500	19,212	(18,712)	(18,712)
Employee Tuition	0	0	0	0
Advertising	200	77	123	123
Freight/Delivery	5,000	1,307	3,693	3,693
Temporary Help	30,000	18,861	11,139	11,139
Furniture/Equipment	0	2,799	(2,799)	(2,799)
Communications/Utilities	125,000	119,131	5,869	5,869
Capital Outlay	10,000	6,449	3,551	3,551
State Office of Risk Management	10,000	10,223	(223)	(223)
Subtotal	4,345,668	3,956,973	388,695	388,695
Indirect Support	500,000	473,929	26,071	26,071
<b>Total Manufactured Housing</b>	<b>\$ 4,845,668</b>	<b>\$ 4,430,902</b>	<b>\$ 414,766</b>	<b>\$ 414,766</b>

\* 1 YTD expenses column represents actual expenditures from September to May, and projected expenditures from June to August.

\* 2 The Consumer Claims payment of \$512,756 has been adjusted for the reimbursed amount of \$419,020.

**Exhibit A**

**Manufactured Housing  
Administrative Support Schedule  
Fiscal Year 2006**

	<b>FTE's</b>	<b>Salaries</b>	<b>Payroll Related Costs</b>	<b>Total</b>
<b>Support:</b>				
Internal Audit	0.40	21,788	5,011	26,799
Policy and Public Affairs	0.60	31,052	7,142	38,194
Human Resources	0.90	51,753	11,903	63,657
Facilities and Space Management	0.75	33,258	7,649	40,907
Information Systems	1.80	107,681	24,767	132,448
<b>Financial Administration:</b>				
Director, Financial Administration	0.15	12,481	2,871	15,351
Executive Assistant	0.05	2,523	580	3,103
Manager of Budget, Travel and Payroll	0.05	4,108	945	5,053
Payroll	0.30	16,470	3,788	20,258
Accounting Manager	0.25	19,459	4,476	23,935
Travel	0.30	13,418	3,086	16,505
Payables	0.25	13,778	3,169	16,947
Program Accountant	1.00	48,036	11,048	59,084
Purchasing	0.50	22,609	5,200	27,809
<b>Total Support, Manufactured Housing</b>	<b>7.3</b>	<b>398,413</b>	<b>\$ 91,635</b>	<b>\$ 490,048</b>

*Agenda Action Item No. 4*

**ADMINISTRATIVE SERVICES AND COST REIMBURSEMENT AGREEMENT**

**AMENDMENT NO. 5**

**SECTION 1.** The **Texas Department of Housing and Community Affairs**, a public and official department of the State of Texas ("TDHCA"), and the **Manufactured Housing Division**, an independent entity within TDHCA ("MH Division") do hereby contract and agree to amend their original agreement as initially executed by the Executive Director of TDHCA effective September 1, 2001 through August 31, 2005 for the performance of administrative services.

**SECTION 2.** The parties hereto agree to amend the agreement identified above so that Section 1.1, Scope of Services, is revised to read hereafter as given below:

“Section 1.1, Scope of Services.

(A) During the term of this Agreement, TDHCA shall provide administrative support services to the MH Division from TDHCA’s Internal Audit; Governmental Communications; Human Resources; Facilities and Support; Information Systems; Legal Services (for legislative assistance only), and Financial Services areas and such incidental services as may be necessary (collectively the "Services") as further specified in Exhibit A to this agreement. TDHCA shall be solely responsible for furnishing the necessary supplies, services, equipment, and offices to provide such Services. All such Services are subject to oversight and direction by the MH board of directors, the Executive Director of the MH Division, and such MH Division employees as either of them may designate, subject to any conflicting requests from TDHCA’s Executive Director, TDHCA’s board of directors, and the immediate supervisors of the TDHCA employees performing such Services. The Services shall be provided in a manner consistent with the manner in which they are provided to other operations of TDHCA, except as TDHCA and the MH Division may otherwise agree.

(B) During the term of this Agreement, MH Division shall provide the following services to TDHCA:

- (1) housing inspections by MH Division inspectors, as requested by TDHCA; and
- (2) special projects by the executive director of the MH Division as requested by the executive director of TDHCA.

The MH Division shall be solely responsible for furnishing the necessary supplies, services, equipment, and offices to provide such services to TDHCA. The services of the MH Division inspectors are subject to oversight and direction by the executive director of the MH Division.”

SECTION 3. The parties hereto agree to amend the agreement identified in Section 1 above so that Exhibit A is revised hereafter to read as given in Exhibit A to this amendment.

SECTION 4. The parties hereto agree to amend the agreement identified in Section 1 above so that Section 3.3, “Payments to MH Division for Services” is added to read hereafter as given below:

“Section 3.3, Payments to MH Division for Services.

As compensation for the Services performed by MH Division employees pursuant to this Agreement, TDHCA shall pay MH Division at the rate of \$28.25 per hour for the services described in Section 1.1(B)(1) and \$43.65 per hour for the services described in Section 1.1(B)(2).”

SECTION 5: The parties hereto agree that this amendment shall become effective on October 1, 2004.

SECTION 6. The parties hereto agree that all of the terms of the agreement identified in Section 1 above shall remain in effect and shall continue to govern except to the extent that they conflict with the terms of this amendment.

SECTION 7. By the signing of this amendment, the parties hereto expressly understand and agree that this amendment shall become a part of the agreement identified in Section 1 above as though it were set forth word for word herein.

**WITNESS OUR HANDS EFFECTIVE OCTOBER 1, 2004.**

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

By: \_\_\_\_\_  
Edwina P. Carrington  
Executive Director

**MANUFACTURED HOUSING DIVISION**

By: \_\_\_\_\_  
Tim Irvine  
Executive Director



**Exhibit A**

**Manufactured Housing  
Administrative Support Schedule  
Fiscal Year 2006**

	<b>FTE's</b>	<b>Salaries</b>	<b>Payroll Related Costs</b>	<b>Total</b>
<b>Support:</b>				
Internal Audit	0.40	21,788	5,011	26,799
Policy and Public Affairs	0.60	31,052	7,142	38,194
Human Resources	0.90	51,753	11,903	63,657
Facilities and Space Management	0.75	33,258	7,649	40,907
Information Systems	1.80	107,681	24,767	132,448
<b>Financial Administration:</b>				
Director, Financial Administration	0.15	12,481	2,871	15,351
Executive Assistant	0.05	2,523	580	3,103
Manager of Budget, Travel and Payroll	0.05	4,108	945	5,053
Payroll	0.30	16,470	3,788	20,258
Accounting Manager	0.25	19,459	4,476	23,935
Travel	0.30	13,418	3,086	16,505
Payables	0.25	13,778	3,169	16,947
Program Accountant	1.00	48,036	11,048	59,084
Purchasing	0.50	22,609	5,200	27,809
<b>Total Support, Manufactured Housing</b>	<b>7.3</b>	<b>398,413</b>	<b>\$ 91,635</b>	<b>\$ 490,048</b>

# Proposed Manufactured Housing Rules

Revised: 07/08/05

Administrative Rules of the Texas Department of Housing and Community Affairs  
10 Texas Administrative Code, Chapter 80

# DRAFT

<b>LEGEND</b>	
<b>UNDERLINED TEXT</b>	<b>PROPOSED NEW TEXT</b>
<b>STRIKETHROUGH TEXT</b>	<b>PROPOSED DELETED TEXT</b>

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## SUBCHAPTER A. CODES AND STANDARDS

### *§80.10. Texas Manufactured Housing Standards Code.*

The standards and requirements for the installation and construction of manufactured housing adopted by the director in accordance with §1201.251(a)(1) of the Texas Manufactured Housing Standards Act (Standards Act) are as follows:

- (1) The construction standards set out in Title VI of the Housing and Community Development Act of 1974, as the same may be amended from time to time, or under any official rule, official interpretation, or adopted standard issued or adopted by the Department of Housing and Urban Development under such law;
- (2) The installation standards set forth in this chapter; and
- (3) Applicable standards for installation components established by
  - (A) Chapter 43 of the latest edition of the International Residential Code;
  - (B) The stabilizing component destruction test failure criteria of the FMHCSS (24 CFR, Part 3280) and the latest edition of the International Residential Code, Appendix E; and
  - (C) The American Wood Preserver's Association and referenced by the latest edition of the International Residential Code Preservation for treated (PT) wood components.
- (4) Collectively, the foregoing, together with the Standards Act and these rules, are referred to as the Texas Manufactured Housing Standards Code (“the Code”).

~~[(a) The Texas Manufactured Housing Standards Code for HUD Code manufactured homes shall be the Federal Standards established under Title VI of the Housing and Community Development Act of 1974 and each change, amendment, or requirement shall become effective in conjunction with the effective date set by the federal program.]~~

~~[(b) The historical record of standards adopted for manufactured homes in accordance with the Standards Act, is as follows:]~~

~~[(1) Prior to December 11, 1969: none;]~~

~~[(2) December 12, 1969 – August 31, 1971: American National Standards Institute (ANSI), A119.1-1963, plumbing, heating and electrical;]~~

- ~~[(3) — September 1, 1971 — December 15, 1971: none;]~~
- ~~[(4) — December 15, 1971 — February 16, 1972: ANSI, A119.1-1969, plumbing, heating and electrical;]~~
- ~~[(5) — February 17, 1972 — January 31, 1973: ANSI, A119.1-1973, plumbing, heating and electrical;]~~
- ~~[(6) — February 1, 1973 — September 19, 1973: ANSI, A119.1-1973, plumbing, heating, electrical and construction;]~~
- ~~[(7) — September 20, 1973 — August 31, 1974: ANSI, A119.1-1973, plumbing, heating, electrical and construction;]~~
- ~~[(8) — September 1, 1974 — June 14, 1976: ANSI, A119.1-1974, plumbing, heating, electrical and construction; and]~~
- ~~[(9) — June 15, 1976 — Future: HUD Code — National Manufactured Home Construction and Safety Standards, Part 3280, promulgated by the United States Department of Housing and Urban Development (HUD), Code of Federal Regulations (CFR), Title 24.]~~

## SUBCHAPTER B. DEFINITIONS

### *§80.11. Definitions.*

Terms used herein that are defined in the Code and the Standards Act have the meanings ascribed to them therein. The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

- ~~[(1) — Alteration — The replacement, addition, and modification or removal of any equipment or its installation after sale by the manufacturer to a retailer, but prior to sale and installation to a purchaser which may affect the construction, fire safety, occupancy plumbing, heat producing, or electrical system. An alteration is deemed to be prior to sale if the alteration is part of the retail sales contract. It includes any modification made in the manufactured home which may affect the compliance of the home with the standards, but it does not include the repair or replacement of a component or appliance requiring plug-in to an electrical receptacle where the replaced item is of the same configuration and rating as the one being replaced. It also does not include the addition of an appliance requiring "plug-in" to an electrical receptacle, which appliance was not provided with the manufactured home by the manufacturer, if the rating of the appliance does not exceed the rating of the receptacle to which it is connected (FMHCSS §3287.7(e)).]~~

~~[(2) Anchoring components - Any component which is attached to the manufactured home and is designed to resist the horizontal and vertical forces imposed on the manufactured home as a result of wind loading. These components include auger anchors, rock anchors, slab anchors, ground anchors, stabilizing plates, connection bolts, j-hooks, buckles, and split bolts.]~~

**NOTE:** Incorporated into definition of Stabilization System.

~~[(3) Anchoring equipment - Straps, cables, turnbuckles, and chains, including tensioning devices, which are used with ties to secure a manufactured home to anchoring components or other approved devices.]~~

**NOTE:** Incorporated into definition of Stabilization System.

~~[(4) Anchoring systems - Combination of ties, anchoring components, and anchoring equipment that will resist overturning and lateral movement of the manufactured home from wind forces.]~~

**NOTE:** Incorporated into definition of Stabilization System.

~~(1)~~(5)~~ APA - Administrative Procedure Act, Texas Government Code, Chapter 2001.~~

~~[(6) Attachment - With respect to a manufactured home, that it has been installed in accordance with the Department's rules and connected to any one or more utilities including, but not limited to, electricity, water, natural gas, propane or bottled gas, or wastewater service. For purposes of determining whether a manufactured home is attached, the presence of installation deviations or violations shall not invalidate the home's status as being attached.]~~

~~[(7) Board - Governing Board of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs.]~~

(2) Business days - Includes every day on the calendar except Saturday, Sunday, and federal and state holidays.

~~[(8) Business use - Any use other than for dwelling purposes.]~~

~~[(9) Calendar days - Includes every day on the calendar.]~~

(3)~~(10)~~ Certificate of Attachment - A certificate issued by the department to the person who surrenders the Manufacturer's Certificate of Origin or document of title when the home has been permanently attached ~~[affixed]~~

to real estate. Certificates of Attachment are no longer issued after June 18, 2003.

~~(4)~~~~(11)~~ Chattel Mortgage or Consumer Loan – Any loan that is not subject to the Real Estate Settlement Procedures Act (RESPA). [A loan subject to Chapter 347, Texas Finance Code, that is not a mortgage loan.]

~~(5)~~~~(12)~~ Coastline - The shoreline that forms the boundary between the land and the Gulf of Mexico or a bay or estuary connecting to the Gulf of Mexico that is more than five miles wide.

~~(6)~~~~(13)~~ Credit document – All [The credit sale contract or the loan instruments including all] the written agreements between the consumer and creditor that describe or are required in connection with an actual [relate to the] credit transaction.

~~(7)~~~~(14)~~ Creditor - A person involved in a credit transaction who:

- (A) extends or arranges the extension of credit; or
- (B) is a retailer or broker as defined in the Standards Act and participates in arranging for the extension of credit.

~~(15)~~ ~~Creditor-Lender~~ ~~A person that is involved in extending or arranging for credit in inventory financing secured by manufactured housing.]~~

~~(8)~~~~(16)~~ Custom designed stabilization system - An anchoring and support system that is not an approved method as prescribed by the state generic standards, manufacturer's installation instructions, or other systems pre-approved by the department.

~~(9)~~ Dangerous conditions - any condition which, if present, would constitute an imminent threat to health or safety.

~~(10)~~~~(17)~~ DAPIA - The Design Approval Primary Inspection Agency.

~~(18)~~ ~~Defect – A failure to comply with an applicable federal manufactured home safety and construction standard that renders the manufactured home or any part or component thereof not fit for the ordinary use for which it was intended, but does not result in an unreasonable risk of injury or death to occupants of the affected manufactured home (FMHCSS §3282.7(j)).]~~

~~(11)~~~~(19)~~ Department or TDHCA - The Manufactured Housing Division of the Texas Department of Housing and Community Affairs (TDHCA).

**NOTE:** Deleted definition of TDHCA.

~~[(20) Department inspector – An inspector who is an employee of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs or an inspector who is an employee of an entity performing inspection services under contract with the department.]~~

(12)~~[(21)]~~ Deposits - Money or other consideration given by a consumer to a retailer, salesperson, or agent of a retailer to hold a manufactured home in inventory for subsequent purchase or to special order a home for subsequent purchase.

~~[(22) Diagonal tie – A tie intended to primarily resist horizontal forces, but which may also be used to resist vertical forces.]~~

**NOTE:** Incorporated into definition of Stabilization System.

~~[(23) Director – The Executive Director of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs (TDHCA).]~~

(13)~~[(24)]~~ Down Payment - An amount, including the value of any property used as a trade-in, paid to a retailer to be applied to the purchase ~~[to reduce the cash]~~ price of a manufactured home ~~[goods or services purchased in a credit sale transaction].~~

(14)~~[(25)]~~ Dwelling unit –One or more habitable rooms which are designed to be occupied [by one family with facilities] for living~~[, sleeping, cooking and eating].~~

(15)~~[(26)]~~ FMHCSS - Federal Manufactured Home Construction and Safety Standards that implement the National Manufactured Home Construction and Safety Standards Act of 1974, 42 USC 5401, et seq., as amended from time to time ~~[and means a reasonable standard for the construction, design, and performance of a manufactured home which meets the needs of the public including the need for quality, durability, and safety].~~

~~[(27)] Footing – That portion of the support system that transmits loads directly to the soil.]~~

**NOTE:** Incorporated into definition of Stabilization System.

~~[(28) Ground anchor – Any device at the manufactured home site designed to transfer manufactured home anchoring loads to the ground.]~~

**NOTE:** Incorporated into definition of Stabilization System.



~~[(29) HUD Code manufactured home - A structure constructed on or after June 15, 1976, according to the rules of HUD, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems. The term does not include a recreational vehicle as that term is defined by 24 CFR, §3282.8(g).]~~

~~[(30) Imminent safety hazard - A hazard that presents an imminent and unreasonable risk of death or severe personal injury that may or may not be related to failure to comply with an applicable federal manufactured home construction and safety standard (FMHCSS §3282.7(q)).]~~

(16)~~[(31)]~~ Independent testing laboratory - An agency or firm that tests products for conformance to standards and employs at least one engineer or architect licensed in at least one state.

~~[(32) Installation information - A term used to describe the reports used to inform the department of information needed to perform installation inspections (includes Notice of Installation).]~~

(17) Inventory Lender - A person that is involved in extending or arranging for credit in inventory financing secured by manufactured housing.

(18)~~[(33)]~~ IPIA - The Production Inspection Primary Inspection Agency which evaluates the ability of manufactured home manufacturing plants to follow approved quality control procedures and/or provides ongoing surveillance of the manufacturing process.

~~[(34) Lien - A security interest that is created by any kind of lease, conditional sales contract, deed of trust, chattel mortgage, trust receipt, reservation of title or other security agreement of whatever kind or character, if an interest, other than an absolute title, is sought to be held or given in a manufactured home, and any lien on a manufactured home that is created or given by the constitution or a statute.]~~

(19)~~[(35)]~~ Long-Term Lease - For the purpose of determining whether or not the owner of a manufactured home may elect to treat the home as real property, is a lease on land to which the manufactured home has been attached and which:

- (A) has been approved by each lienholder for the manufactured home by placing on file with the department written consent to have the home treated as real property; or
- (B) is for at least five years if the home is not financed.

**(20) Loss - actual financial loss or damage, not including exemplary, punitive, special, or consequential damages.**

**(21)[(36)] Main frame – A chassis or structure serving a similar purpose [The structural components on which the body of the manufactured home is mounted].**

**[(37) Manufactured home – A HUD-Code manufactured home or a mobile home and collectively means and refers to both.]**

**(22)[(38)] Manufactured home identification numbers - For the purpose of maintaining ownership and location [purposes of title] records, including the perfection of liens, the numbers shall include the HUD label number(s) and the serial number(s) imprinted or stamped on the home in accordance with HUD departmental regulations. For homes manufactured prior to June 15, 1976, the Texas seal number, as issued by the department, shall be used instead of the HUD label number. If a home manufactured prior to June 15, 1976, does not have a Texas seal, or if a home manufactured after June 15, 1976, does not have a HUD label, a Texas seal shall be purchased from the department and attached to the home in upper left corner on tongue end and used for identification in lieu of the HUD label number.**

**(23)[(39)] Manufactured home site - That area of a lot or tract of land on which a manufactured home is installed.**

**[(40) Mobile home – A structure that was constructed before June 15, 1976, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems.]**

**(24)[(41)] Permanent foundation – A foundation which meets the requirements of §80.54 of this title (relating to Requirements for the Installation of Manufactured Homes) and was constructed according to drawings, as required by that section, which state that the foundation is a permanent foundation for a manufactured home. [A system of supports and securements, including piers, either partially or entirely below grade which is constructed or certified in accordance with the**

~~criteria outlined in §80.52(a) and (b), of this title (relating to Permanent Foundation Performance Criteria).]~~

~~[(42) Permanently affixed - Having been anchored to the real estate by attachment to a permanent foundation.]~~

(25) Promptly - means within the time prescribed by the Standards Act, these Rules, and any administrative order (including any properly granted extension) or, in the case of a matter that constitutes an imminent threat to health or safety, as quickly as reasonably possible.

~~[(43) Rebuild - To make a salvaged manufactured home habitable in accordance with §80.66 of this title (relating to Rebuilding or Repairing a "Salvaged" Manufactured Home).]~~

~~[(44) Rebuilder - Any person, within the state, who has been licensed by the department to rebuild a salvaged manufactured home, as defined in §1201.461 the Standards Act, in accordance with the rules and regulations of the department.]~~

~~[(45) Refurbish - To make a nonhabitable manufactured home or section habitable by repairing, adding, replacing, modifying, or removing components.]~~

~~[(46) Serious defect - Any failure to comply with an applicable federal manufactured home construction and safety standard that renders the manufactured home or any part thereof not fit for the ordinary use for which it was intended and which results in an unreasonable risk of injury or death to occupants of the affected manufactured home (FMHCSS §3282.7(gg)).]~~

~~[(47) Shim - A wedge-shaped piece of cedar, oak, walnut, pecan, gum, ash, hickory, elm, or other comparable hardwood or other accepted material not to exceed one (1) inch vertical (actual) height.]~~

**NOTE:** Incorporated into definition of Stabilization System.

~~[(48) Stabilizing components - All components of the anchoring and support system such as piers, footings, ties, anchoring equipment, ground anchors and any other equipment, which supports the manufactured home and secures it to the ground.]~~

**NOTE:** Incorporated into definition of Stabilization System.

(26) Stabilization system - a combination of the anchoring and support system. It includes, but is not limited to the following components:

- (A) Anchoring components - Any component which is attached to the manufactured home and is designed to resist the horizontal and vertical forces imposed on the manufactured home as a result of wind loading. These components include, but are not limited to auger anchors, rock anchors, slab anchors, ground anchors, stabilizing devices, connection bolts, j-hooks, buckles, and split bolts.
- (B) Anchoring equipment - Straps, cables, turnbuckles, tubes, and chains, including tensioning devices, which are used with ties to secure a manufactured home to anchoring components or other devices.
- (C) Anchoring systems - Combination of ties, anchoring components, and anchoring equipment that will resist overturning and lateral movement of the manufactured home from wind forces.
- (D) Diagonal tie - A tie intended to primarily resist horizontal forces, but which may also be used to resist vertical forces.
- (E) Footing - That portion of the support system that transmits loads directly to the soil.
- (F) Ground anchor - Any device at the manufactured home site designed to transfer manufactured home anchoring loads to the ground.
- (G) Longitudinal ties - designed to prevent lateral movement along the length of the home.
- (H) Shim - A wedge-shaped piece of hardwood or other registered component not to exceed one (1) inch vertical (actual) height.
- (I) Stabilizing components - All components of the anchoring and support system such as piers, footings, ties, anchoring equipment, ground anchors and any other equipment, which supports the manufactured home and secures it to the ground.
- (J) Support system - A combination of footings, piers, caps and shims that support the manufactured home.
- (K) Vertical tie - A tie intended primarily to resist the uplifting and overturning forces.

**NOTE:** Incorporated individual definitions (previously located in 1, 2, 3, 14, 18, 19, 23, 29, 30, 32, & 35) of components into the definition of stabilization system for easier referencing.

~~[(49) Standards Act – Texas Manufactured Housing Standards Act, Occupations Code, Subtitle C, Chapter 1201.]~~

~~[(50) Statement of Ownership and Location – means a statement, issued by the Department on the prescribed form, based on a completed application for Statement of Ownership and Location, accompanied by the required fee and all required supporting documentation.]~~

~~[(51) Support system – A combination of footings, piers, caps and shims that support the manufactured home.]~~

**NOTE:** Incorporated into definition of Stabilization System.

~~[(52) TDHCA – The Manufactured Housing Division of the Texas Department of Housing and Community Affairs(Department).]~~

~~[(53) TMHSA – Texas Manufactured Housing Standards Act, Occupations Code, Subtitle C, Chapter 1201.]~~

~~(27)[(54) Used home - Any manufactured home (or mobile home) ~~for~~ which has been installed and occupied for living ~~{a document of title as previously been issued by an appropriate agency of any state or which has been occupied}~~.~~

~~[(55) Vertical tie – A tie intended primarily to resist the uplifting and overturning forces.]~~

**NOTE:** Incorporated into definition of Stabilization System.

~~[(56) Wind Zone I – All Texas counties not in Wind Zone II.]~~

~~[(57) Wind Zone II – Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Orange, Refugio, San Patricio, and Willacy counties.]~~

~~[(58) Working days – Includes every day on the calendar except Saturday, Sunday, and federal and state holidays.]~~

## SUBCHAPTER C. FEE STRUCTURE

### §80.20. Fees.

- (a) Annual License Fees and Renewal Fees:
- (1) \$425 for each manufacturer's plant license (valid for one year);
  - (2) \$275 for each retailer's sales license (valid for one year);
  - (3) \$275 for each rebuilder's license (valid for one year);
  - (4) \$175 for each broker's license (valid for one year);
  - (5) \$175 for each installer's license (valid for one year); and
  - (6) \$200 ~~[\$100]~~ for each salesperson's license (valid for two years).
- (b) Installation Fees:
- (1) There is a reporting fee of \$100 ~~[\$75]~~ for the installation of a single section manufactured home and \$25 for each additional section ~~{manufactured home which is not installed on a permanent foundation}~~.
  - (2) The reporting fee must be submitted to the department with the completed Notice of Installation (Form T) no later than the 15<sup>th</sup> day of the month after which the installation is completed. ~~[There is a reporting fee of \$150 for the installation of a manufactured home permanently affixed to real estate or on a permanent foundation]~~
- ~~[(3) Installation fees shall be submitted to the department as follows:]~~
- ~~[(A) When the installation occurs in conjunction with a title transfer, the fee must be submitted to the department along with the application for title and the Notice of Installation Affidavit; or]~~
- ~~[(B) For secondary moves (when there is no title transfer), the fee must be submitted to the department along with a completed Notice of Installation Affidavit within ten (10) working days following the installation date.]~~
- [(3)]~~[(4)]~~ Fee distributions to local governmental entities performing inspection functions pursuant to contract with the department shall be made in accordance with department procedures and the provisions of the contract.
- ~~[(c) Alteration Fee: There is a fee of \$60 per hour or a minimum fee of \$60 for the inspection of alterations made upon the structure, plumbing, heating, or~~

~~electrical systems of manufactured homes. The fee is paid to the department by the person making the alterations. The person shall also reimburse the department for mileage and per diem incurred by department personnel to and from the place of inspection.]~~

~~(c)~~~~(d)~~ Seal Fee: There is a fee of \$35 for the issuance of Texas Seals. Any person who sells, exchanges, lease purchases, or offers for sale, exchange, or lease purchase a used HUD-Code manufactured home manufactured after June 15, 1976, that does not have a HUD label affixed, or a used mobile home manufactured prior to June 15, 1976, that does not have a Texas Seal affixed shall file an application to the department for a Texas Seal. The application shall be accompanied by the seal fee of \$35 per section made payable to the department.

~~(d)~~~~(e)~~ Monitoring Fee: There is a fee, as required by HUD, to be paid by each manufacturer in this state for each HUD-Code manufactured home produced. The monitoring inspection fee is established by the secretary of HUD, (pursuant to 24 CFR §3282.307) who shall distribute the fees collected from all manufacturers among the approved and conditionally approved states based on the number of new homes whose first location after leaving the manufacturing plant is on the premises of distributor, retailer, or consumer [purchaser] in that state, and the extent of participation of the state in the joint monitoring program established under the National Manufactured Housing Construction and Safety Standards Act of 1974.

~~(e)~~~~(f)~~ Homeowner's Temporary Installer's License: There is a fee of \$100 for the issuance of a homeowner's temporary installer's license, which shall also include the cost of the installation inspection. The fee shall be made payable to the department.

~~(f)~~~~(g)~~ Education Fee: Each attendee at the course of instruction in the law and consumer protection regulations for license applicants shall be assessed a fee of \$250. If a manufacturer requests the training be performed at his or her facility, the manufacturer shall reimburse the department for the actual costs of the training session (educational fee plus actual cost of travel).

~~(g)~~ Fees for department-provided Continuing Education: Should the department chose to offer continuing education, the fee to attend an eight-hour class is \$100.

(h) Habitability Inspection:

(1) There is a fee of \$150 for the inspection of a manufactured home which is to be designated for residential use [titled for use as a residence] after having [the title has] been previously designated [eaneeled] for business use or [to become real estate] which is elected as personal property after having been designated as real property. The purpose of the inspection is to determine if the home is habitable as defined by §1201.453 [§8] of the Standards Act. The fee must accompany a written request for inspection and must be submitted either prior to or in connection with the

submission of an Application for Statement of Ownership and Location. ~~[The fee shall accompany a Form A to apply for reinstatement of the title along with those documents set forth in §80.207 of this title (relating to Reinstatement of Canceled Documents of Title). The person requesting the inspection for the use change of a manufactured home shall be charged for mileage and per diem incurred by department personnel traveling to and from the location of the manufactured home. The inspector shall advise the consumer of the charges incurred and no title shall be issued until all fees have been paid.]~~

- (2) There is a fee of \$200 for the plan review and inspection of a salvaged manufactured home which is to be rebuilt. The purpose of the inspection is to determine if the home is habitable so that it may be designated for residential use. ~~[for reinstatement of the title. The fee shall accompany a written request for the inspection. The rebuilder shall also be charged for mileage and per diem incurred by department personnel traveling to and from the location of the home. See §80.66 of this title (relating to Rebuilding or Repairing a “Salvaged” Manufactured Home). The inspector shall advise the rebuilder of the charges incurred and no title shall be issued until all fees have been paid.]~~

(A) The fee and required notification shall be submitted in accordance with §80.66 of this title (relating to Rebuilding or Repairing a “Salvaged” Manufactured Home).

(B) The rebuilder shall also be charged for mileage and per diem incurred by department personnel traveling to and from the location of the home.

(C) The inspector shall advise the rebuilder of the charges incurred, and no Statement of Ownership and Location shall be issued until all fees have been paid.

- (i) Consumer Complaint Inspection:

- (1) There is a fee of \$150 for the initial inspection of a consumer's home in accordance with a consumer complaint when requested by a license holder or party other than a consumer. The fee shall accompany a written request for the inspection.
- (2) There is a fee of \$150 for the reinspection of a consumer's home. The fee shall be paid by the party deemed responsible by the department.

- (j) Fees Relating to Statements of Ownership and Location. Each fee shall accompany the required documents forwarded to the Manufactured Housing Division of the department at its principal office in Austin. ~~[Titles: Fees~~



~~relating to titles and title transactions are set forth in §80.202 of this title (relating to Fees for Title Documents).]~~

- (1) A fee of \$55 will be required for the issuance of a Statement of Ownership and Location;
- (2) A fee of \$1.50 will be required for certified copies requested other than one certified copy of a Statement of Ownership and Location sent to the owner and one that is sent to the lienholder;
- (3) There shall be a fee of \$55 for Quick Processing Service in addition to the \$55 processing fee for each application for Statement of Ownership and Location.
  - (A) Quick Processing Service shall be defined as the processing of an Application for Statement of Ownership and Location within three (3) business days from the day the complete application is received in the Manufactured Housing Division. The department will refund the Quick Processing Service fee if the completed application is not processed within the required time.
  - (B) If an applicant desires Quick Processing, the Quick Processing form provided in §80.260(a)(8) of this title (relating to Required and Optional Forms) must be completed and attached to the front of the application for the application to be deemed complete.
  - (C) If the Quick Processing form is missing or incomplete or if any other necessary documents or fees are deficient, any delays in processing caused by such will not entitle the payer to a refund of the Quick Processing fee or any other required processing fee.
  - (D) If Quick Processing is requested but the Quick Processing fee is not paid, the application will receive regular processing.
  - (E) All Quick Processing applications must be submitted by overnight service or delivered in-person.
  - (F) If Quick Processing is not completed within three (3) business days, as required, the Quick Processing portion of the fee only will be refunded.
  - (G) All Statements of Ownership and Location, including Quick Processing items, will be sent via regular mail unless a pre-paid overnight envelope is provided.
- (4) If a correction of a document is required as a result of a mistake by the department, the issuance of a new document shall not require a fee.

However, if the error was not made by the department, a request for correction of the error must be made on a completed Application for Statement of Ownership and Location and submitted to the department along with the required fee of \$55 and any necessary supporting documentation.

(5) When multiple applications are submitted, the Form M provided in §80.260(a)(9) of this title (relating to Required and Optional Forms) must be completed and attached to the front of the applications to identify each application and reconcile the fee for each application with the total amount of the payment. Failure to provide this form, properly completed, will delay the application's being deemed complete for processing.

(k) Method of Payment.

(1) All checks shall be made payable to the Texas Department of Housing and Community Affairs or TDHCA.

(2) All license renewals may also be paid by credit card or ACH, if submitted through Texas Online.

(l) Loss of Check Writing Privileges. Any person who has more than one (1) time paid for anything requiring a fee under these rules with a check that is returned uncollectible, whether "NSF," closed account, refer to maker, or for any similar reason, is required to make all future payments, if any, by means of money order or cashier's check.

**SUBCHAPTER D. STANDARDS AND REQUIREMENTS**

**REPEAL** ~~§80.50. — *Wind Zone Regulations.*~~

~~[(a) Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Orange, Refugio, San Patricio, and Willacy counties are in Wind Zone II. All other counties are in Wind Zone I.]~~

~~[(b) A manufactured home constructed on or after September 1, 1997 must meet the Wind Zone II standards adopted by HUD in order to be installed in a Wind Zone II county.]~~

~~[(c) All manufactured homes constructed prior to September 1, 1997 may be installed in Wind Zone I or Wind Zone II without restriction.]~~

~~[(d) A consumer purchasing a manufactured home constructed on or after September 1, 1997 to Wind Zone I standards must be given a written notice by the selling retailer that:]~~

~~[(1) The home was not designed nor constructed to withstand hurricane force winds which may occur in Wind Zone II or III areas; and]~~

~~[(2) The home is not permitted to be installed in Wind Zone II counties in Texas, and there may be restrictions in other states prohibiting installation in Wind Zone II or III areas.]~~

~~[(e) The notice required by this section shall be given to the consumer prior to the execution of any mutually binding sales agreement or retail installment sales contract.]~~

~~[(f) A manufactured home constructed on or after September 1, 1997 shall not be installed within 1,500 feet of the coastline in Wind Zone II, unless the home and its anchoring and support systems have been designed for the increased requirements specified for Exposure D in ANSI/ASCE 7-88.]~~

**REPEAL** [~~§80.51. — *Manufactured Home Installation Requirements.*~~]

~~[(a) The following tasks are the responsibility of the manufacturer:]~~

~~[(1) Manufacturers shall file with the department copies, in the number specified by the department, of installation instructions approved by the manufacturer's DAPIA. DAPIA approval stamps, engineer or architect approval stamps, and the installation manual effective date shall be on each page of the installation instructions or on the cover pages of bound installation manuals, unless an equivalent method of authentication is used for electronically filed documents.]~~

~~[(2) A manufacturer may file an appendix to the state's generic standards as a part of the manufacturer's installation instructions if the design of one or more of its homes requires a change in the generic standards to protect the structural integrity of the home. The appendix shall specify which provision of the generic standards is being changed and clearly set forth in detail the change that is necessary.]~~

~~[(3) At least thirty (30) calendar days prior to the effective date of any change, modification, or update to the manufacturer's installation instructions or any appendix, the manufacturer shall file such change, modification, or update with the department and mail a copy(s) to all the manufacturer's retailers.]~~

~~[(b) Manufactured homes installed in Wind Zone I shall be installed in accordance with the manufacturer's installation instructions or the generic standards approved by the department for Wind Zone I.]~~

~~[(c) Manufactured homes installed in Wind Zone II shall:]~~

- ~~[(1) if constructed before September 1, 1997, be installed in accordance with the manufacturer's installation instructions for Wind Zone II or the department's generic standards for Wind Zone II; or]~~
- ~~[(2) if constructed on or after September 1, 1997, have data plates indicating Wind Zone II construction and be installed in accordance with the manufacturer's installation instructions for Wind Zone II or the department's generic standards for Wind Zone II.]~~
- ~~[(d) In lieu of the requirements of subsections (b) and (c) of this section a manufactured home or an identified class of manufactured homes may be installed at a particular area with similar soil properties according to county soil survey or other geotechnical reports in accordance with a custom designed stabilization system drawing that is stamped by a Texas licensed professional engineer or architect. A custom designed stabilization system may or may not meet the definition of a permanent foundation, but must meet the wind loading requirements of zone II in order to be installed in wind zone II, and a copy of the stabilization system drawing must be forwarded to the department along with the installation report. It must be reported on the permanent foundation installation inspection report form and sent to the department at least ten (10) working days prior to the date of construction, along with the required fee, if the bottoms of the footings or piers are embedded more than 24 inches below the finished natural grade or engineered fill.]~~

**REPEAL** [~~§80.52.— *Permanent Foundation Criteria.*~~]

- ~~[(a) The permanent foundation system shall be either:]~~
  - ~~[(1) capable of transferring all design loads imposed by or upon the structure into soil or bedrock without failure;]~~
  - ~~[(2) placed at an adequate depth below grade to prevent structural damage from frost heave;]~~
  - ~~[(3) constructed of concrete, metal, treated lumber or wood, masonry, or other materials conforming to nationally recognized standards;]~~
  - ~~[(4) designed so that all of the components of the foundation system cannot be easily removed from the site and used at any other location and the drawings state that the foundation is a permanent foundation for a manufactured home;]~~
  - ~~[(5) designed so that the attached structure resists overturning due to wind pressure by the dead load resisting moment of the structure and foundation. The weight of earth superimposed over footings may be used to calculate the dead load resisting moment. The overturning moment shall not exceed the dead load resisting moment and the~~

~~overturning moment, multiplied by a safety factor of 1.5, shall be less than or equal to the dead load stabilizing moment plus the stabilizing moment due to ground anchor reactions;]~~

~~[(6) designed to have the structure attached without the towing hitch, axles, brakes, wheels and other parts of the chassis that operate only during transportation; and]~~

~~[(7) designed in accordance with accepted engineering practice to resist damage due to decay, insects, and condensation. A Texas licensed engineer or architect shall stamp and sign each foundation drawing. If the foundation drawing is approved by the DAPIA, the engineer or architect may be licensed in another state; or]~~

~~[(b) In the alternative for a home acquired and installed before January 1, 2002, a permanent foundation is a system which is certified by the consumer/mortgagor and the lender/mortgagee in a real estate loan transaction, or certified by the owner if there is no lien or the lien has been released, as having permanently affixed the structure to the real estate. If the certification is by the owner only, the certification must show compliance with local ordinances if applicable.]~~

§80.53. Requirements for Manufacturer's Designs and Installation Instructions [Design Requirements].

(a) With each new home, the manufacturer shall provide printed instructions which at a minimum must: ~~[Each new manufactured home shall be designed and constructed as a completely integrated structure capable of sustaining the design load requirements of the FMHCSS and shall be capable of transmitting the loads to anchoring systems without causing an unsafe deformation or an abnormal internal movement of the structure or its structural parts.]~~

(1) specify the location, orientation and required capacity of stabilizing components on which the design is based;

(2) be filed with the department;

(3) be approved by the manufacturer's DAPIA; and

(4) contain DAPIA approval stamps, engineer or architect approval stamps, and the installation manual effective date on each page of the installation instructions or on the cover pages of bound installation manuals, unless an equivalent method of authentication is used for electronically filed documents.

(b) If a manufacturer determines that one or more of its homes requires a deviation from the generic standards to protect the structural integrity of the home, the manufacturer must include instructions for the necessary deviation in the

manufacturer's DAPIA-approved installation instructions. The manufacturer must provide a copy to the department along with a letter informing the department of the required deviation included in the instructions and giving the department permission to reproduce and release copies of such instructions upon request. On the department's website, the department will maintain a current list of all required deviations from generic standards and will provide a copy to anyone who requests it. [Each new manufactured home shall have provisions for anchoring systems which, when properly designed and installed, will resist overturning and lateral movement of the manufactured home up to the respective design loads.]

- (c) At least thirty (30) calendar days prior to the effective date of any change, modification, or update to the manufacturer's installation instructions or any appendix, the manufacturer shall file such change, modification, or update with the department and mail a copy(s) to all the manufacturer's retailers. [The provisions of this section shall be followed and the support and anchoring systems shall be designed by a licensed professional engineer or architect.]
- (d) The manufacturer shall file with the department additional copies of manufacturer's installation instructions for each model in the number specified by the department. If no number is specified, one copy of each such set of instructions will suffice. [The manufacturer shall design homes to make provisions for the necessary support and anchoring systems, but is not required to provide the anchoring equipment. Printed installation instructions for support and anchoring systems for each model shall be filed with the department as required by the department. When the manufacturer's installation instructions provide for the main frame structure to be used as the point for connection to diagonal ties, no specific connecting devices need to be provided on the frame. Ties shall be designed and installed to prevent self disconnection when the ties are slack. For example, open end hooks shall have set screws or other mechanisms to prevent disconnection when there is slack in the strapping.]
- (e) The department will default to the generic standards, if discrepancies exist in the manufacturer's instructions. [The manufacturer shall provide printed instructions with each new home specifying the location, orientation and required capacity of stabilizing components on which the design is based. The installer must use stabilizing components that have the required capacity and install them according to the anchor or stabilizing component manufacturer's current installation instructions. When soil auger anchor shafts are not installed in-line with the diagonal frame ties or the combined loads of two ties, approved stabilizer plates, or other approved methods, must be used in accordance with the installation instructions for the soil auger anchors and stabilizer plates. If a difficult soil, such as mixed soil and rock or caliche (heavily weathered limestone) that is not solid rock, exists at the homesite, the installer may install a home in accordance with the generic standards and §80.55(d)(4) of this title (relating to Anchoring Systems).]

~~[(f) — The minimum number of ties required per side shall be sufficient to resist the wind load stated in the FMHCSS §3280.305(e).]~~

**§80.54. Requirements [Standards] for the Installation of Manufactured Homes.**

(a) When they are installed, all [All] manufactured homes shall be installed by a licensed installer to resist overturning and lateral movement of the home, and the installation must be completed in accordance with instructions appropriate for the Wind Zone where the home is to be installed as per one of the following:

- (1) the home manufacturer's DAPIA-approved installation instructions;
- (2) the state's generic standards set forth in §§80.55, 80.56, 80.57, and 80.58 of this title [this section, §80.55 of this title (relating to Anchoring Systems), §80.56 of this title (relating to Multi-Section Connection Standards), and modified by any appendix filed in accordance with §80.51(a)(2) of this title (relating to Manufactured Home Installation Requirements)];

(3) the instructions for a stabilization system registered with the department in accordance with §80.62 of this title (relating to Registration of Stabilizing Components and Systems); or [a custom designed stabilization system];

(4) the instructions for a special stabilization system which; [a stabilization system pre-approved by the department; or]

(A) may or may not be a permanent foundation;

(B) is for a particular manufactured home or an identified class of manufactured homes to be installed at a particular area with similar soil properties according to county soil survey or other geotechnical reports; and

(C) is either:

(i) a pre-existing foundation for which a professional engineer or architect licensed in Texas has issued written approval for the installation of a particular home, and the written approval shall be submitted to the department with the installation report; or

(ii) installed in accordance with a custom designed stabilization system drawing that is stamped by a Texas licensed professional engineer or architect. A copy of the stabilization system drawing must be forwarded to the department along with the installation report.

~~[(5) — on a permanent foundation.]~~

(b) When a home is installed on a stabilization system registered with the department or a special stabilization system, the installer must follow the home manufacturer's DAPIA-approved installation instructions for any aspect of the installation that is not covered by the system's installation instructions or drawings.

(c) The installer must use stabilizing components that have the required capacity and install them according to the anchor or stabilizing component manufacturer's current installation instructions. All stabilizing components must be resistant to all effects of weathering including that encountered along the Texas gulf coast. Nonconcrete stabilizing components and systems for use within 1500 feet of the coastline shall be specifically certified for this use. Preservation treated (PT) wood components shall conform to the applicable standards issued by the American Wood Preserver's Association and referenced by the latest edition of the International Residential Code.

(d)[(b)] Site Preparation Responsibilities and Requirements:

(1) A consumer acquiring [The purchaser of] a manufactured home to be installed, new or used, is responsible for the proper preparation of the site where the manufactured home will be installed except as set forth in §80.57 of this title (relating to Generic Standards for Moisture and Ground Vapor Controls) [subsection (g) of this section]:

(A) In the case of a manufactured home that is to be installed in a manufactured home rental community (as defined in Local Government Code §232.007), the consumer [purchaser] may not have the ability to control the preparation of the site. Therefore, the consumer [purchaser] should confirm with the person who owns, leases, or manages the rental community that the site has been properly prepared as required by Property Code, §94.151.

(B) When a manufactured home is sold already installed it is not possible for the consumer [purchaser] to prepare the site. Therefore, it is the responsibility of the seller, if the seller is a licensed retailer, to ensure that the site has been properly prepared.

(2) Whenever a licensed retailer intends to sell a manufactured home, regardless of where it is located or is to be located, the retailer is required to give the consumer [proposed purchaser] the Site Preparation Notice, for signature by the consumer, in the form set forth in §80.260(a)(1) of this title (relating to Required and Optional Forms) [subsection (g) of this section] PRIOR to the execution of any binding sales agreement.

(3) Whenever a licensed installer proposes to move a used manufactured home, the installer is required to give the consumer [proposed purchaser] the Site Preparation Notice, for signature by the consumer, in the form set forth in



§80.260(a)(1) of this title (relating to Required and Optional Forms)  
[subsection (g) of this section] PRIOR to entering into a binding agreement to move that home.

(e)[(e)] If the retailer or installer provides the materials for skirting or contracts for the installation of skirting, the retailer or installer is responsible for installing [the following: The retailer or installer shall install] any required moisture and ground vapor control measures in accordance with the home installation instructions, specifications of a registered [an approved] stabilization system, or the generic standards and shall provide for the proper cross ventilation of the crawl space. If the consumer [purchaser or homeowner] contracts with a person other than the retailer or installer for the skirting, the consumer [purchaser or homeowner] is responsible for installing the moisture and ground vapor control measures and for providing for the proper cross ventilation of the crawl space.

(f)[(d)] Clearance: If the manufactured home is installed according to the state's generic standards, a minimum clearance of 18 inches between the ground and the bottom of the floor joists must be maintained. In addition, the installer shall be responsible for installing the home with sufficient clearance between the I-Beams and the ground so that after the crossover duct prescribed by the manufacturer is properly installed it will not be in contact with the ground. Refer to §80.56 of this title (relating to Generic Standards for Multi-Section Connections [Connection] Standards) for additional requirements for utility connections. It is strongly recommended that the installer not install the home unless all debris, sod, tree stumps and other organic materials are removed from all areas where footings are to be located.

[(f) — Generic Moisture and Ground Vapor Controls:]

[(1) — If the manufactured home is installed according to the state's generic standards and the space under the home is to be enclosed with skirting and/or other materials provided by the retailer and/or installer, an access opening not less than 18 inches in any dimension and not less than three square feet in area shall be provided by the installer. The access opening shall be located so that any water supply and sewer drain connections located under the home are accessible for inspections. If a clothes dryer exhaust duct, air conditioning condensation drain, or combustion air inlet is present, the installer must pass it through the skirting to the outside. In addition, crawl space ventilation must be provided at the rate of minimum 1 square foot of net free area, for every 150 square feet of floor area. At least six openings shall be provided, one at each end of the home and two on each side of the home. The openings shall be screened or otherwise covered to prevent entrance of rodents (note: screening will reduce net free area). For example, a 16'x76' single section home has 1216 square feet of floor area. This 1216 square feet

~~divided by 150 equals 8.1 square feet or 1166 square inches of net free area crawl space ventilation.]~~

~~[(2) The retailer and/or installer must notify the purchaser that moisture and ground vapor control measures are required if the space under the home is to be enclosed. Water vapor build-up may cause dampness in the home, damage to siding and bottom board, buckling of walls and floors, delamination of floor decking and problems with the operation of windows and doors. The generic ground vapor control measure shall consist of a ground vapor retarder that is minimum 6 mil polyethylene sheeting or its equivalent, installed so that the area under the home is covered with sheeting and overlapped approximately 12 inches at all joints. Any tear larger than 18 inches long or wide must be taped using a material appropriate for the sheeting used. The laps should be weighted down to prevent movement. Any small tears and/or voids around construction (footings, anchor heads, etc.) are acceptable.]~~

~~(g)(e)~~ Drainage: The consumer [purchaser] is responsible for proper site drainage where the manufactured home (new or used) is to be installed unless the home is installed in a rental community. It is strongly recommended that the installer not install the home unless the exterior grade is sloped away from the home or another generally accepted [approved] method to prohibit surface runoff from draining under the home is provided. Drainage prevents water build-up under the home. Water build-up may cause shifting or settling of the foundation, dampness in the home, damage to siding and bottom board, buckling of walls and floors, delamination of floor decking and problems with the operation of windows and doors.

~~[(g) Notice: The site preparation notice to be given to the consumer shall be as follows:]~~

[Figure: 10 TAC §80.54(g) - Moved Site Preparation Notice to §80.260(a)(1).

~~[(h) Footers and Piers:]~~

~~[(1) Proper sizing of footings depends on the load carrying capacity of both the piers and the soil. To determine the load bearing capacity of the soil, the installer may use any of the following methods:]~~

~~[(A) Pocket penetrometer:]~~

~~[(i) Test a typical area adjacent to or within 10 feet of the perimeter of the unit;]~~

~~[(ii) Dig down to undisturbed soil. This should be a minimum of 1 square foot surface area; and]~~

~~[(iii) Using the pocket penetrometer take seven (7) readings, eliminate the highest and the lowest and average the remaining five (5).]~~

~~[(B) Soil surveys from the U.S. Department of Agriculture;]~~

~~[(C) Values from tables of allowable or presumptive bearing capacities given in local building codes. Such tables are commonly available from the local authority having jurisdiction; or]~~

~~[(D) Any other test data from soil analysis reports.]~~

~~[(2) The footing must be placed on firm, undisturbed soil, or fill compacted to at least 90% of its maximum relative density. Installation on loose, noncompacted fill may invalidate the home's limited warranty.]~~

~~[(3) Footer configurations:]~~

[Figure: 10 TAC §80.54(h)(3)] - Moved footer configurations to §80.240(b)(22).

~~[(4) Footer sizing and capacities: The following tables represent maximum loads and spacings based on footer size and soil bearing capacity. Other approved footers may be used if equal or greater in bearing area than those footer sizes tabulated.]~~

[Figure: 10 TAC §80.54(h)(4)] - Moved footer capacities table to §80.240(a)(8).

~~[(5) Piers and pier spacings: One of the most important parts of home installation is proper pier installation. Incorrect size, location or spacing of piers may cause serious structural damage to the home. Spacing and location of piers shall be in accordance with the tables listed in these standards (Table 3B, without perimeter piers; Table 3C, with perimeter piers).]~~

~~[(A) Spacing shall be as even as practicable along each main I-Beam. Pier spacing may exceed tabulated values up to 30% so long as the total pier count remains the same. End piers are to be located within 24 inches of the end of the main frame.]~~

~~[(B) Piers shall extend at least 6 inches from the centerline of the I-Beam or be designed to prevent dislodgment due to horizontal movement of less than 4 inches.]~~

~~[(C) Load bearing supports or devices shall be listed by an independent testing laboratory, nationally recognized inspection agency, or other nationally recognized organization and approved by the department. Engineers or architects licensed in Texas may~~

~~design load bearing supports or devices for a single installation. A copy of the design for this particular home and site shall be provided to the department before the home is installed, but department approval is not required.]~~

~~[(D) — Sidewall openings greater than 4 feet shall have perimeter piers located under each side of the opening, i.e. patio doors, recessed porches/entries, bay windows and porch posts. Perimeter piers for openings are not required for endwalls.]~~

~~[(6) — Pier design: Piers shall be constructed per the following details:]~~

[Figure: 10 TAC §80.54(h)(6)] - Moved pier design figure to §80.240(b)(23).

~~[(A) — Shimming (if needed): Hardwood shims are commonly used as a means for leveling the home and filling any voids left between the bottom flange of the I-Beam and the top of the pier cap. Wedge shaped shims must be installed from both sides of the I-Beam to provide a level bearing surface. The allowable height must not exceed 1 inch. Shims shall be a minimum of 3 inches wide and 6 inches long. Over shimming should be avoided.]~~

~~[(B) — Table 3B — Pier loads (pounds) at tabulated spacings WITHOUT perimeter supports:]~~

[Figure: 10 TAC §80.54(h)(6)(B)] - Moved pier loads without perimeter supports table to §80.240(a)(9).

~~[(C) — Table 3C — Pier loads (pounds) at tabulated spacings WITH perimeter supports:]~~

[Figure: 10 TAC §80.54(h)(6)(C)] - Moved pier loads with perimeter supports table to §80.240(a)(10) and moved perimeter pier front and side view figure to §80.240(b)(24).

~~[(7) — Typical multi-section pier layout:]~~

[Figure: 10 TAC §80.54(h)(7)] - Moved typical multi-section pier layout figure to §80.240(b)(25).

~~[(8) — Typical single section pier layout:]~~

[Figure: 10 TAC §80.54(h)(8)] - Moved typical single section pier layout figure to §80.240(b)(26).

~~[(9) — Multi-section units mating line column supports:]~~

~~[(A) On multi-section units, openings larger than 4 feet must have piers installed at each end of the opening. To determine the pier loads, refer to Table 3D in subparagraph (D) of this paragraph.]~~

[Figure: 10 TAC §80.54(h)(9)(A)] - Moved determining column load and marriage line elevation figure to §80.240(b)(27).

~~[(B) Column loads for each section may be combined when the columns are opposite each other. The footer must be sized for the combined loading.]~~

~~[(C) Additional piers are required under marriage walls (see wall between column #3 and #4 in the Marriage Line Elevation drawing in subparagraph (A) of this paragraph). The maximum spacing is the same as the spacing at the main I-Beams, without perimeter piers, and one half the spacing of the perimeter piers, with perimeter piers installed.]~~

~~[(D) Table 3D: Mating line column loads (pounds).]~~

[Figure: 10 TAC §80.54(h)(9)(D)] - Moved mating line column loads table to §80.240(a)(11).

§80.55. Generic Standards for Anchoring Systems.

- (a) General Requirements: For units built on or after September 1, 1997, the installer must verify that the unit is designed for the Wind Zone in which it is to be installed and must follow all applicable installation instructions for that Wind Zone as set forth herein. See figure in §80.240(b)(1) of this title for counties located in Wind Zone II. Note: A Wind Zone I unit, built on or after September 1, 1997, may not be installed in a Wind Zone II area. However, a Wind Zone II unit may be installed in a Wind Zone I area.

[Figure: 10 TAC §80.55(a)] - Moved counties Located in Wind Zone II figure to §80.240(b)(1).

- (b) Material Specifications:
- (1) Strapping shall be Type 1, Finish B, Grade 1 steel strapping, 1.25 inches wide and 0.035 inches in thickness, certified by a licensed professional engineer or architect as conforming with the American Society for Testing and Materials (ASTM) Standard Specification D3953 91, Standard Specification for Strapping, Flat Steel, and Seals. ~~[Tie materials shall be capable of resisting an allowable working load of 3,150 pounds with no more than 2% elongating and shall withstand a 50% overload (4,725 pounds total). Ties shall have a resistance to weather deterioration at least equivalent to that provided by coating of zinc on steel of not less than 0.30 ounces per square foot on each side of the surface coated (0.0005 inches thick), as determined by ASTM Standards Methods of~~

~~Test for Weight of Coating on Zinc-coated (galvanized) Iron or Steel Articles (ASTM A 90-81). Slit or cut edges of zinc-coated steel strapping are not required to be zinc-coated.] Strapping shall be marked at least every five feet with the marking described by the certifying engineer or architect.~~

- (2) Tie materials shall be capable of resisting an allowable working load of 3,150 pounds with no more than 2% elongating and shall withstand a 50% overload (4,725 pounds total). Ties shall have a resistance to weather deterioration at least equivalent to that provided by coating of zinc on steel of not less than 0.30 ounces per square foot on each side of the surface coated (0.0005 inches thick), as determined by ASTM Standards Methods of Test for Weight of Coating on Zinc-coated (galvanized) Iron or Steel Articles (ASTM A 90-81). Slit or cut edges of zinc-coated steel strapping are not required to be zinc coated. Ties shall be designed and installed to prevent self disconnection when the ties are slack. For example, open end hooks shall have set screws or other mechanisms to prevent disconnection when there is slack in the strapping. [All anchoring components must be approved by the department. Installers shall only use approved anchoring components. An installer may obtain a list of approved anchoring components from the department, anchor manufacturer and/or supplier of anchoring components.]
- (3) Anchor spacing ONLY applies to units with roof pitch of 20 degrees or less. For anything over 20 degrees, it must be designed by a professional engineer or architect.

- (c) Anchors shall be installed per the figures in §80.240(b)(2) and (3) of this title. [following details:]
- (1) in direction of load, see the Anchor Installation figure in §80.240(b)(2) of this title.

[Figure: 10 TAC §80.55(c)(1)] - Moved anchor installation figure to §80.240(b)(2).

- (2) installed against direction of load (vertical and/or angled), a stabilizer plate must be installed. See Placement of Stabilizing Devices figure in §80.240(b)(3) of this title.

[Figure: 10 TAC §80.55(c)(2)] - Moved placement of stabilizing plates figure to §80.240(b)(3).

- (d) WIND ZONE I Installation:
- (1) See the Wind Zone I Installation figure in §80.240(b)(4) of this title for the typical [Typical] anchor layout, single and multi-section units (WIND ZONE I ONLY).[:]

[Figure: 10 TAC §80.55(d)(1)] - Moved Wind Zone I Installation figure to §80.240(b)(4).

- (2) ~~[Table 4A:]~~ The ~~[following]~~ table in §80.240(a)(1) of this title describes the maximum spacing for diagonal ties along each side of the unit.

[Figure: 10 TAC §80.55(d)(2)] - Moved maximum spacing for diagonal ties table to §80.240(a)(1).

- (3) The table in §80.240(a)(2) of this title describes the minimum ~~[Table 4B: Minimum]~~ number of diagonal ties required per side, per unit length. Table based on 2 feet inset of anchors at each end.

[Figure: 10 TAC §80.55(d)(3)] - Moved minimum number of diagonal ties table to §80.240(a)(2).

- (4) When ~~[approved]~~ auger anchors cannot be inserted into a difficult soil after moistening, such as mixed soil and rock or caliche (heavily weathered limestone) that is not solid rock, ~~[approved]~~ cross drive rock anchors may be used in accordance with the values and notes for the table in §80.240(a)(1) of this title ~~[Table 4A in paragraph (2) of this subsection]~~ modified as follows:

- (A) Since the ultimate anchor pull out in the difficult soil will be reduced, the maximum spacing for diagonal ties per side is one half the spacing allowed by the table in §80.240(a)(1) of this title ~~[Table 4A]~~ which will require adding one additional cross drive rock anchor for each anchor specified for the sides and ends;
- (B) The rods of the ~~[approved]~~ cross drive rock anchors must be fully inserted, have at least 24 inches of the rod lengths embedded in the difficult soil, and be restrained from horizontal movement~~[, when feasible,]~~ by a stabilizer device ~~[plate]~~ between the rods and the home; and
- (C) Each cross drive rock anchor is connected to one diagonal tie and is not connected to a vertical tie.

(e) WIND ZONE II Installation:

- (1) In place of the requirements as shown in subsection (d) of this section, units designed for Wind Zone I and built prior to September 1, 1997, and units designed for Wind Zone II and built prior to July 13, 1994, require diagonal ties as set forth in the table in §80.240(a)(3) of this title ~~[Table 5A]~~ when these units are installed in Wind Zone II. See also §1201.256 of the Standards Act ~~[§80.50 of this title (relating to Wind Zone Regulations)]~~.

Items not specifically addressed in this section are the same as for Wind Zone I installations.

**[Figure: 10 TAC §80.55(e)(1)] - Moved maximum spacing for diagonal ties per side table to §80.240(a)(3).**

- (2) Units built to Wind Zone II on or after July 13, 1994.
  - (A) Units built to Wind Zone II on or after July 13, 1994, should have either built-in, or provisions for connecting, vertical ties along the sidewall(s) of each unit(s). A diagonal tie must be installed at each vertical tie location (except for designated shearwall tie). Built-in vertical ties shall be connected to anchors. If there are brackets or other provisions for connecting vertical ties, vertical ties shall be added at the brackets or provisions and connected to anchors.
  - (B) Only factory installed vertical ties may be closer than 4 feet from each other.
  - (C) Where tie locations are clearly marked as a shear wall strap, a perimeter pier must be installed at that location. ~~[See subsection §80.54(d) of this title (relating to Standards for the Installation of Manufactured Homes) for perimeter pier construction.]~~ Diagonal tie is not required.
  - (D) Where the vertical tie spacing exceeds 8'-0" on-center (see also note 6 in the table in §80.240(a)(3) of this title [table 5A] for exception), the anchoring system must be approved by the home manufacturer's installation manual, or designed by a professional engineer or architect licensed in the state of Texas.
  - (E) Where pier heights exceed 36 inches in height, the diagonal strap shall be connected to the opposite I-Beam ~~[(see Figure 1)].~~ See the Diagonal Strap Placement for Piers Exceeding 36 inches in Height figure in §80.240(b)(5) of this title.

**[Figure: 10 TAC §80.55(e)(2)(E)] - Moved diagonal strap placement figure to §80.240(b)(5).**

- (F) Where vertical tie locations are not easily discernable, the vertical ties may be connected to the main I-Beam rails and the anchor installed directly below that connection point. The diagonal tie must be connected to the opposite main I-Beam. In no case shall the distance between those ties exceed 5'-4" on-center ~~[(see Figure 2)].~~ See the Diagonal and Vertical Ties figure in §80.240(b)(6) of this title.

**[Figure: 10 TAC §80.55(e)(2)(F)] - Moved diagonal and vertical ties figure to §80.240(b)(6).**



- (3) Multi-section centerline anchoring requirements (Wind Zone II only):
  - (A) Centerline anchor ties are required for ALL Wind Zone II installations, regardless of the date the unit was manufactured, when installation occurs on or after the effective date of these rules.
  - (B) Factory installed centerline vertical ties, brackets, buckles or any other connecting devices must be connected to a ground anchor. No additional anchors as described in subparagraph (D) of this paragraph are required.
  - (C) To avoid obstructions and/or piers and footers, the anchor may be offset up to 12 inches perpendicular to the centerline.
  - (D) Where factory preparations do not exist, install anchors and angle iron brackets at each side of mating line openings wider than 48 inches per [the table in §80.240\(a\)\(4\) of this title \[table 5B \(see Figure 5B for detail\)\]](#). [See the Typical Installation Details figure in §80.240\(b\)\(7\) of this title for detail](#).
    - (i) Where equal spans exist opposite each other (i.e., each section), a double bracket assembly may be used. The maximum opening is per [the table in §80.240\(a\)\(4\) of this title \[table 5B\]](#). Total uplift load may not exceed the anchor and/or strap capacity (i.e., 3150 pounds).
    - (ii) The angle iron bracket is minimum 11 gauge. The holes for the lag screws are a maximum of 4 inches apart.
    - (iii) Lag screws/bolts are minimum 5/16 x 3 inches, full thread.
- (4) For openings separated by a wall or post 16 inches or less in width, the opening span is the total of the spans on each side of the wall/post.
- (f) Bracket Installation.
  - (1) [See the table in §80.240\(a\)\(4\) of this title concerning the maximum centerline \[Table 5B: Maximum Centerline\]](#) wall opening for column uplift brackets (see [§80.240\(b\)\(7\) of this title \[figure 5B\]](#) for typical installation details).

**[Figure: 10 TAC §80.55(f)(1)] - Moved maximum centerline wall opening for column uplift brackets table to §80.240(a)(4).**

- (2) Section [80.240\(b\)\(7\) of this title \[Figure 5B\]](#) shows both single and double bracket assemblies for illustration purposes only. Use a single bracket for

openings which exist on one section only. Use double bracket where openings are opposite each other on two sections of the home.

- (3) When only one bracket assembly is required, it may be installed on either side of the column/opening stud(s), but no more than 12 inches from the column or opening stud(s). [See the Anchor Span figure in §80.240\(b\)\(8\) of this title for examples.](#) ~~[(See examples in figure 5C.)]~~
- (4) When two bracket assemblies are required, they must be installed on each side of the column/opening stud(s), but no more than 12 inches from the column/opening stud(s) ~~[(see examples in figure 5C)]~~, and they must be angled away from each other a minimum of 12 inches. [See the Anchor Span figure in §80.240\(b\)\(8\) of this title for examples.](#)

**[Figure: 10 TAC §80.55(f)(4)] - Moved the typical installation details figure to §80.240(b)(7).**

- (5) Example: A double section unit with each section being 14 feet wide;
  - (A) Span "A" is 18'-0", matching span both sections;
  - (B) Span "B" is 14'-8", matching span both sections;
  - (C) Span "C" is 6'-8", matching span both sections; and
  - (D) Span "D" is 13'-4", one side only. [\(See the Anchor Span figure in §80.240\(b\)\(8\) of this title\)](#)

**[Figure: 10 TAC §80.55(f)(5)(D)] - Moved the anchor span figure to §80.240(b)(8).**

- (6) Longitudinal ties [\(see figures in §80.240\(b\)\(9\) and \(10\) of this title\)](#):
  - (A) Longitudinal ties are required for ALL wind zone installations, regardless of the date of manufacture, when installation occurs after the effective date of these rules.
  - (B) Longitudinal ties are designed to prevent lateral movement along the length of the home.
  - (C) When conventional anchors and straps are used, install the required number of ties per [the table in §80.240\(a\)\(1\) of this title \[Table 4A\]](#) or [the table in §80.240\(a\)\(3\) of this title \[Table 5A\]](#) as appropriate. The strap(s) may be connected or wrapped around front or rear chassis header members, around existing cross members or spring hangers. A strap must be within 3 inches of where the cross member attaches to the main I-beam. Alternatively, brackets to receive the strap(s) may be [attached \[welded\]](#) to the bottom flange of the main I-beams. The location of the connection points along the length of the

I-beams are not critical, as long as the number of longitudinal ties required for each end of each home section are installed with their pull in opposite directions. No two anchors shall be within 4 ft of each other. No two ties shall be attached to the same structural member of the home, other than a main longitudinal frame member or a front or rear chassis header member.

- (D) Anchors require stabilizer plates when the anchor shaft is not in line with strap (plus or minus 10 degrees).

**[Figure: 10 TAC §80.55(f)(6)(D)] - Moved the longitudinal ties figure to §80.240(b)(10).**

**§80.56. Generic Standards for Multi-Section Connections ~~[Connection]~~ Standards.**

- (a) Air infiltration and water vapor migration at mating surfaces: Before positioning additional sections, the mating line surfaces along the floor, endwall and ceiling, require material or procedures to limit air infiltration and water vapor migration. [See the Mating Line Surfaces figure in §80.240\(b\)\(11\) of this title.](#) The following are acceptable materials and/or procedures:
  - (1) Expanding Foam: Foam may be used along surfaces that are accessible after the units have been joined. Where mating line walls line up between sections, non-porous materials must be installed prior to joining the units.
  - (2) Caulking: Caulking may be used along surfaces that are accessible after the units have been joined. Where mating line walls line up between sections, non-porous materials must be installed prior to joining the units.
  - (3) Non-porous gasket installed along the perimeter of all mating lines.
  - (4) Insulation, carpet, carpet pad or other porous materials are not acceptable.

**[Figure: 10 TAC §80.56(a)(4)] - Moved the mating line surfaces figure to §80.240(b)(11).**

- (b) Floor Connections:
  - (1) Gaps between floors up to 1-1/2 inches maximum which do not extend the full length of the floor may be filled with lumber, plywood or other suitable shimming materials. Fastener lengths in shimmed areas may need to be increased to provide minimum 1-1/4 inches penetration into opposite floor rim joist.
  - (2) Gaps less than 1/2 inch width need not be shimmed.
  - (3) The floor assemblies of multi-section units must be fastened together. Fastener options and maximum spacings are listed in [the floor connections](#)

table in §80.240(a)(5) of this title [~~table 6A in paragraph (5) of this subsection~~].

- (4) Any tears or damages to the bottom board due to fastener installation must be repaired.
- (5) See the floor connections table in §80.240(a)(5) and the figure in §80.240(b)(12) of this title. [~~Table 6A: Floor connections – Wind Zone I and II;~~]

**[Figure: 10 TAC §80.56(b)(5)] - Moved the floor connections table to §80.240(a)(5) and moved the floor connections figure to §80.240(b)(12).**

- (c) Endwall Connections (see the figure in §80.240(b)(13) of this title):
  - (1) Endwalls must be fastened together at the mating line with minimum #8x4 inch wood screws or 16d nails at maximum 8 inches on-center or 12 inches on-center maximum for 5/16 lags; toed or driven straight; and
  - (2) Fastener length may need to be adjusted for gaps and/or toeing, to provide minimum 1-1/2 inch penetration into opposite endwall stud.

**[Figure: 10 TAC §80.56(c)(2)] - Moved the endwall connections figure to §80.240(b)(13).**

- (d) Roof Connection: (*Note: Fasteners must not be used to pull the sections together.*)
  - (1) Roof shall be connected with the fasteners and spacings specified in the table in §80.240(a)(6) of this title [~~Table 56(d)(3)~~].
  - (2) Gaps between the roof sections (at ridge beam and/or open beam ledgers) of up to 1-1/2 inches wide maximum which do not extend the full length of the roof must be filled with lumber and/or plywood shims. Gaps up to 1/2 inch need not be shimmed. The fastener length used in the shimmed area may need to be increased to provide a minimum 1-1/4 inch penetration into the adjacent roof structural member.
  - (3) See the roof connections table in §80.240(a)(6) of this title. [~~Table 56(d)(3): Roof Connection – Fastener type and spacing;~~]

**[Figure: 10 TAC §80.56(d)(3)] - Moved the roof connections table to §80.240(a)(6).**

- (4) See the Roof Connection figure in §80.240(b)(14) of this title. [~~Figure 56(d)(4)~~]

**[Figure: 10 TAC §80.56(d)(4)] - Moved the roof connection figure to §80.240(b)(14).**

- (e) Exterior Roof Close Up (see the figure in §80.240(b)(15) of this title):

- (1) Ensure that shingles are installed to edge of roof decking at peak. Follow nailing instructions on the shingle wrapper. Note: Wind Zone II (high wind) installations require additional fasteners.
- (2) Before installing ridge cap shingles, a minimum 6 inch wide piece of 30 gauge galvanized flashing must be installed the length of the roof.
- (3) When flashing is not continuous, lap individual pieces a minimum of 6 inches.
- (4) Fasten flashing into roof sheathing with minimum 16 gauge staples with 1 inch crown or roofing nails of sufficient length to penetrate roof decking. Maximum fastener spacing is 6 inches on-center each roof section. Place fasteners a minimum of 3/4 inches along edge of flashing.
- (5) Install ridge shingles directly on top of flashing.
- (6) Check remainder of roof for any damaged or loose shingles, remove any shipping plastic or netting, wind deflectors, etc. Make sure to seal any fastener holes with roofing cement.

**[Figure: 10 TAC §80.56(e)(6)] - Moved the exterior roof close up figure to §80.240(b)(15).**

- (f) Exterior Endwall Close Up: Cut closure material to the shape and size required and secure in place, starting from the bottom up, ~~i.e.:~~ bottom starter, vertical or horizontal siding, then roof overhang, soffit and fascia. All closure material should be fitted and sealed as required to protect the structure or interior from the elements.
- (g) HVAC (heat/cooling) Duct Crossover (see the figure in §80.240(b)(16) of this title):
  - (1) Crossover duct must be listed for EXTERIOR use.
  - (2) Duct R-value shall be a minimum of R-4.
  - (3) The duct must be supported 48 inches on-center (maximum) and must not be allowed to touch the ground. Either strapping (minimum 1 inch wide), to hang the duct from the floor, or non-continuous pads to support it off the ground are acceptable.
  - (4) The duct to the collar or plenum connections must be secured with bands or straps designed [approved] for such use. Keep duct as straight as possible to avoid kinks or bends that may restrict the airflow. Extra length must be cut off.

**[Figure: 10 TAC §80.56(g)(4)] - Moved the HVAC crossover figure to §80.240(b)(16).**

(h) Multi-Section Water Crossover Connection (see figure in §80.240(b)(17) of this title ~~[(multi-sections only)]~~):

- (1) If there is water service to other sections, connect the water supply crossover lines as shown in the applicable detail.

**[Figure: 10 TAC §80.56(h)(1)] - Moved the multi-section water crossover connection figure to §80.240(b)(17).**

- (2) If the water crossover connection is not within the insulated floor envelopes, wrap the exposed water lines in insulation and secure with a good pressure sensitive tape or nonabrasive strap, or enclose the exposed portion with an insulated box.
- (3) If water piping at the inlet is exposed, a heat tape should be installed to prevent freezing. A heat tape receptacle has been provided near the water inlet. When purchasing a heat tape, it must be listed for manufactured home use, and it must be installed per manufacturer's instructions.

(i) Drain, Waste and Vent System (DWV):

- (1) Portions of the DWV system which are below the floor may not have been installed, to prevent damage to the piping during transport. Typically, the DWV layout is designed to terminate at a single connection point to connect to the on-site sewer system. For a new home where on-site DWV connections are not assembled per the manufacturer's instructions, the DWV system must be assembled in accordance with Part 3280 of the FMHCSS. See the Drain, Waste and Vent Floor Piping System figure in §80.240(b)(18) of this title.
- (2) The following guidelines apply:
  - (A) All portions of the DWV system shall be installed to provide a minimum of 1/4 inch slope per foot, in the direction of the flow.
  - (B) Changes in direction from vertical to horizontal, and horizontal to horizontal, shall be made using long sweep elbows and/or tees.
  - (C) All drain piping shall be supported at intervals not to exceed 4 feet on-center. The support may be either blocking or strapping. When strapping is used, it should be nonabrasive.
  - (D) Piping must be assembled with the appropriate cleaners, primers and solvents (note: both ABS and PVC systems are common, but require different adhesives). Be sure to follow the instructions of the product used.

- (E) A cleanout must be installed at the upper (most remote) end of the floor piping system (see diagrams in [the Drain, Waste and Vent Floor Piping System figure in §80.240\(b\)\(18\) of this title \[subparagraph \(F\) in this paragraph\]](#)).

~~[(F) — Typical details:]~~

**[Figure: 10 TAC §80.56(i)(2)(F)] - Moved the DWV figure to §80.240(b)(18).**

- (j) Electrical Connections: Depending on the model and/or manufacturer of the home, electrical crossovers may be located in either the front end and/or rear end of the home. Check along mating line for other labeled access panels.
  - (1) Crossover connections may be one of the following:
    - (A) [\[approved\]](#) snap or plug-in type;
    - (B) junction boxes inside floor cavity (note: crossover wiring routed outside the floor cavity must be enclosed in conduit). If the boxes and/or covers are metal, they must be grounded by the use of the ground wire; or
    - (C) pigtail between receptacles/switches between sections (one circuit only).
  - (2) Chassis Bonding: Each chassis shall be bonded to the adjacent chassis with a solid or stranded, green insulated or bare, number 8 copper conductor. The conductor is connected to the steel chassis with a solderless lug. [See the Chassis Bonding figure in §80.240\(b\)\(19\) of this title.](#) *Alternate bonding: A 4 inch wide by 30 gauge continuous metal strap may be used as an alternate, when attached to the chassis members with two #8x 3/4 inch self tapping metal screws each end of the strap.*

**[Figure: 10 TAC §80.56(j)(2)] - Moved the chassis bonding figure to §80.240(b)(19).**

- (3) [See the Electrical Crossover figure in §80.240\(b\)\(20\) of this title for typical crossover details.](#)[:]

**[Figure: 10 TAC §80.56(j)(3)] - Moved the electrical crossover figure to §80.240(b)(20).**

- (4) Shipped loose equipment:
  - (A) Electrical equipment such as ceiling fans, chandeliers, exterior lights, etc., which may have been shipped loose, must be installed in accordance with the adopted National Electric Code (NEC). Connect

all corresponding color coded or otherwise marked conductors per the applicable sections of the NEC.

- (B) Bonding strap removal: 240 volt appliances (range, dryer, etc.) shall have the bonding strap removed between the ground and the neutral conductors. Cords used to connect those appliances shall be four conductor, four prong.
- (5) Electrical testing: At the time of installation, the following tests must be performed:
- (A) All site installed or shipped loose fixtures shall be subjected to a polarity test to determine that the connections have been properly made.
  - (B) All grounding and bonding conductors installed or connected during the home installation shall be tested for continuity, and
  - (C) All electrical lights, equipment, ground fault circuit interrupters and appliances shall be subjected to an operational test to demonstrate that all equipment is connected and functioning properly.
- (6) Main panel box feeder connection: The main panel box is wired with the grounding system separated from the neutral system (4-wire feeder). The grounding bus in the panel must be connected through a properly sized green colored insulated conductor to the service entrance equipment (meter base) located on or adjacent to the home. Refer to the [\[following\] table in §80.240\(a\)\(7\) of this title](#) for proper feeder conductor sizes.

**[Figure: 10 TAC §80.56(j)(6)] - Moved the main panel box feeder conductor sizes table to §80.240(a)(7).**

- (k) Fuel Gas Piping Systems:
- (1) Crossover Connections: All underfloor fuel gas pipe crossover connections shall be accessible and be made with the connectors supplied by the home manufacturer, or, if not available, with flexible connectors listed for exterior use and a listed quick disconnect (Method A), or a shut-off valve (Method B). When shut-off valve is used, it must be installed on the supply side of the gas piping system. The crossover connector must have a capacity rating (BTUH) of at least the total BTUH's of all appliances it serves.
  - (2) Testing: The fuel gas piping system shall be subjected to an air pressure test of no less than 6 ounces and no more than 8 ounces. While the gas piping system is pressurized with air, the appliance and crossover connections shall be tested for leakage with soapy water or bubble solution. This test is required of the person connecting the gas supply to the home, but may also



be performed by the gas utility or supply company. See the Fuel Gas Pipe Crossover Connections figure in §80.240(b)(21) of this title.

[Figure: 10 TAC §80.56(k)(2)] - Moved the fuel gas pipe crossover connections figure to §80.240(b)(21).

NEW §80.57. Generic Standards for Moisture and Ground Vapor Controls.

- (a) If the manufactured home is installed according to the state's generic standards and the space under the home is to be enclosed with skirting and/or other materials provided by the retailer and/or installer, the enclosure must meet the following requirements:
- (1) At least one access opening that does not require the use of tools to gain access shall not be less than 18 inches in any dimension and not less than three square feet in area shall be provided by the installer. The access opening shall be located so that any water supply and sewer drain connections located under the home are accessible for inspections.
  - (2) If a clothes dryer exhaust duct, air conditioning condensation drain, or combustion air inlet is present, the installer must pass it through the skirting to the outside.
  - (3) Crawl space ventilation must be provided at the rate of minimum 1 square foot of net free area, for every 150 square feet of floor area.
  - (4) At least six openings shall be provided, one at each end of the home and two on each side of the home. The openings shall be screened or otherwise covered to prevent entrance of rodents (note: screening will reduce net free area). For example, a 16'x76' single section home has 1216 square feet of floor area. This 1216 square feet divided by 150 equals 8.1 square feet or 1166 square inches of net free area crawl space ventilation.
- (b) The retailer and/or installer must notify the consumer that moisture and ground vapor control measures are required if the space under the home is to be enclosed. Water vapor build-up may cause dampness in the home, damage to siding and bottom board, buckling of walls and floors, delamination of floor decking and problems with the operation of windows and doors. The generic ground vapor control measure shall consist of a ground vapor retarder that is minimum 6 mil polyethylene sheeting or its equivalent, installed so that the area under the home is covered with sheeting and overlapped approximately 12 inches at all joints. Any tear larger than 18 inches long or wide must be taped using a material appropriate for the sheeting used. The laps should be weighted down to prevent movement. Any small tears and/or voids around construction (footings, anchor heads, etc.) are acceptable.

(c) Notice: The Site Preparation Notice form to be given to the consumer is located in §80.260(a)(1) of this title.

NEW §80.58. Generic Standards for Footers and Piers.

(a) Proper sizing of footings depends on the load carrying capacity of both the piers and the soil. To determine the load bearing capacity of the soil, the installer may use any of the following methods:

(1) Pocket penetrometer:

(A) Test a typical area adjacent to or within 10 feet of the perimeter of the unit;

(B) Dig down to undisturbed soil. Each hole should be a minimum of 1 square foot surface area; and

(C) Using the pocket penetrometer take seven (7) readings, eliminate the highest and the lowest and average the remaining five (5).

(2) Soil surveys from the U.S. Department of Agriculture;

(3) Values from tables of allowable or presumptive bearing capacities given in local building codes. Such tables are commonly available from the local authority having jurisdiction; or

(4) Any other test data from soil analysis reports.

(b) The footing must be placed on firm, undisturbed soil, or fill compacted to at least 90% of its maximum relative density. Installation on loose, noncompacted fill may invalidate the home's limited warranty.

(c) See the Footer Configurations figure in §80.240(b)(22) of this title.

(d) Footer sizing and capacities: The Footer Capacities table in §80.240(a)(8) of this title represent maximum loads and spacings based on footer size and soil bearing capacity. Other footers may be used if equal or greater in bearing area than those footer sizes tabulated.

(e) Piers and pier spacings: Spacing and location of piers shall be in accordance with the tables listed in §80.240(a)(9) and (10) of this title.

(1) Spacing shall be as even as practicable avoiding obstacles that are not in control of the installer along each main I-Beam. Pier spacing may exceed tabulated values up to 30% so long as the total pier count remains the same. End piers are to be located within 24 inches of the end of the main frame.

- (2) Piers shall extend at least 6 inches from the centerline of the I-Beam or be designed to prevent dislodgment due to horizontal movement of less than 4 inches.
- (3) Load bearing supports or devices shall be registered with the department in accordance with §80.62 of this title (relating to Registration of Stabilizing Components and Systems).
- (4) Sidewall openings greater than 4 feet shall have perimeter piers located under each side of the opening, i.e. patio doors, recessed porches/entries, bay windows and porch posts. Perimeter piers for openings are not required for endwalls.
- (f) Pier design: Piers shall be constructed per the details in the Pier Design figure in §80.240(b)(23) of this title.

  - (1) Shimming (if needed): Shims are commonly used as a means for leveling the home and filling any voids left between the bottom flange of the I-Beam and the top of the pier cap. Wedge shaped shims must be installed from both sides of the I-Beam to provide a level bearing surface. The allowable height must not exceed 1 inch. Shims shall be a minimum of 3 inches wide and 6 inches long.
  - (2) See the table in §80.240(a)(9) of this title for the pier loads (pounds) at tabulated spacings WITHOUT perimeter supports.
  - (3) See the table in §80.240(a)(10) of this title for pier loads (pounds) at tabulated spacings WITH perimeter supports and the Perimeter Pier Front and Side View figure in §80.240(b)(24) of this title.
- (g) See the Typical Multi-Section Pier Layout figure in §80.240(b)(25) of this title.
- (h) See the Typical Single Section Pier Layout figure in §80.240(b)(26) of this title.
- (i) Multi-section units mating line column supports:

  - (1) On multi-section units, openings larger than 4 feet must have piers installed at each end of the opening. To determine the pier loads, refer to the table in §80.240(a)(11) of this title. See the Determining Column Load and Marriage Line Elevation figure in §80.240(b)(27) of this title.
  - (2) Column loads for each section may be combined when the columns are opposite each other. The footer must be sized for the combined loading.
  - (3) Additional piers are required under marriage walls (see wall between column #3 and #4 in the Marriage Line Elevation figure in

§80.240(b)(27) of this title. The maximum spacing is the same as the spacing at the main I-Beams, without perimeter piers, and one half the spacing of the perimeter piers, with perimeter piers installed.

(4) See the table in §80.240(a)(11) of this title for the mating line column loads.

**§80.62. Registration [Approval] of Stabilizing Components and Systems.**

(a) Installers shall use only prefabricated or site built stabilizing components and systems which are:

(1) registered with the department,

(2) specified by the home manufacturer's DAPIA approved installation instructions, or

(3) specified for one or more homes in a particular area by a Texas licensed engineer or architect.

~~(b)(a) Installers shall use only prefabricated or site built stabilizing components and systems approved by the department, specified by the home manufacturer's DAPIA approved installation instructions, or specified for one or more homes in a particular area by a Texas licensed engineer or architect.~~ Before accepting a registration of [granting approval for] any prefabricated stabilizing component or system that will be used for more than one home or granting renewal of such, the department will require the component or system to be certified by an engineer, architect, or independent testing laboratory. The engineer or architect may be licensed in any state. The independent testing laboratory must have at least one engineer or architect licensed in at least one state. The producer or vendor of the component or system [seeking department approval] must send a request letter to the department with at least two copies of the certification report. The department may accept certification reports in electronic formats. The certification report copies must have letter size (8.5 inch by 11 inch) or smaller pages. The [In the request letter, the] producer or vendor must provide written permission to [grant] the department [the right] to reproduce the certification report. If the department accepts the registration of [approves] the certification report, the department shall place a registration stamp [of approval] on the copies, keep one copy, and return all other stamped copies to the producer or vendor. The registration stamp [of approval] will include [have] the following information:

(1) the title "Texas Department of Housing and Community Affairs"  
Manufactured Housing Division;

(2) the phrase "Registered [Approved] stabilizing component or system"; and

(3) the date of registration [approval].

(c)(b) The department will maintain a list of stabilizing components and systems that have been registered with [approved-by] the department for use in Texas and will post a current copy of the list on the department's website.

(d)(e) A report that certifies a stabilizing component or system shall contain, at the minimum, the following:

- (1) the name, address, phone number, facsimile number, and trademark of the agency issuing the certification report or the name, signature, license number, state where licensed, address, phone number, facsimile number, and seal of the engineer or architect;
- (2) date of certification report;
- (3) the name, address, phone number, and facsimile number of the vendor or producer of the component or system;
- (4) drawing or photograph of component or system;
- (5) a description of the vendor's or producer's method for identifying the component or system;
- (6) at least a 2 inch by 4 inch blank space for the department registration [approval] stamp on each page or the cover page of a bound document;
- (7) a unique number or other identification for the certification report;
- (8) the initial qualifying test report or information about how the report can be obtained;
- (9) a description of the continuing validation system and the time period of the certification;
- (10) installation instructions for the component or system that are shipped to each consumer [purchaser];
- (11) a description of the working load capacity for the component or system. If the component is a ground anchor, the anchor shall be certified by a professional engineer, architect or nationally recognized testing laboratory as to its resistance, based on the maximum angle of diagonal tie and/or vertical tie loading and angle of anchor installation, and type of soil in which the anchor is to be installed;

- (12) a description of all allowable conditions for use of the component or system such as (but not limited to) types of soil, weather exposure, atmospheric environment (rural, industrial, coastal), and characteristics of other associated components; and
- (13) a statement that the certifying independent testing laboratory, certifying engineer, or certifying architect certifies the component or system to be in conformance with all applicable standards ~~[a specific standard]~~ adopted by the department. This statement shall be on each page or shall be on the cover sheet of a bound document.

(e)~~(d)~~ The department adopts the applicable standards and publications set forth in Chapter 43 of the International Code Council, latest edition of the [2000] International Residential Code for materials used to fabricate stabilizing components and systems. The department adopts the stabilizing component destruction test failure criteria of the FMHCSS (24 CFR, Part 3280) or latest edition of [and] the [2000] International Residential Code, Appendix E.

(f)~~(e)~~ Applicable reports of the following organizations are acceptable as certification reports: National Evaluation Service, Inc.; International Conference of Building Officials (ICBO) Evaluation Service, Inc.; Southern Building Code Congress International (SBCCI) Public Safety Testing and Evaluation Services, Inc.; Building Officials and Code Administrators International (BOCA) Evaluation Reports, Inc.; the International Code Council (ICC); or a successor of any of these organizations.

(g)~~(f)~~ The department may deny registration ~~[withhold approval]~~ if the certification information:

- (1) is incomplete;
- (2) does not conform to the rules of the department;
- (3) contradicts the qualifying tests; or
- (4) has contradictory statements.

(h)~~(g)~~ Conditions that may cause the executive director to issue an administrative order that withdraws registration ~~[approval (or a renewal of approval)]~~ from a stabilizing component or system may include but are not limited to:

- (1) the engineer, architect, or independent testing laboratory withdraws the certification;
- (2) the engineer, architect, or independent testing laboratory improperly certified the component or system;

- (3) a significant characteristic of a device or system has been changed without a revision of the original certification;
- (4) the producer distributes installation instructions that are substantively different from those in the certification or original qualifying tests;
- (5) changes in the law, rules, or standards;
- (6) the continuing validation system for a component has been changed without a revision of the original certification;
- (7) information provided by the original certification is obsolete;
- (8) the department receives evidence that the component or system often fails to anchor or support the home, or [and]
- (9) the producer fails to provide test results after the department directs the producer to test the component or system. The test will be performed by a recognized independent testing laboratory under the observation of a qualified representative or designee of the department.

(i)(h) Notice of withdrawal of registration [approval] of a component or system must be given to the producer and to all licensed installers, retailers, and manufacturers [all license holders].

(j)(i) The department's registration of a [approval letters for] stabilizing component or system is [components and systems are] valid for a period of ten (10) years or for the time period of certification, whichever is less. The registration [approval letter] expires at the end of the shorter period.

- (1) If the time period for certification exceeds the ten (10) year registration [approval] period, the producer of the stabilizing component or system [components and systems] may apply for a renewal of the registration [approval letter]. The renewal shall be valid for an additional period:
  - (A) of ten (10) years; or
  - (B) if the time period of certification expires prior to the end of the ten (10) year period, for a lesser period ending with the expiration of the time period of certification.
- (2) All department approval letters issued prior to November 3, 1998, [the effective date of this section] remain valid for a period of ten (10) years [and expire ten (10) years] following the original effective date of this section and expire on November 3, 2008, or upon any previously assigned expiration date if that date is earlier.

~~(k)(j)~~ A registration renewal request must be received from the~~[The]~~ vendor or producer of the component or system ~~[must apply for a renewal letter]~~ at least ninety (90) calendar days prior to the date the certification or registration~~[approval letter]~~ expires. The request must ~~[and]~~ supply the information necessary for the department to issue a registration renewal ~~[letter]~~. ~~[The department may issue a temporary renewal letter for a period of not more than six (6) months in order to have time to review all the information submitted by a producer or vendor. The contents of a renewal letter issued by the department are as follows:]~~

~~[(1) conditions of the renewal with a description of the department approval stamp that will appear on the document shipped by the producer or vendor to purchasers;]~~

~~[(2) a unique number or other identification for the renewal letter;]~~

~~[(3) the name, address, phone and facsimile number of the producer or vendor of the device or system;]~~

~~[(4) a description of the continuing validation system and the time period of the renewal;]~~

~~[(5) a reference to the document (single sheet or bound document) attached to the renewal letter which is shipped to each purchaser by the producer or vendor which includes:]~~

~~[(A) the name, address, phone and facsimile number of the vendor of the component or system;]~~

~~[(B) a description of the vendor's method of marking the component or system;]~~

~~[(C) drawing or photograph of component or system with a reference to the detailed drawing stamped by an engineer or architect;]~~

~~[(D) installation instructions;]~~

~~[(E) reference to the initial qualifying test report;]~~

~~[(F) reference to a previous Texas approval letter;]~~

~~[(G) at least a 2 inch by 4 inch blank space for the department approval stamp on each page or a cover page for a bound document;]~~

~~[(H) description of method for identifying the soil for ground anchors and footings;]~~



~~[(I) a description of the working load capacity for the component or system;]~~

~~[(J) if the component is a ground anchor, a certification by a professional engineer, architect, or nationally recognized testing laboratory as to its resistance, based on the maximum angle of diagonal tie and/or vertical tie loading and angle of anchor installation, and type of soil in which the anchor is to be installed; and]~~

~~[(K) a description of all allowable conditions for use of the component or system such as (but not limited to) types of soil, weather exposure, atmospheric environment (rural, industrial, coastal), and characteristics of other associated devices.]~~

~~[(l)(k)] Registered [Approved] components and systems sold to retailers or installers prior to the expiration of the applicable registration [approval letter] or renewal [letter] may be used and installed for a period of not more than ninety (90) calendar days following the date of expiration of their [the] approval, registration, or renewal [letter].~~

~~[(l)] In December of each year, the department shall mail to all licensed installers, retailers, and manufacturers a list of all approved components and systems and the date on which the approval letter for each component or system expires.]~~

~~(m) Advertisements and instructions may not express or imply that the component or system has department approval.~~

**REPEAL** [~~§80.63. Other Materials and Methods for Manufactured Homes.~~]

~~[(a) Unique stabilizing systems to be used on more than one home, designed for a particular area with similar soil properties according to county soil survey maps, must be approved by an engineer or architect, licensed in Texas, or the home manufacturer's DAPIA.]~~

~~[(b) Stabilizing components or systems which are unique for one identified home at one identified location shall be designed by an engineer or architect, licensed in Texas, and the design documents shall be filed with the installation report. No department approval letter is required.]~~

~~[(c) All stabilizing components must be resistant to all effects of weathering including that encountered along the Texas gulf coast. Nonconcrete stabilizing components and systems for use within 1500 feet of the coastline shall be specifically certified for this use. Preservation treated (PT) wood components shall conform to the applicable standards issued by the American Wood~~

~~Preserver's Association and referenced by the 2000 International Residential Code.]~~

- ~~[(d) All stabilizing components shall be installed in accordance with the provisions of this chapter and to resist overturning and lateral movement of the home.]~~
- ~~[(e) The following types of stabilizing systems are special stabilizing systems, not associated with a particular location, and shall meet the requirements of subsection (f) of this section:]~~
  - ~~[(1) a preapproved permanent foundation system;]~~
  - ~~[(2) a stabilizing system with piers over 60 inches high (measured from top of footing to top of the last concrete block) which have diagonal tie angles over 50 degrees;]~~
  - ~~[(3) a stabilizing system designed to resist damage due to flooding;]~~
  - ~~[(4) a stabilizing system for manufactured homes located within 1500 feet of the coastline, unless approved by the manufacturer's DAPIA; and]~~
  - ~~[(5) a site built stabilizing component or system with materials and methods in accordance with the applicable standards and publications set forth in Chapter 43 of the 2000 International Residential Code.]~~
- ~~[(f) This subsection refers only to special systems as listed in subsection (e) of this section. A Texas licensed engineer or architect must design a special stabilizing system. If a special stabilizing component, device, or system is not designed for a particular area with similar soil properties according to county soil survey maps, the department must also approve the stabilization system drawing, photographs, calculations, test reports, and specifications before any home is installed on the special stabilizing system. The department will issue a letter that references the submitted documents and describes any conditions of approval. An approval letter will have an expiration date. The department may renew an approval letter for a special stabilizing system if the owner of the documents describing the special stabilizing system notifies the department and requests another review. The department will review to determine if the special stabilizing system still conforms to present standards. DAPIA approved stabilizing system designs with appropriate effective dates for specified makes and models of homes shall not require an approval letter from the department. The installer shall send the department a copy of the DAPIA approved stabilizing system design before the home is installed. The prefabricated components and stabilizing systems specified by the DAPIA approved stabilizing system shall be installed in accordance with the applicable conditions and instructions for the components and systems.]~~

§80.64. *Procedures for Alterations.*

- (a) No alteration, as defined in Chapter 1201 of the Occupations Code, shall be made ~~[by a retailer or installer]~~ without prior written approval of the department. A written request for any alteration approval shall be filed with the department, except for the alterations which are pre-approved as described in this section. Approval will be granted upon evidence that Federal standards are met. If the alteration is approved, the alteration shall be completed in accordance with the department's approval and any requirements made as a condition of the approval. Following completion of an approved alteration, the retailer shall notify the department in writing, and the department may accept the certification of the retailer that the alteration was made as approved. The department may inspect the home, as altered, to assure compliance with the applicable standards.

~~[(1) If the alteration is not approved, the department will notify the retailer in writing of the reason for the denial. If additional information is necessary to complete the evaluation of the request for approval, the retailer shall furnish any additional information deemed necessary by the department.]~~

~~[(2) If the alteration is approved, the alteration shall be completed in accordance with the department's approval and any requirements made as a condition of the approval. Following completion of an approved alteration, the retailer shall notify the department in writing, and the department may accept the certification of the retailer that the alteration was made as approved. The department may inspect the home, as altered, to assure compliance with the applicable standards.]~~

- (b) The installation of self-contained or split system ("A" coil) comfort cooling equipment and devices shall not be considered an alteration, if the installation is performed by a person holding the appropriate license in accordance with ~~[the]~~ specific written instructions, including specified tonnage, provided by one of the following: ~~[of the manufacturer of the home as approved by the manufacturer's DAPIA, and if the specific equipment and devices used have been expressly approved by the manufacturer's DAPIA.]~~

(1) the manufacturer of the home, as approved by the manufacturer's DAPIA;

(2) a licensed professional engineer; or

(3) a licensed air conditioning contractor.

~~[(c) Other than as set forth in subsection (b) of this section, the installation of self-contained or split system ("A" coil) comfort cooling equipment and devices is~~

~~an alteration and is pre-approved if done by a state licensed air conditioning contractor.]~~

~~(c)(4)~~ If the sale of a home includes air conditioning, the selling retailer shall maintain in the sales file a record of the name and license number of the air conditioning contractor which installed the air conditioning system.

**§80.66. Rebuilding or Repairing a "Salvaged" Manufactured Home.**

- (a) Any home which has sustained sufficient damage to be declared salvage as defined in §1201.461 of the Standards Act, may be rebuilt/repared for purposes of issuance of a manufactured Statement of Ownership and Location ~~[home document of title]~~ at the option of the department after inspection in accordance with department procedures. Notification in writing to the department at its Austin headquarter's office shall be required before rebuilding/repair begins.
- (b) The rebuilder must:
  - (1) notify the department in writing ten (10) business ~~[working]~~ days before rebuilding (or monthly for continuous activity) and provide the following, if available:
    - (A) HUD or Texas Seal number;
    - (B) data plate and comfort cooling certificate information (applicable wind and roof load zones, manufacturer's name and address, home model, list of appliance models, home production date, thermal zones, transmission coefficients, furnace certification temperatures, and duct capacity for cooling);
    - (C) copy of salvage declaration report if salvaged by an insurance company;
    - (D) description of damage;
    - (E) description of cause of damage (water, wind, impact, fire, etc.); and
    - (F) location of home during rebuilding.
  - (2) provide a plan for rebuilding, sealed by a licensed professional engineer, that contains the following:
    - (A) drawings and specifications that describe the rebuilding;
    - (B) if more than one home is rebuilt in any one (1) month period, then a quality assurance manual that describes the following:

- (i) system testing;
  - (ii) inspection process of cavities before concealment; and
  - (iii) record keeping.
- (C) list of new parts and appliances;
  - (D) list of reused or salvaged parts and appliances; and
  - (E) rebuilder's data plate (if applicable).
- (3) notify the department when concealed cavities will be exposed for department inspectors;
  - (4) remove damaged material and equipment;
  - (5) add new or used materials and equipment;
  - (6) repair all defects; and
  - (7) repair and test all systems.
- (c) The department may schedule inspections of the home during the rebuilding process.

~~[(d) Any person who purchased a rebuilt manufactured home and received a salvage title as evidence of ownership after June 18, 1987, may be issued a document of title upon application to the department.]~~

[(d)]~~[(e)]~~ A manufactured home which has not sustained sufficient damage to be declared salvage may be refurbished to its original structural configuration so that it is habitable as defined by §1201.453 of the Standards Act.

### **SUBCHAPTER E. GENERAL REQUIREMENTS**

#### ***§80.119. Installation Responsibilities.***

- (a) For new manufactured homes, the retailer is the installer and must warrant the proper installation of the home. If the retailer subcontracts with an independent licensed installer, then the subcontractor is jointly and severally liable for the portion of the installation that the subcontractor performed.
- (b) For used manufactured homes, the person contracting with the consumer for the installation of the home is the installer and must warrant the proper installation of the home. If the contracting installer subcontracts with an independent licensed installer, then the subcontractor is jointly and severally liable for the portion of the installation that the subcontractor performed. The contracting installer is responsible

to furnish the consumer with the installation warranty and site preparation notice. All verification and copies of the installation warranty and site preparation notice must be maintained in the installer's installation file for a period of no fewer than six (6) years from the date of installation. The required warranty must be in writing and for a period of not less than two (2) years from the date that installation is complete.

- (1) A [The] person contracting directly with the consumer for only the transportation of the used home to a manufactured home site is not the [an] installer if the person does not perform or contract to perform any installation functions. In this case, the installer is the person that performs any aspect of [contracts for the construction of the foundation systems, whether temporary or permanent, and] the placement and erection of the used home and its components on the stabilization [foundation] system, whether temporary or permanent.
  - (2) The selling retailer may sell a used home and deliver possession to the consumer at the sales location (*e.g.*[~~e.g.~~], F.O.B. the sales location). In this case, the retailer shall not perform any installation functions nor transport the home to the home site.
- (c) The installer is fully responsible for the complete installation in accordance with all applicable requirements set forth in this chapter even though the installer may subcontract certain installation functions to independent contractors pursuant to §1201.102(b) of the Standards Act. It is unlawful for a subcontractor who is acting as an agent for a licensed installer to advertise and/or offer installation services to any person unless the licensed installer's name appears prominently in the advertisement. For homes manufactured on or after September 1, 1997, a manufactured housing license holder shall not contract for sale or installation of any home installed in a wind zone, thermal zone, or roof load zone other than that allowed on the data plate.
- (d) For each installation completed, the installer must complete a Notice of Installation (Form T) and submit the original, signed form with the required fee to the department no later than the 15<sup>th</sup> day of the month after which the installation is completed. If an installer submits multiple installation reports at one time, a single payment for the combined fees may be submitted. For a month in which a licensed installer does not complete any installations, the installer must submit a written statement of that fact to the department no later than the 15<sup>th</sup> day of the following month. [The sale of a new or used home by a retailer which includes an agreement to deliver the home and install the home at the home site is not completed until possession of the home is tendered to the consumer at the home site.]
- (e) The completed Notice of Installation (Form T) may not be combine with the application for Statement of Ownership and Location. If a party to the

transaction requires a copy of the Notice of Installation, the word “COPY” must be conspicuously stamped, typed, or written on it.

~~(f)(e)~~ Electrical, fuel, mechanical, and plumbing system crossover connections for multi-section homes, and completion [completions] of drain lines underneath all homes in accordance with the requirements of this chapter [DAPIA approved on-site assembly drawings] are installer responsibilities and cannot be excluded by wording of the installation contract. The installation of air conditioning at the home site must be performed by a licensed air conditioning contractor. The installation and ventilation of skirting or other material that encloses the crawl space underneath a manufactured home is an installer responsibility, if it is part of the sales or installation contract.

~~[(f) For all secondary moves (where there is no title transfer) the Notice of Installation and the required fee must be submitted to the department within ten (10) working days after the installation is completed.]~~

~~[(g) When the installer selects the department to inspect the permanent foundation before concealment, the installer shall file an application to install a manufactured home on a permanent foundation on a form approved by the department. The required fee for the permanent foundation installation report shall be forwarded with the application. After the department inspects the permanent foundation and indicates acceptance of the permanent foundation on the form, the title company, attorney, retailer, or retailer's agent later files the Notice of Installation, including a copy of the form, with the public land records of the county and forwards a copy to the department. The reporting fee does not have to be paid to the department again.]~~

~~[(1) Unless the retailer/installer follows the home installation manual or a department pre-approved foundation systems, a copy of the foundation system drawing as stamped and signed by the licensed engineer or architect must be filed with the application.]~~

~~[(2) The application must be received by the department at least ten (10) calendar days prior to the date on which construction of the permanent foundation system is scheduled to begin.]~~

~~[(3) Installers shall provide a copy of the application and the foundation system drawing to the department inspector at the time an inspection is performed.]~~

~~[(4) If the permanent foundation system design is approved by the authorized local government official and if the applicable building inspection fees are paid to the local government, the provisions of this section do not apply. The installer must, however, file a sworn statement of these facts with the Notice of Installation.]~~

- ~~[(5) If the permanent foundation for a home acquired and installed before January 1, 2002 is certified by the consumer/mortgagor and the lender/mortgagee in a real estate transaction, or is certified by the owner if there is no lien or the lien has been released, as having permanently affixed the structure to the real estate, the provisions of this section do not apply. The installation reporting fee must be paid and sent to the department along with the certification.]~~
- ~~[(6) When specifically requested in writing by the department with a Department Real Estate Inspection Request Form, a contracting local government shall make and perform inspection and enforcement activities related to the construction of the foundation that permanently affixes a manufactured home to real estate. If the permanent foundation system and other site improvements are inspected and accepted by a contracting local government official before concealment, the local government records may be the verification required by §1201.222(c) of the Standards Act. The retailer/installer must file a Notice of Installation, including a copy of the local government inspection report, with the public land records of the county and forward a copy of the Notice of Installation to the department with the reporting fee.]~~
- ~~[(7) If the site suitability, site preparation, site improvement, foundation construction, and installation for a home acquired on or after January 1, 2002 are verified by a retailer or installer, the provisions of this section do not apply, but the title company, attorney, retailer, or retailer's agent must file a Notice of Installation with the public land records of the county and forward a copy of the Notice of Installation to the department with the reporting fee.]~~

**§80.120. Manufacturer's Responsibilities.**

Manufacturers licensed with the department shall:

- (1) Submit a monthly shipment report to the department of all manufactured homes produced during the preceding month for shipment to any point in Texas. [Submit the reports required by §80.203 of this title (relating to Manufacturer's Monthly Shipment Report);]
- (A) The report shall contain the following information:
- (i) the complete HUD label number(s);
- (ii) the complete serial number(s);
- (iii) the license number of the retailer as assigned by the department;



(iv) a designation as to single or multiple sections; and

(v) the name and address of the consumer, consignee, or person to whom it was shipped.

(B) The manufacturer's monthly shipment report shall be filed with the department by the 15th day of the month following the manufacture of the home and/or shipment.

(C) If a manufacturer has no sales, consignments, or shipments to any person or place during any month, the report must be filed stating such fact.

- (2) Use the Manufacturer's Certificate of Origin (MCO) prescribed by the department located in §80.260(a)(17) of this title for homes shipped to retailers in Texas; and
- (3) Supply to the department current and revised copies of approved installation manuals as required by §80.53 ~~§80.51~~ of this title (relating to ~~[Manufactured Home Installation]~~ Requirements for Manufacturer's Designs and Installation Instructions).

**§80.121. Retailer's Responsibilities.**

- (a) Manufactured housing retailers shall retain as part of each sales record and make available for copying and review by department personnel, upon request during normal business hours, the following information:
  - (1) For all manufactured homes as applicable:
    - (A) name and address of the consumer ~~{purchaser}~~ and the date of purchase;
    - (B) verification that the consumer ~~{purchaser}~~ received the Formaldehyde Health Notice required by §1201.153 of the Standards Act;
    - (C) verification that the consumer ~~{purchaser}~~ was advised of the Wind Zone, thermal zone, and roof load zone for which the home was constructed. If this information is not available for a used home, the consumer ~~{purchaser}~~ will be advised of this fact and the used home will be disclosed as being constructed to Wind Zone I, thermal zone 1, and the roof load design for the South;
    - (D) verification that the consumer ~~{purchaser}~~ received the Wind Zone notice as required by §1201.256 of the Standards Act ~~§80.50 of this title (relating to Wind Zone Regulations)~~;

- (E) verification that the consumer ~~{purchaser}~~ received the site preparation notice;
- (F) verification that the consumer ~~{purchaser}~~ received written notice of the two (2) year limitation of notice for filing a claim with the department;
- (G) verification that the Disclosure required in subsection (e) of this section [by §80.181 of this title (relating to Section 162 Notice)] was provided to the consumer ~~{purchaser}~~ prior to completing a credit application;
- (H) verification that the disclosure required in subsection (f) of this section [by §80.182 (relating to 163 Disclosure)] be delivered to the consumer at least 24 hours before execution of the contract in a chattel mortgage or consumer loan transaction;
- (I) copies of the Notice of Installation (Form T) and attached documents;
- (J) if the sale of a home includes air conditioning, the name and license number of the air conditioning contractor which installed the air conditioning system in accordance with §80.64(c)[§80.64(d)] of this title (relating to Procedures for Alterations); ~~{and}~~
- (K) complete records of all alterations, in accordance with 24 CFR §3282.254.
- (L) copies of the completed application for Statement of Ownership and Location and all supporting documentation. A contract to convey title after completion of an extended payout, as opposed to a financed extended payout secured by a lien on the manufactured home, does not constitute a conveyance of good and marketable title. An extended payout is any repayment involving more than one installment or any finance charge; and
- (M) copies of the purchase contract identifying the retailer's bond for homes sold at a qualifying location.

- (2) For all new manufactured homes:
- (A) verification that a copy or the general description of the manufacturer's new home warranty and installation warranty were given to the consumer prior to the retailer's signing of any binding retail installment sales contract or other mutually binding agreement.
  - (B) verification that the manufacturer's new home warranty, consumer's manual, and retailer's installation warranty were delivered to the consumer [purchaser] pursuant to §1201.352(c) of the Standards Act (does not apply to damage caused by a move);
  - (C) verification of the date that the manufactured home information card was mailed to the manufacturer; and
  - ~~[(D) verification of delivery of conspicuous notice relating to defect or damage under the new home warranty as required by §1201.359(b) of the Standards Act.]~~
- (3) For used manufactured homes:
- (A) verification that the consumer [purchaser] received the written 60-day habitability warranty; and
  - (B) if the retailer contracted for the installation as a part of the sales agreement, verification that a copy or the general description of the retailer's installation warranty was [were] given to the consumer prior to signing of any binding retail installment sales contract or other mutually binding agreement, ~~[, if the retailer contracted for the installation as a part of the sales agreement; and]~~
  - (C) On the sale of a used home, the retailer or broker must provide the consumer with a disclosure advising the consumer either that they will be responsible for the installation (which will have a written warranty) or, if they will not be installing the home, a statement that they will not be installing the home and therefore will not be providing any warranty as to installation. The disclosure statement is located in §80.260(a)(11) of this title. [verification that the purchaser received the retailer's installation warranty if the retailer contracted for the installation as a part of the sales agreement.]
- (b) All verifications and copies of notices required by this chapter must be maintained in the retailer's sales file, and the sales file must be maintained for a period of not less than six (6) years from the date of sale. If a retailer has more than one sales location and wishes to maintain all of its records at a central location, it may do so provided that the retailer notifies the department more than sixty (60) calendar days in

advance that its records are being maintained at a central location in Texas by providing the address of such location. Absent such notice the records of a particular home must be maintained at the address where the home is in inventory and from which it was sold. If the retailer wishes to discontinue the centralization of its records or to change the address where its records are kept, the retailer must notify the department more than sixty (60) calendar days in advance of the change of the location and the address and effective date of the new location.

(c) For ~~[new homes or used]~~ homes manufactured on or after September 1, 1997, a manufactured housing license holder shall not contract for sale ~~[or installation]~~ of any home ~~[under which the home would be]~~ installed in a wind zone, thermal zone, or roof load zone other than that allowed on the data plate.

(d) In a joint purchase, one consumer's signature is sufficient on the disclosure statement as long as the consumer is on the sales documents.

(e) Section 162 Notice. Before accepting a completed credit application from a consumer, a retailer (or any salesperson or other agent acting on behalf of a retailer) shall provide the disclosure form in §80.260(a)(2) or (b)(1) of this title.

(1) The English version of Section 162 Notice form is located in §80.260(a)(2) of this title.

(2) The Spanish version of Section 162 Notice form is located in §80.260(b)(1) of this title. The retailer is not required to provide the form in Spanish; however, the consumer may request a copy in Spanish from the retailer or from the department.

(f) 163 Disclosure. In a chattel mortgage or consumer loan transaction in which the retailer is participating in anyway, the retailer shall deliver to the consumer, before the first credit application, the disclosure form and a copy of the contract to be executed with all information included, signed by the retailer.

(1) The disclosure form is located in §80.260(a)(3) of this title.

(2) The disclosure must be given in writing in at least 12 point type. It may not be attached to any other disclosure or document. The consumer must sign and date a copy of the disclosure to acknowledge that it was provided.

(g) If a retailer is also acting as a creditor or an arranger of credit and will receive compensation for such services, this must be disclosed to the consumer in writing.

(h) If a retailer is acting as a creditor or arranger of credit, the retailer may not require that a consumer obtain financing from or through them.

- (i) If a retailer makes any material representation about a manufactured home that goes beyond the terms of written warranties to be provided, the retailer must confirm such representations in writing.
- (j) If a retailer relies on a third party, such as a title company or closing attorney, to file with the department the required forms necessary to enable the department to issue a Statement of Ownership and Location to a consumer, the retailer must provide an instruction letter to that third party, advising them of their responsibilities to make such filings and the required timeframes therefore. The retailer must retain with their sale records a copy of that instruction letter and all documentation provided to such third party to enable them to make such filings.
- (k) If a retailer, acting as a broker, negotiates the sale of a manufactured home that is not reflected on the records of the department as being in the name of the seller, the retailer must disclose, in writing, the identity of the actual owner to any consumer of such a home.
- (l) If any goods or services being provided by a retailer in connection with the sale and/or installation of a manufactured home are to be provided at a date after the installation, the retailer must disclose, in writing, the goods and/or services to be provided and a good faith estimate as to when they will be provided.
- (m) If any goods with a retail value of more than \$250 are to be provided in connection with the sale of a manufactured home and they are not specified on the data plate for the home, the retailer must describe them in the retail installment contract, purchase memorandum, or other sale document in sufficient detail to enable a third party to provide them under the responsibility of the retailer's surety bond should the retailer fail to provide them as agreed.
- (n) A retailer accepting a deposit or down payment must give the consumer a written statement setting forth:

  - (1) The amount of such deposit or down payment;
  - (2) A statement whether the deposit or down payment is refundable or not and, if it is refundable, in whole or in part, a statement of any requirements to obtain or limitations on any such refund;
  - (3) The name and business address of the person receiving such down payment or deposit; and
  - (4) The HUD label number(s), Texas seal number(s), serial number(s) or, for a new home that is being special ordered, detailed description of the manufactured home to which such down payment or deposit relates.

- (o) Prior to requiring a consumer to accept delivery of a manufactured home, the retailer must give them an opportunity to inspect the home to make sure that it conforms to their contract, but this in no way affects the operation of any warranty required by law or granted contractually or affects or abridges any rights or obligations of either of the parties to the transaction.
- (p) Actions a retailer may not take:
- (1) A retailer may not represent to a consumer that is purchasing a manufactured home with interim financing that the consumer will qualify for permanent financing if the retailer has any reason to believe that the consumer will not qualify for such permanent financing.
  - (2) A retailer may not increase the advertised price at which a manufactured home is to be sold based on the consumer's decision to make the purchase with or without financing provided by or arranged through the retailer.
  - (3) A retailer may not request or accept any document that is executed in blank or allow any alteration to a completed document without the consumer's initialing and dating such changes to indicate agreement to them.
  - (4) A retailer may not knowingly accept or issue any check or other form of payment appearing on its face to be a *bona fide* payment but known not to represent good funds.
  - (5) A retailer may not negotiate or offer a deposit refund of less than is required by the Act. However, a retailer may, by written agreement with the consumer retain the amount of the deposit used to pay legitimate third party costs actually incurred, such as credit report fees or courier fees.
- (q) In order to comply with the requirements of §1201.107(d)(1) and (2) of the Standards Act, the applicable sales agreement must identify the surety bond that applies to the transaction and contain the following statement: "The above-described surety bond applies to this transaction in the following manner: The bond is issued to the Texas Manufactured Homeowners' Recovery Trust Fund (the "Fund"), a fund described in the Texas Manufactured Housing Standards Act (Tex. Occ. Code, Chapter 1201) and administered by the Executive Director of the Texas Department of Housing and Community Affairs, Manufactured Housing Division, as trustee of the Fund. If the Fund makes a payment to a consumer, the Fund will seek to recover under the surety bond. The obligation of the Fund to compensate a consumer for damages subject to reimbursement by the Fund is independent of the Fund's right or ability to recover from the above-described surety bond, but recoveries on surety bonds are an important part of the Fund's ability to maintain sufficient assets to compensate

consumers. There can be no assurance that the Fund will have sufficient assets to compensate a consumer for a covered claim. Assuming it has sufficient assets to compensate a consumer for a covered claim, the liability of the Fund is limited to actual damages, not to exceed \$35,000, and attorneys' fees, not to exceed 20% of the actual damages.'

**§80.122. Security Requirements.**

- (a) For purposes of meeting the security requirements of §1201.105 of the Standards Act, "other security" means an assignment of a certificate of deposit from or on a state or federally chartered bank or savings and loan association, properly signed and filed with the department. If other security is posted, the other security must be maintained in or by a banking institution located in this state. Such deposits are hereinafter referred to as security. Forms shall be furnished by the department for filing an assignment of such security. If such security is reduced by a claim, the license holder shall, within twenty (20) calendar days, make up the deficit as required by §1201.109(c) of the Standards Act. No advance notice is required by the department to the license holder, but the department shall verify receipt of the deposit.
- (b) An assignment of such security filed with the department for compliance with §1201.105 of the Standards Act, shall remain on file with the department for two (2) years after the person ceases doing business as a manufacturer, retailer, broker, rebuilder, or installer, or until such later time as the director may determine that no claims exist against the security. A bond or certificate of deposit may be filed in lieu of or to replace the assigned security. In the event a bond is filed to replace the assigned security and the initial effective date of the bond is the same or prior to the date of the assignment of security, such security or deposit may be immediately withdrawn upon request.
- (c) If the security requirement of a license holder is canceled during the annual license period, the license shall be automatically canceled on the date security coverage ceases.
- (d) To be exempt from the additional security as required by §1201.106(b) of the Standards Act, a manufacturer who does not have a manufacturing plant in this state must have a bona fide ~~[bona fide]~~ service facility.
  - (1) The manufacturer shall provide the department with the name, address and phone number of the service facility, conspicuous notice of which shall be provided to each Texas retailer who purchases homes from the manufacturer.
  - (2) The service facility shall be capable of compliance with the provisions of Sub-part I of the Manufactured Housing Improvement Act (latest edition) ~~[procedural and enforcement regulations promulgated by HUD,]~~ and capable of providing warranty service within the reasonable time requirements set by the department in §80.132 of this title (relating to

Procedures for Handling Consumer Complaints), and shall be subject to periodic review and inspection by department personnel.

- (3) If the department determines that the requirements of paragraph (2) of this subsection have not been met, notice must be sent of that determination and of the requirement of an additional bond amount.

**§80.123. License Requirements.**

(a) **General License Requirements.**

**(1)(a)** Manufacturer. Any person constructing or assembling new manufactured housing for sale, exchange, or lease purchase within this state shall be licensed as a manufacturer. An application shall be submitted on the form required by the department and shall be completed giving all the requested information. The application shall be accompanied by the required security, Articles of Incorporation or Assumed Name Certificate, and payment of the license fee. Every distinct corporate entity must be separately licensed. Each separate plant location operated by a license holder which is not on property which is contiguous to or located within 300 feet of the license holder's licensed manufacturing facility requires a separate license and security.

**(2)(b)** Retailer. Any person engaged in the business of buying for resale, selling, or exchanging manufactured homes or offering such for sale, exchange, or lease purchase to consumers shall be licensed as a retailer. An application for license shall be submitted on the form required by the department and be completed giving all the requested information. The application shall be accompanied by the required security, Articles of Incorporation or Assumed Name Certificate, and payment of the license fee. No person shall be considered a retailer unless engaged in the sale, exchange, or lease purchase of two or more manufactured homes to consumers in any consecutive twelve (12) month period. Sales, exchanges, or lease purchases by any employee or agent of a business entity are deemed to be sales of the business entity. Each separate sales location which is not on property which is contiguous to or located within 300 feet of a licensed sales location requires a separate license and security. **A retailer's license is not required to sale real estate.**

**(3)(c)** Broker.

**(A)(4)** Any person engaged by one or more other persons to negotiate or offer to negotiate bargains or contracts for the sale, exchange, or lease purchase of a manufactured home to which a **Statement of Ownership and Location [certificate or document of title]** has been issued and is outstanding shall be licensed as a manufactured housing broker. An application for license shall be submitted on the



form required by the department and be completed giving all the requested information. The application shall be accompanied by the required security, Articles of Incorporation or Assumed Name Certificate, and payment of the license fee. Each office location of the broker shall be licensed and proper security posted unless an office is on property which is contiguous to or located within 300 feet of an office licensed with the department.

~~(B)(2)~~ A broker shall not maintain a location for the display of manufactured homes without being licensed as a retailer.

~~(C)(3)~~ A broker's license is not required to sell real estate. [Paragraphs (1) and (2) of this subsection shall not apply to the sale, exchange, or lease purchase of a manufactured home in a single real estate transaction when the home and land are sold as realty with improvements.]

~~(4)(4)~~ Rebuilder. Any person who desires to be licensed by the department to alter, repair, or otherwise rebuild a salvaged manufactured home, as that term is defined in §1201.461 of the Standards Act, within this state, shall be licensed. An application shall be submitted on the form required by the department and shall be completed, giving all the requested information. The application shall be accompanied by the required license fee and Articles of Incorporation or Assumed Name Certificate.

~~(5)(e)~~ Installer.

~~(A)(4)~~ Every person who contracts to perform or performs installations shall submit the required security, complete the necessary license forms and any other information needed, and be issued a license prior to performing an installation function. The required license fee, as specified in §80.20 (relating to Fees) of this title must accompany the application for license and Articles of Incorporation or Assumed Name Certificate.

~~(i)(A)~~ Each applicant for license shall have public liability insurance coverage, including completed operations coverage in an amount of not less than \$300,000 for bodily injury each occurrence and property damage insurance in an amount of not less than \$100,000 each occurrence. A combined single limit of \$300,000 will be considered to be in compliance with this section. If the applicant will be engaged in the transportation of manufactured housing incidental to the installation, the applicant must also have motor vehicle liability insurance coverage in an amount of not less than \$250,000 bodily injury each person, \$500,000 bodily injury each occurrence, \$100,000 property damage

each occurrence. A combined single limit of \$500,000 will be considered to be in compliance with this section. Cargo insurance on each home or transportable section of not less than \$50,000 per towing motor vehicle is required.

(ii)~~(B)~~ At the time of initial license and on renewal, a certificate of insurance must be filed with the department by the insurance carrier or its authorized agent certifying the kind, type and amount of insurance coverage and which provides for thirty (30) calendar days notice of cancellation. If the applicant does not provide proof of the required motor vehicle liability insurance and the cargo coverage, the applicant must sign an affidavit that the applicant will not engage in any transportation of manufactured housing. If the applicant transports only his/her own property, and furnishes the department with an affidavit attesting to that fact, cargo coverage is not required.

(iii)~~(C)~~ An installer, also licensed as a retailer, may satisfy the insurance requirements by filing a certificate of insurance which shows that the license holder has motor vehicle-garage liability coverage including completed operations, and has dealer's physical damage (open lot) including transit insurance coverage in amounts not less than those set forth in clause (i) of this subparagraph ~~[(A) of this paragraph]~~.

(iv)~~(D)~~ If the required insurance coverage expires or is canceled, and proof of replacement coverage is not received prior to the expiration date or date of cancellation, the installer's license is automatically terminated.

(B)~~(2)~~ The installer responsible for the installation in accordance with the provisions of §80.119 of this title (relating to Installation Responsibilities) shall maintain a file containing a copy of the installation report as filed with the department.

(6)~~(F)~~ Homeowner's Temporary Installation.

(A)~~(4)~~ A homeowner may apply for a temporary license as an installer for the purpose of installing such owner's used manufactured home. The application shall be submitted on a form and contain such information as required by the department, and it must be accompanied by a cashier's check or money order payable to TDHCA in payment for the required fee, as specified in §80.20 (relating to Fees) of this title. The issuance of a homeowner's temporary installer's license by the department shall not relieve any

warranty responsibility required by the Standards Act except for damage or defects which may occur as a result of the installation of the home by the homeowner.

~~(B)(2)~~ The application must be accompanied by a certificate of insurance issued by the insurance carrier or its authorized agent to prove insurance coverage for the installation of the home as follows: public liability insurance coverage including completed operations in an amount of not less than \$300,000 for bodily injury each occurrence and property damage insurance in an amount of not less than \$100,000 each occurrence, for which a combined single limit of \$300,000 will be considered to be in compliance with this section; and motor vehicle liability insurance coverage of not less than \$250,000 bodily injury each person, \$500,000 bodily injury each occurrence and \$100,000 property damage each occurrence, for which a combined single limit of \$500,000 will be considered to be in compliance with this section. ~~[A copy of the home manufacturer's installation instructions, custom designed installation instructions stamped by a Texas licensed professional engineer or architect, or an installation plan with details and specifications conforming to the state's generic standards shall accompany the application.]~~

~~(C)(3)~~ Upon approval of the application, the homeowner will be issued a temporary license for the installation of that home set out in the application and a temporary installer's (TI) number. The temporary license shall be valid only for thirty (30) calendar days.

~~(D)(4)~~ The temporary installer's (TI) number must be displayed on the back of the home in letters and figures not less than 8 inches in height when the home is moved over the roads, streets, or highways in this state.

~~(7)(g)~~ Salesperson.

~~(1) — A salesperson means an individual, partnership, company, corporation, association, or other group who, for any form of compensation, sells or lease-purchases or offers to sell or lease-purchase manufactured housing to consumers as an employee or agent of a retailer or broker. A person or entity licensed as a retailer or broker with the department is not required to be licensed as a salesperson, and the owner of a sole proprietorship, a partner in a partnership, or an officer in a corporation which is duly licensed does not need a salesperson's license so long as such individual is listed in the ownership of the application filed with the department.]~~

(A)~~(2)~~ The salesperson is an agent of the retailer ~~[or broker]~~ for whom sales or lease-purchases, or offers, are made. ~~[This includes the general manager, sales manager, office manager or anyone involved in showing and offering homes for sale.]~~ The retailer ~~[or broker]~~ is liable and responsible for the acts or omissions of a salesperson in connection with the sale or lease-purchase of a manufactured home. It is a violation of the Standards Act and this chapter for a retailer ~~[or broker]~~ of manufactured housing to employ a salesperson who is not licensed with the department.

(B)~~(3)~~ An application for license must be made by every salesperson. Each applicant for a salesperson's license must file with the department an application for license on a form provided by the department containing:

(i)~~(A)~~ the full legal name, permanent mailing address, date of birth, telephone number, Texas driver's license number or Texas identification number, and social security number of the applicant;

(ii)~~(B)~~ places of employment of the applicant for the preceding three (3) years, providing the name of firm(s), address(es), and dates of employment; and

(iii)~~(C)~~ a statement that the applicant is the authorized agent for a licensed and bonded manufactured housing retailer ~~[or broker]~~; the statement shall be signed by the sponsoring retailer [employer]. The applicant can only be employed by or be an agent of one licensed and bonded retailer at a time. If there is a change in name, address, telephone, email address, or employer, an amended application must be submitted to the department within ten (10) calendar days of this change.

(C)~~(4)~~ Except as may otherwise be authorized, the fee for a salesperson's license shall be submitted to the department in the form of a cashier's check or money order. Salesperson licenses shall be valid for a period of two years ~~[one (1) year]~~ from the date of issuance.

(D)~~(5)~~ Payment of the renewal fee shall be made via Texas Online or ~~[by the salesperson and]~~ submitted to the department along with the completed license renewal notice prior to the expiration of the current license.

(E)~~(6)~~ Salespersons shall be issued a license card by the department containing effective date and license number. The salespersons shall be required to present a valid license card upon request.

**(8)(H)** Applicable License Holder Ownership Changes.

**(A)(4)** A license holder shall not change the location of a licensed business unless the license holder first files with the department:

**(i)(A)** a written notification of the address of the new location;

**(ii)(B)** an endorsement to the bond reflecting the change of location; and

**(iii)(C)** the original license.

**(B)(2)** The change of location is not effective until the notification and endorsement are received by the department.

**(C)(3)** For a change in ownership of less than fifty percent (50%) of the licensed business entity, no new license is required provided that the existing bond or other security continues in effect. However, the current Articles of Incorporation or Assumed Name Certificate must accompany the request.

**(D)(4)** For a change in ownership of fifty percent (50%) or more, the license holder must file with the department, along with the appropriate fee and Articles of Incorporation or Assumed Name Certificate:

**(i)(A)** a license addendum by the **consumer purchaser** providing information as may be required by the department; and

**(ii)(B)** certification by the surety that the bond for the licensed business entity continues in effect after the change in ownership; or

**(iii)(C)** an application for a new license along with a new bond or other security and proof that the education requirements of §1201.113 of the Standards Act, have been met.

**(b)(4)** Education Requirements **for Manufacturers, Retailers, Brokers, and Installers.**

**(1)** Effective September 1, 1987, all applicants for license, except salespersons, shall attend and complete 20 hours of educational instruction as required by the Standards Act and this chapter. A manufacturer may request a one-day in-plant training session be presented by the department in lieu of completing the instruction requirement. The license will not be issued until the owner, partner, corporate officer, or other person who will personally have the day-to-day management responsibility for the business location~~l, or the~~

~~salesperson to be licensed,~~ attends and completes this educational requirement. This [Except as provided in §80.123(o), this] section shall not apply to the renewal of licenses, nor to the license of additional business locations.

(2)(j) Approving a training program conducted by a nonprofit educational institution or foundation as sanctioned by §1201.104(c)(2) of the Standards Act.

(A)(4) An organization requesting approval to conduct the educational course required by the Standards Act must file a course approval request and course materials at least ninety (90) calendar days before the date of the first scheduled presentation. The director shall deliver a written notice of approval or denial no later than thirty (30) calendar days after receiving the request. If denied, the requestor may resubmit the course with corrections. The director will deliver a written notice of approval or denial no later than fifteen (15) calendar days after receiving the re-submittal.

(i)(A) Approval of Training Program: The director will approve the training program if the requirements in this subsection are met and the materials submitted comply with the required course topics in subparagraph (C) of this paragraph (3) of this subsection.

(ii)(B) Denial of Training Program: The director will not approve the training program if the requirements are not met and the materials submitted do not comply with the required course topics in paragraph (3) of the subsection. The requestor will receive a written notice detailing the reason(s) for the denial. The requestor may re-submit the course with corrections as mentioned in subparagraph (A) of this paragraph (1) of this subsection.

(B)(2) As a prerequisite for a license, the course must be twenty (20) hours in length and provide instruction [instruct the potential attendee] in the law and consumer protection regulations.

(C)(3) An educational training course shall consist of the following topics:

(i)(A) Presentation of the Law and Rules.

(I)(i) Occupations Code, Chapter 1201, the Standards Act

(II)(ii) Chapter 80, Texas Administrative Code, Administrative Rules

(III)~~(iii)~~ Texas Finance Code (applicable sections)

(IV)~~(iv)~~ Texas Transportation Code (applicable sections)

(V)~~(v)~~ Federal Truth -in-Lending Act

(VI)~~(vi)~~ Property Code

(ii)~~(B)~~ Statement of Ownership and Location.

(I)~~(i)~~ Seals

(II)~~(ii)~~ Application Fees

(III)~~(iii)~~ Application Processing

(IV)~~(iv)~~ Description of Forms

(V)~~(v)~~ Property Election

(iii)~~(C)~~ Licensing.

(I)~~(i)~~ Manufacturer Application Form Requirements

(II)~~(ii)~~ Retailer Application Form Requirements

(III)~~(iii)~~ Installer Application Form Requirements

(IV)~~(iv)~~ Salesperson Application Form Requirements

(V)~~(v)~~ Broker Application Form Requirements

(VI)~~(vi)~~ Salvage/Rebuilder Application Form Requirements

(VII)~~(vii)~~ Insurance and Bond Requirements

(VIII)~~(viii)~~ License Renewal and Revision Requirements

(IX)~~(ix)~~ Sale of non-habitable homes

(X)~~(x)~~ Retailer and Installer Responsibilities

(iv)~~(D)~~ Installations.

(I)~~(i)~~ Anchoring, supporting, and multi-section connecting standards

(II)(ii) Requirements for Completing the Installation Inspection Report Form

(v)(E) Consumer Complaints.

(I)(i) Consumer Complaint Process

(II)(ii) Delivery of Warranty

(III)(iii) Correction Requirements

(IV)(iv) Requirements for Completing the Complaint Forms

(vi)(F) Dispute Resolution.

(I)(i) Dispute Resolution Process

(II)(ii) Texas Government Code, Chapter 2306

(III)(iii) Federal Trade Commission Manual: "How to Advertise Consumer Credit"

(IV)(iv) Business & Commerce Code, Deceptive Trade Practices (applicable sections)

(D)(4) The training organization must provide each attendee of the class with written proof of having completed the entire 20 hour course.

(E)(5) The primary administrator for the training program will be notified by the director of changes to the Law and Rules and the date that the changes will become effective.

(F)(6) The director may revoke course approval for failure to comply with the standards or procedures set forth in this paragraph [subsection]. Unless surrendered or revoked for cause, the approval will be valid for a period of two (2) years.

(3)(6) Certification and Continuing Education Requirements for Salespersons.

(A) Acceptable evidence that the requirements of §1201.113(e) of the Standards Act have been satisfied would be a certificate, letter, or similar statement provided by the approved education provider indicating that the course was completed within the 90 days allowed. Such evidence may be submitted by fax, mail, e-mail, or in person.



(i) For initial licensing, if evidence of attendance is not received by the department's close of business on the 95<sup>th</sup> day after the effective date of the license, the department will initiate the suspension process.

(ii) For license renewal, evidence of attendance must be received by the department before a salesperson's license may be renewed.

(B)(2) Approval of courses and providers. In order to be considered for approval by the Board to provide continuing education courses a party wishing to be considered for such approval must submit, for each course for which approval is sought, a letter application, accompanied by a nonrefundable processing fee of \$300, and the following:

(i)(A) A narrative overview of the course, describing subject matter to be covered;

(ii)(B) Brief biographies, including credentials, of each instructor;

(iii)(C) A copy of any course materials to be used. If the course materials are deemed to be proprietary they should be placed in a separate envelope, marked confidential, and accompanied by a written statement as to why they should not be treated as open records. There is no assurance that such materials will ultimately be accorded any exemption from disclosure under the Open Records provisions of the Government Code. If the course is to be offered online, a hard copy of the material as well as an electronic version must be submitted.

(iv)(D) A schedule of fees to be charged for the course;

(v)(E) As such information becomes available, an indication as to the locations, times, and dates for offerings, or if provided online, instructions for how and when the course may be taken; and

(vi)(F) Such other information as the department [Department] may require.

(C)(3) Once the staff determines that a request for approval is complete, that request will be placed on the next regularly scheduled meeting of the board of Directors for consideration. The staff will provide the board with a written recommendation on each such request. The staff will advise the applicant of the board's action within ten (10)

business ~~[working]~~ days of the date of the board meeting, including a written statement as to any limitations, conditions, or other requirements imposed.

~~(i)(A)~~ Approvals shall be for a period not to exceed two years. The Director may, at no cost, send a representative to attend any approved course to determine that the course is being taught in accordance with the terms of approval.

~~(ii)(B)~~ The Director may revoke or suspend approval of a course if the Director determines that the course is not being taught in accordance with the terms of approval or that the course is not being administered in accordance with the law or these rules. Any action to revoke or suspend such an approval is a contested matter under Chapter 2001, Government Code, and the party against whom revocation or suspension is sought may make a written request for a hearing before an Administrative Law Judge. If no such hearing is requested within thirty (30) calendar days after receipt of notice from the Director, the Director's order of suspension or revocation shall become final.

(D) Eight hours of approved training provided by the department will meet the continuing education requirement for license renewal. The department is under no obligation to offer any such classes and will do so only if it has sufficient resources to do so.

**NOTE:** Paragraph (b)(3) combines text from the continuing education requirements previously in subsection (o)

(c) License Application and Renewal.

~~(1)(p)~~ Application and Appeals.

~~(A)(t)~~ Initial application processing.

~~(i)(A)~~ It is the policy of the department to issue the license within seven (7) business ~~[working]~~ days after receipt of all required information and the following conditions have been met:

~~(I)(i)~~ all required forms are properly executed; and

~~(II)(ii)~~ all requirements of applicable statutes and department rules have been met.

(ii)~~(B)~~ License applications and accompanying documents received shall be processed and issued within seven (7) business [working] days if all conditions for license have been met.

(iii)~~(C)~~ License applications and accompanying documents found to be incomplete or not properly executed shall be returned to the applicant with an explanation of the specific reason and what information is required to complete license. Upon receipt of all required information, the license will be issued within seven (7) business [working] days.

(iv)~~(D)~~ Upon written request, the department will call the license holder and provide the license number assigned.

(B)~~(2)~~ Appeals. Applicants may appeal any dispute arising from a violation of the time periods set for processing an application. An appeal is perfected by filing with the director a letter explaining the time period dispute. The letter of appeal must be received by the director no later than twenty (20) calendar days after the date of the letter of explanation from the department outlined in subparagraph (A)(iii) of this paragraph ~~{(1)(C) of this subsection}~~. The department will decide the appeal within twenty (20) calendar days of the receipt of the letter of appeal by the director.

(2)~~(A)~~ License Renewal Requirements. It is the responsibility of the license holder to renew the license prior to its expiration date.

(A)~~(1)~~ The department will mail each license holder a renewal notice and application for renewal at least forty-five (45) calendar days prior to the date on which the current license expires. Notice will be mailed to the last known address indicated in department records.

(B)~~(2)~~ In order to prevent the expiration of a certificate of license, all applications for license renewals must be received by the department prior to the date on which the current license expires.

(C)~~(3)~~ If an application for license renewal is received by the department after the date on which the current license expires, the license will not be reinstated except with approval of the director. The director may require a hearing prior to reinstatement.

(D)~~(4)~~ All renewal licenses and a reinstatement license approved by the director shall be dated as of the day following the date on which the current license expires.

(3) Payment of license fees.

(A) All required fees must be paid in order to obtain a valid license, including a renewal license, from the department.

(B) Any license issued by the department is void and of no effect if based upon a check or other form of payment that is later returned for insufficient funds, closed account, or other reason, regardless of whether the department notifies the applicant of the insufficiency of payment or the invalidity of the license.

(C) It is the applicant's responsibility to ensure that all licensing fees are paid in valid U.S. funds.

(d) Denial, suspension, revocation, and appeals.

(1)(~~4~~) Denial, Suspension, Renewal Denial, or Revocation of License Relating to Repeat Violations of the Standards Act or Department Rules.

(A)(~~4~~) The following criteria shall be utilized to determine whether an applicant shall be issued or renewed a license if the applicant within the last two years from the date of the application has:

(i)(~~A~~) two Agreed Final Orders of the same kind or type of violations; or

(ii)(~~B~~) one Final Order of the same kind or type of violations.

(B)(~~2~~) If the department suspends, revokes, or denies renewal of a valid license, or denies a person's license or the opportunity to be examined for a license in accordance with this subsection because of the person's prior violations history, the department shall:

(i)(~~A~~) notify the person in writing stating reasons for the suspension, revocation, renewal denial, denial of disqualification; and

(ii)(~~B~~) offer the person the opportunity for a hearing on the prior violation history.

(2)(~~4~~) Denial, Suspension, Renewal Denial, or Revocation of License relating to the history of non-compliance with the Standards Act and Rules.

(A)(~~4~~) The department will consider the background of the applicant, license holder, sole proprietor, partner officer, managing employee, chief executive officer, chief executive operating officer, and directors of a corporation.

(B)~~(2)~~ In the evaluation the department will consider the non-compliance history with the Standards Act and this chapter and will comply with the Texas Government Code, Chapter 2001, in proceeding with denial, suspension, or revocation of a license.

(3)~~(m)~~ Denial, Suspension, Renewal Denial, or Revocation of License Relating to Criminal Background.

(A)~~(4)~~ The following criteria shall be utilized to determine whether an applicant shall be issued a license if that applicant states in his/her application for said license that he/she has a record of criminal convictions within five (5) years preceding the date of the application:

(i)~~(A)~~ the nature and seriousness of the crime;

(ii)~~(B)~~ the relationship of the crime to the intended manufactured housing business activity;

(iii)~~(C)~~ the extent to which a license holder might engage in further criminal activity of the same or similar type as that in which the applicant previously had been involved;

(iv)~~(D)~~ the relationship of the crime to the ability, capacity, or fitness required to perform the duties and discharge the functions and responsibilities of the license holder's occupation or industry; and

(v)~~(E)~~ whether the offenses were defined as crimes of moral turpitude by statute or common law, from Class A misdemeanors to first, second, and third degree felonies carrying fines and/or imprisonment or both. Special emphasis shall be given to the crimes of robbery, burglary, theft, embezzlement, sexual assault, and conversion.

(B)~~(2)~~ In addition to the factors that may be considered in subparagraph (A) of this paragraph ~~[(1) of this subsection]~~, the department, in determining the present fitness of a person who has been convicted of a crime, may consider the following:

(i)~~(A)~~ the extended nature of the person's past criminal activity;

(ii)~~(B)~~ the age of the person at the time of the commission of the crime;

~~(iii)(C)~~ the amount of time that has elapsed since the person's last criminal conviction;

~~(iv)(D)~~ the conduct and work activity of the person prior to and following the criminal conviction;

~~(v)(E)~~ evidence of the person's rehabilitation or attempted rehabilitation effort while incarcerated or following release; and

~~(vi)(F)~~ other evidence of the person's present fitness, including letters of recommendation from prosecution, law enforcement, and correctional officers who prosecuted, arrested, or had custodial responsibility for the person; the sheriff and chief of police in the community where the person resides; and any other persons in contact with the convicted person.

~~(C)(3)~~ It shall be the responsibility of the applicant to the extent possible to secure and provide to the department the recommendations of the prosecution, law enforcement, and correctional authorities as required by this subsection.

~~(D)(4)~~ The applicant shall furnish proof in any form, as may be required by the department, that he/she has maintained a record of steady employment and has otherwise maintained a record of good conduct and has paid all outstanding court costs, supervision fees, fines, and restitution as may have been ordered in all criminal cases in which the applicant was convicted.

~~(E)(5)~~ If the department suspends or revokes a valid license, or denies a person a license or the opportunity to be examined for a license in accordance with this subsection because of the person's prior conviction of a crime and the relationship of the crime to the license, the department shall:

~~(i)(A)~~ notify the person in writing stating reasons for the suspension, revocation, denial, or disqualification; and

~~(ii)(B)~~ offer the person the opportunity for a hearing on the record.

(4) A proceeding to suspend a salesperson's license may be initiated upon failure by a salesperson to fulfill the education required by §1201.113(e) of the Standards Act.

~~[(n) License Renewal Requirements. It is the responsibility of the license holder to renew the license prior to its expiration date.]~~

- ~~[(1) The department will mail each license holder a renewal notice and application for renewal at least forty five (45) calendar days prior to the date on which the current license expires. Notice will be mailed to the last known address indicated in department records.]~~
- ~~[(2) In order to prevent the expiration of a certificate of license, all applications for license renewals must be received by the department prior to the date on which the current license expires.]~~
- ~~[(3) If an application for license renewal is received by the department after the date on which the current license expires, the license will not be reinstated except with approval of the director. The director may require a hearing prior to reinstatement.]~~
- ~~[(4) All renewal licenses and a reinstatement license approved by the director shall be dated as of the day following the date on which the current license expires.]~~

**NOTE:** Moved subsection (n) to new (c)(2).

~~[(o) Continuing Education Requirements.]~~

- ~~[(1) Covered persons. The following persons are deemed to be engaged in sales of manufactured housing and, therefore, must be certified as having completed eight (8) hours of approved continuing education each year in order to renew any license as a retailer, broker, or salesperson on or after January 1, 2005:]~~
- ~~[(A) Any principal of any sole proprietorship or business organization that is licensed as a retailer or broker. As used herein a person is deemed to be a principal if they are an officer, manager, or other person participating in making management or policy decisions for the licensee;]~~
- ~~[(B) Any agent or other representative of any retailer or broker that is involved in any activity of that retailer or broker relating to the marketing or sale of manufactured homes to consumers, not including a person whose sole involvement is ministerial, clerical, or incidental;]~~
- ~~[(C) Any licensed salesperson.]~~
- ~~[(2) Approval of courses and providers. In order to be considered for approval by the Board to provide continuing education courses a party wishing to be considered for such approval must submit, for each course~~

~~for which approval is sought, a letter application, accompanied by a nonrefundable processing fee of \$300, and the following:}]~~

~~[(A) — A narrative overview of the course, describing subject matter to be covered;}]~~

~~[(B) — Brief biographies, including credentials, of each instructor;}]~~

~~[(C) — A copy of any course materials to be used. If the course materials are deemed to be proprietary they should be placed in a separate envelope, marked confidential, and accompanied by a written statement as to why they should not be treated as open records. There is no assurance that such materials will ultimately be accorded any exemption from disclosure under the Open Records provisions of the Government Code. If the course is to be offered online, a hard copy of the material as well as an electronic version must be submitted.}]~~

~~[(D) — A schedule of fees to be charged for the course;}]~~

~~[(E) — As such information becomes available, an indication as to the locations, times, and dates for offerings, or if provided online, instructions for how and when the course may be taken; and}]~~

~~[(F) — Such other information as the Department may require.}]~~

~~[(3) — Once the staff determines that a request for approval is complete, that request will be placed on the next regularly scheduled meeting of the board of Directors for consideration. The staff will provide the board with a written recommendation on each such request. The staff will advise the applicant of the board's action within ten (10) working days of the date of the board meeting, including a written statement as to any limitations, conditions, or other requirements imposed.}]~~

~~[(A) — Approvals shall be for a period not to exceed two years. The Director may, at no cost, send a representative to attend any approved course to determine that the course is being taught in accordance with the terms of approval.}]~~

~~[(B) — The Director may revoke or suspend approval of a course if the Director determines that the course is not being taught in accordance with the terms of approval or that the course is not being administered in accordance with the law or these rules. Any action to revoke or suspend such an approval is a contested matter under Chapter 2001, Government Code, and the party against whom revocation or suspension is sought may make a written request for a hearing before an Administrative Law~~



~~Judge. If no such hearing is requested within thirty (30) calendar days after receipt of notice from the Director, the Director's order of suspension or revocation shall become final.]~~

**NOTE:** New (b)(3) combines the necessary text from the continuing education requirements.

~~[(p) — Application and Appeals.]~~

~~[(1) — Initial application processing.]~~

~~[(A) — It is the policy of the department to issue the license within seven (7) working days after receipt of all required information and the following conditions have been met:]~~

~~[(i) — all required forms are properly executed; and ]~~

~~[(ii) — all requirements of applicable statutes and department rules have been met.]~~

~~[(B) — License applications and accompanying documents received shall be processed and issued within seven (7) working days if all conditions for license have been met.]~~

~~[(C) — License applications and accompanying documents found to be incomplete or not properly executed shall be returned to the applicant with an explanation of the specific reason and what information is required to complete license. Upon receipt of all required information, the license will be issued within seven (7) working days.]~~

~~[(D) — Upon written request, the department will call the license holder and provide the license number assigned.]~~

~~[(2) — Appeals. Applicants may appeal any dispute arising from a violation of the time periods set for processing an application. An appeal is perfected by filing with the director a letter explaining the time period dispute. The letter of appeal must be received by the director no later than twenty (20) calendar days after the date of the letter of explanation from the department outlined in paragraph (1)(C) of this subsection. The department will decide the appeal within twenty (20) calendar days of the receipt of the letter of appeal by the director.]~~

**NOTE:** Moved subsection (p) to new (c)(1).

~~[REPEAL §80.124. — Deposits and Down Payments.]~~

- ~~[(a) The retailer, salesperson, or agency of the retailer shall not retain or keep a deposit except in accordance with this section.]~~
- ~~[(b) A deposit on a home in inventory must be refunded within fifteen (15) calendar days following the date of written notice from the depositing consumer requesting the refund. The retailer must hold the home in inventory for purchase by the consumer making the deposit until the deposit is refunded. The retailer may refund the deposit at any time to the depositing consumer, but the retailer must not sell the home to any other consumer until the deposit on the home in inventory has been refunded.]~~
- ~~[(c) A retailer may require an earnest money deposit on a specially ordered manufactured home only if:]~~
- ~~[(1) an earnest money contract has been signed by all parties;]~~
- ~~[(2) if applicable, the original binding loan commitment letter issued by the lender is delivered to the consumer; and]~~
- ~~[(3) the consumer has not rescinded the contract under §1201.1521 in the Standards Act.]~~
- ~~[(d) A deposit on a special ordered home which is not in inventory must be refunded within fifteen (15) calendar days following the date of written notice from the depositing consumer requesting the refund under the following conditions:]~~
- ~~[(1) The retailer, salesperson, or agent does not have record of the consumer being given conspicuous written notice of the requirements for retaining the deposit as set forth by §1201.151 in the Standards Act, along with all of the notices and forms required by the Standards Act to be given to the consumer prior to the execution of any mutually binding contract.]~~
- ~~[(2) The special ordered home is delivered or ready to be delivered and fails to conform to the specifications or representations, if any, made to the consumer by the retailer.]~~
- ~~[(e) On a special ordered home which is not in inventory, the retailer may retain the deposit provided that:]~~
- ~~[(1) the home conforms to the specifications of the special order and the representations, if any, made to the consumer are not altered without the consumer's consent;]~~
- ~~[(2) the consumer fails or refuses to accept delivery and installation of the home by the retailer; and]~~

- ~~[(3) — the consumer is given conspicuous written notice of the requirements for retaining the deposit as set forth in this subsection along with all of the notices and forms required by this chapter to be given the consumer prior to the execution of any mutually binding contract.]~~
- ~~[(f) — The retailer may not retain more than five percent (5%) of the estimated cash price of the home which is specially ordered, and the retailer must refund any amount of the deposit which exceeds five percent (5%).]~~
- ~~[(g) — In a financed transaction, the deposit becomes the down payment, or part thereof, following credit approval and the execution of a retail installment sales contract, and the provisions of this section do not apply.]~~
- ~~[(h) — To ensure that the down payment required by the creditor in a financed transaction is actually received by the retailer at the time of the execution of the contract or document, the actual source of the funds for the down payment must be verified by the consumer, the retailer, and the salesperson on a form prescribed by the department. The Down Payment Verification Affidavit must be signed and notarized by the consumer, the retailer, and the salesperson prior to the execution of a retail installment sales contract or agreement.]~~
- ~~[(i) — This Down Payment Verification Affidavit must denote in at least 14 point bold font "The amount of my down payment is the true amount noted on my retail installment contract."]~~
- ~~[(j) — The provisions of this section do not apply to a deposit or funds held in an escrow account in connection with a real estate transaction.]~~

**§80.125. Advertising Regulations.**

- (a) A license holder is prohibited from publishing or distributing any form of advertising which is false, deceptive, or misleading.
- (b) There are no restrictions on:
- (1) the use of any advertising medium;
  - (2) a person's personal appearance or the use of a person's voice in an advertisement;
  - (3) the size or duration of an advertisement; or
  - (4) the use of a trade name in an advertisement.
- (c) Any advertisement must comply with applicable federal laws. ~~[A retailer or broker must not advertise any interest rate or finance charge which is not~~

~~expressed as an annual percentage rate and must comply with the disclosure requirements of the federal Truth-in-Lending Act.]~~

- (d) Any advertisement by a retailer, broker, or installer (other than a sign/display advertisement at a licensed location, point of sale literature, or a price tag) must disclose the license number of the person who is advertising.
- (e) Any advertisement by a salesperson must disclose the name and license number of the sponsoring retailer or broker on whose behalf the salesperson is advertising.
- (f) Where no consumer protection purposes would be served by requiring the license number to be disclosed, the director may grant exceptions to subsections (d) and (e) of this section based on the director's approved format and the approved exceptions will be posted on the department's website.

**§80.126. Rules for Hearings.**

- (a) Unless otherwise expressly set forth in the Standards Act or this chapter, all hearings shall be held and conducted pursuant to the applicable provisions of Government Code, Chapter 2001.
- (b) Any party to a hearing may request that a record of the hearing be made and transcribed by an independent court reporter, other than an employee of the department. Such request must be made not later than seven (7) calendar days prior to the hearing. The additional cost and expense of the independent court reporter may be assessed against the party making the request. In all hearings, the published rules and regulations of the secretary of HUD shall be considered, if relevant. If the department believes that such rules and regulations are relevant to any issue to be involved in the hearing, the notice of hearing shall specifically refer to such HUD rules and regulations.
- (c) If, after receiving notice of a hearing, a party fails to appear in person or by representative on the day and time set for hearing or fails to appear by telephone in accordance with Government Code, Chapter 2001, the hearing may proceed in that party's absence and a default judgment may be entered.
- (d) Any person for whom a license was revoked, denied, or suspended by a final order issued after a hearing under Government Code, Chapter 2001, may only be issued a new license after a hearing under Government Code, Chapter 2001, and determination by the director that the certificate of license may be issued.
- (e) Pursuant to the Administrative Procedures Act, each party has the right to file exceptions to the Proposal for Decision and present a brief with respect to the exceptions. All exceptions must be filed with the department within ten (10) business [working] days of the Proposal for Decision, with replies to be filed ten (10) business [working] days after the filing of exceptions.

- (f) When an administrative hearing is held for any matter in which the department[Department] seeks to take action against a licensee for violating the Standards Act or these rules, whether such action is an action to assess administrative penalties, to require corrective action, to require cessation of improper activities, to suspend or revoke a license, or any combination thereof, the department[Department] shall assess the costs of the proceeding against any party that fails to appear at a duly noticed administrative hearing. The costs assessed shall be the greater of \$100 or the actual costs charged to the department[Department] by the State Office of Administrative Hearings, the Office of the Attorney General, any court reporter, or any other third party providing services in connection with such hearing.
  
- (g) The department[Department] will seek the recovery of its costs from any party against whom it initiates an action if that action results in the entry of a final order taking any administrative action against that party, including the assessment of administrative penalties, requiring corrective action, requiring cessation of improper activities, suspension or revocation of a license, or any combination thereof.

**§80.127. Sanctions and Penalties.**

- (a) In accordance with the provisions of Government Code, Chapter 2306, §2306.604, the director may assess and enforce penalties and sanctions against a person who violates any applicable law, rule, regulation, or administrative order of the department. The director may:
- (1) issue to the person a written reprimand that specifies the violation;
  - (2) revoke or suspend the persons license;
  - (3) place on probation a person whose license is suspended; or
  - (4) assess an administrative penalty in an amount not to exceed \$1,000 for each violation in lieu of, or in addition to, any other sanction or penalty.
- (b) In determining the amount of a sanction or penalty, the board and the director shall consider:
- (1) the kind or type of violation and the seriousness of the violation;
  - (2) the history of previous violations; the kind or type of previous violations, and the length of time between violations;
  - (3) the amount necessary to deter future violations;
  - (4) the efforts made to correct the violation or previous violations; and
  - (5) any other matters that justice may require.
- (c) Violations will be subject to sanctions and penalties as set forth in Government Code, Chapter [2306.6023](#) ~~[2306.604]~~. Revocation or suspension of a license may be assessed only for multiple, consistent, and/or repeated violations. For first-time violations of a department rule which does not relate to the construction or installation of the home, a voluntary letter of compliance will be issued in lieu of other sanctions.
- (d) When a licensee first receives written notification of a claim for warranty service, the licensee must respond timely to the request. A failure to do so shall constitute a violation of these rules.
- (1) It is presumed that a response was timely if the required warranty service is provided within forty (40) calendar days from the date of the request; provided, however, immediate corrective action is required ~~[that]~~ if the matter involves an imminent safety hazard~~[, it must be addressed as quickly as is reasonably possible]~~.

- (2) The time to respond to a request for warranty service may be extended by the Director in response to a request setting forth good cause for the extension. Any such request must be made to the Director prior to the expiration of the allotted time for response. Requests may be made by U.S. First Class mail, by FAX, or by e-mail, or, if followed with written confirmation sent U.S. First Class mail, by telephone.
- (3) If, after reasonable investigation, the licensee disputes whether warranty service is required and the licensee is unable to resolve the matter by agreement with the consumer, the licensee may request that the department[Department] perform an inspection of the home. The running of the time to respond to the request for warranty service will be suspended from the time the request for inspection is received until the department[Department] performs the inspection and issues its findings. When the department[Department] concludes its review it will work with the affected licensee(s) and consumer(s) to agree upon a reasonable time to address its findings. In the event the parties cannot agree on a reasonable time, the Director shall issue a revised order assigning a time for compliance. Any such order shall be subject to appeal and a hearing. Any such hearing shall be a contested case under Tex.Gov.Code, Chapter 2001.
- (e) All written notices and preliminary reports of violations shall specify in detail the particular law, rule, regulation, or administrative order alleged to have been violated along with a detailed statement of the facts on which the allegation is based.
- (f) The respondent in an administrative hearing shall be entitled to due process and a hearing under the provisions of Government Code, Chapter 2001 and Chapter 2306. The respondent and the director may enter into a compromise settlement agreement in any contested matter prior to signing of the final order.
- (g) Any exceptionally flagrant, willful violation that constitutes an imminent threat to health or safety may be a basis for pursuit of maximum statutory penalties and/or suspension or revocation of licenses as provided in the Standards Act regardless of whether it is a first or reoccurring occurrence.
- (h) Anytime the record indicates that there is a high likelihood that a licensee's violation is a direct result of a systemic problem, it is appropriate to request the licensee to develop a plan to prevent future occurrences. Undertaking to develop such a system is an appropriate mitigating factor to be taken into account in determining what penalty to pursue.
- (i) Any and all penalties are IN ADDITION to full compliance with the Standards Act and Rules (i.e., full, prompt corrective action, restitution, or whatever else the Standards Act and rules would have required in the first place). Failure to provide such compliance on a timely basis, as specified in the applicable order, will be deemed to be a violation of the order and serve as a basis for pursuing

additional administrative action, including the assessing of additional penalties and the pursuit of suspension or revocation of licenses.

(j) In determining the appropriate amount of a penalty or other action, all relevant factors shall be considered, including, but not limited to: the resources of the licensee and their ability to pay fines, efforts to achieve compliance, the nature and frequency of recurring violations, and monetary impact on consumers.

(k) The Enforcement Matrix is located in §80.240(a)(12) of this title.

**§80.128. Arbitration Rules.**

(a) *Definitions for Arbitration.* The following words and terms when used in this chapter shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Authorized representative - An attorney authorized to practice law in the State of Texas or a person designated by a party to represent the party.
- (2) Award - The written decision of the arbitrator.
- (3) Chief judge - The chief administrative law judge of the State Office of Administrative Hearings (SOAH) or his/her designee.
- (4) Department - The Manufactured Housing Division of the Texas Department of Housing and Community Affairs (TDHCA).
- (5) Dispute - The factual and/or legal controversy including the amount of the claim.
- (6) Manufactured Homeowners' Recovery Trust Fund (Fund) - A special fund reserved for the payment of valid consumer claims and other authorized expenses of the department.
- (7) Party/Parties - Consumer, manufactured housing license holder of the department, or a surety company, or the department in cases that potentially impact the Fund, and persons who hold, or have previously held, a security interest in the manufactured home, and any other person involved in the dispute who agrees to the arbitration.
- (8) Surety bond - A bond or security filed with the department which shall be open to successive claims.
- (9) Surety - Person or organization which undertakes to pay money or perform another act if his principal fails to do so.

(b) Election of Arbitration and Options.



- (1) The department finds that the manufacture and sale of manufactured homes affects interstate commerce; accordingly, the parties may agree on binding arbitration under Title 9, United States Code.
  - (2) The binding arbitration shall not supersede nor interfere with the department's informal dispute resolution process. The parties must submit all disputes involving warranties to the department for processing through the informal dispute resolution process.
  - (3) The parties may elect to use private, local, regional, or national arbitration services or may select arbitrators proposed by the SOAH as set forth in this section. This election must be set forth in the written agreement for binding arbitration.
  - (4) Arbitrators shall be selected by mutual agreement of the parties or in accordance with the specific provisions of the written agreement for binding arbitration.
- (c) *Qualifications for Arbitrators.* Unless provided by the SOAH, potential arbitrators must have the following minimum standards:
- (1) at least five (5) years of experience in the legal profession; or
  - (2) at least five (5) years experience in the resolution of claims with experience as a presiding officer; or
  - (3) at least ten (10) years of experience in the regulation of the manufactured housing industry; and
  - (4) the attributes necessary to be a successful arbitrator, including expertise, honesty, integrity, impartiality, and the ability to manage the arbitration process.
- (d) Awards.
- (1) The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable within the scope of the parties, including, but not limited to, specific performance of a contract. However, the award must be consistent with applicable state and federal law, including the Standards Act, Government Code, Chapter 2306, Title 9, United States Code, and this chapter.
  - (2) The award shall be based on the facts established in the arbitration proceeding, in the opinion of the arbitrator or a majority of the arbitrators, including stipulations of the parties and on the state and federal statutes and formal rules and regulations, as properly applied to those facts.

- (3) Subject to the limitations set forth in this section, the arbitrator may assess arbitration fees, expenses, and compensation.
  - (4) If there is more than one arbitrator, all decisions must be made by a majority.
  - (5) The award must:
    - (A) be in writing;
    - (B) be dated and signed by the arbitrator or a majority of the arbitrators; and
    - (C) state the basis of, and the rationale for, the award.
  - (6) The award is final and binding on all parties. Parties may apply to the state or federal district courts for confirmation, vacation, modification, or correction of the award only to the extent allowed under Title 9, United States Code.
  - (7) Solely for the purpose of correcting clerical errors, the arbitrator retains jurisdiction of the award for twenty (20) calendar days after the date of the award.
- (e) Duties of the Arbitrator.
- (1) The arbitrator shall afford a full and equal opportunity to all parties for the presentation of any material and relevant evidence and shall protect the interests of all parties.
  - (2) If the dispute may involve the Fund, the arbitrator shall notify the department in writing as soon as she/he has knowledge of this fact and shall provide the department the opportunity to introduce evidence or present arguments relating to the claim against the Fund.
  - (3) Copies of the award shall be served on all parties and to the department.
- (f) Costs of Arbitration.
- (1) The costs of arbitration shall be paid by the parties. The arbitrator shall apportion the costs between the parties as in her/his discretion is fair, just, and equitable, subject to the limitation of consumers' costs in this subsection.
  - (2) The costs of arbitration to the consumer are limited to a maximum of:
    - (A) \$250 if the claims for damages do not exceed \$50,000;

- (B) \$500 if the claims for damages exceed \$50,000 but do not exceed \$250,000; or
  - (C) \$1,000 if the claims for damages exceed \$250,000.
- (3) The costs of arbitration shall include the fee or fees for the arbitrator or arbitrators and all incidental expenses directly related to the conduct of the arbitration proceeding.
  - (4) Subject to the limitation of consumers' costs in this subsection, costs shall be paid in accordance with the rules of the arbitrator, or if the SOAH is selected to handle the arbitration, in accordance with the provisions of subsection (j) of this section.
- (g) *Notice To Department.* All notices required to be sent to the department shall be sent to TDHCA, Manufactured Housing Division, P. O. Box 12489, Austin, Texas 78711.
  - (h) *Notice To Surety Companies.* Upon receipt of a notice of intent to arbitrate, the department shall furnish the selected arbitrator with a list of the surety companies of the license holders involved in the dispute to be given notice of the proceeding and an opportunity to participate.
  - (i) *Arbitration Not Using SOAH.* The provisions of this subsection relate only to arbitrations for which the parties have agreed to use the services of a private, local, regional, or national arbitration service.
    - (1) Subject to the provisions of subsections (a)-(h) of this section, the parties shall follow the rules of the applicable arbitration service.
    - (2) The party requesting the arbitration shall file a written notice of intent to arbitrate with the department. The written notice shall:
      - (A) contain the name, address, telephone and facsimile number of the selected arbitrator or arbitrators and, if applicable, the arbitration organization through which the arbitration will be conducted;
      - (B) contain a description of the nature of the dispute and the remedy sought along with a description of the manufactured home by HUD/Seal number and serial number and the date of sale or occurrence; and
      - (C) have attached a copy of the written agreement for the binding arbitration.
  - (j) *Arbitration Using SOAH.* The provisions of this subsection relate only to arbitrations for which the parties have agreed to use the services of SOAH. Subject

to the provisions of subsections (a)-(h) of this section, the parties shall follow these additional rules.

- (1) A written notice of intent to arbitrate shall be filed with the Manufactured Housing Division of the department and all involved parties by certified mail, return receipt requested. This notice of intent shall include a written statement that contains the following:
  - (A) a statement that the parties have agreed in writing to submit their dispute to arbitration under these rules;
  - (B) the nature of the dispute that is being submitted to arbitration, including a complete description of the manufactured home by HUD/Seal and serial number, and date of sale or occurrence;
  - (C) a brief description of the factual and/or legal controversy, including the amount in controversy, if any;
  - (D) the remedy sought;
  - (E) any special information that should be considered in compiling a panel of potential arbitrators; in the event the parties fail to indicate the number of arbitrators to be used, the dispute shall be heard and determined by one arbitrator;
  - (F) a statement that the hearing locale shall be determined by the arbitrator pursuant to paragraph 14(D) of this subsection;
  - (G) a list of all parties, and their attorneys or representatives, including addresses, telephone and facsimile numbers;
  - (H) a nonrefundable filing fee of \$100 made payable to the department;
  - (I) an estimate of length of the hearing in hours. This estimate must be approved by the department before arbitration can begin; and
  - (J) a deposit equal to 150% of the estimated cost of the hearing, payable to the department. This deposit is calculated by multiplying the estimated length of number of hearing hours by \$70. This figure is then multiplied by 1.5, and the product multiplied by the number of arbitrators to be used.
- (2) Costs of Arbitration.
  - (A) The \$100 filing fee is nonrefundable.

- (B) Each arbitrator's fee is not to exceed \$70 an hour for case preparation, travel, pre-hearing conferences, hearings, preparation of the Award, and any other required post-hearing work.
  - (C) The unused portion of the deposit shall be refunded by the department after an accounting from the arbitrator.
  - (D) If the cost of the arbitration exceeds the deposit of the estimated cost, the department shall invoice the appropriate parties and collect any monies due the department.
  - (E) All fees and deposits are payable to the department at P. O. Box 12489, Austin, Texas 78711.
  - (F) The department shall distribute arbitration fees to SOAH in response to monthly billing statements.
- (3) Initiation of Arbitration.
- (A) Immediately upon receipt of notice of intent to arbitrate, the filing fee, and the deposit of estimated cost, the department shall forward the information to SOAH so that arbitration can be initiated. The department shall furnish SOAH with a list of the surety companies of the license holders involved in the dispute so that they may be given notice of the arbitration and an opportunity to seek to be made parties of the arbitration. Also the department shall furnish SOAH an accounting of the filing fee and deposit of the estimated cost. The case shall be file stamped and given a SOAH docket number which identifies it as a case submitted for arbitration. The docket number will be used on all subsequent correspondence and documents filed with SOAH relating to this arbitration.
  - (B) The party that did not initiate the arbitration must file an answering statement with SOAH within ten (10) calendar days after receipt of the notice of intent from the electing party. That answering statement shall include a statement that the party agrees to arbitrate and an indication of whether the party agrees or disagrees with the statements in the initial notice of intent to arbitrate.
- (4) *Changes of Claim.* If either party desires to make any new or different claim, it shall be made in writing and filed with SOAH. The other party shall have ten (10) calendar days from the date of such mailing in which to file an answer with SOAH. After the arbitrator is appointed, however, no new or different claim may be submitted except with the arbitrator's consent.
- (5) *Filing and Service of Documents.*

- (A) All documents filed by either party with SOAH shall be simultaneously served on the other parties, using the same method of service, if possible. Documents required to be filed with SOAH shall be delivered to the docket clerk before 5:30 p.m. local time. The time and date of filing shall be determined by the file stamp affixed by the SOAH docket clerk.
  - (B) Service may be made by first class mail, overnight courier, or certified mail return receipt requested to the party or its representative at its last known address. Documents containing 20 or fewer pages, including exhibits, may be filed with SOAH by electronic transmission according to requirements set out in its rules. All documents served on another party shall have a certificate of service signed by the party or its representative that certifies compliance with this rule. A proper certificate shall give rise to a presumption of service.
  - (C) If any document is sent to the SOAH clerk by certified mail or first class mail in an envelope or wrapper properly addressed and stamped and is deposited in the mail on or before the last day for filing same, and it is received within three (3) business [working] days of the filing date, it shall be deemed properly filed.
  - (D) Documents filed by facsimile that are received at SOAH after 5:30 p.m. shall be deemed filed the first day following that is not a Saturday, Sunday, or official state holiday.
- (6) Selection of Arbitrator.
- (A) Any Administrative Law Judge (ALJ) employed by SOAH may be selected as an arbitrator. The parties may propose the name of a particular ALJ to arbitrate in a particular case in the notice of intent to arbitrate. However, the usual procedure will be for SOAH to provide the parties with a list of potential arbitrators, for selection to be made as described in subparagraph (B) of this paragraph.
  - (B) SOAH will provide a list of potential arbitrators to the parties in the case. The list of potential arbitrators in each case will be created by selecting persons employed as an ALJ at SOAH, giving due regard to the complexity of the dispute, the expertise needed to understand the dispute, the experience and training of the proposed arbitrators, and the requests of the parties concerning the location of the hearing.
  - (C) SOAH shall send each party an identical list of persons qualified to serve as an arbitrator in the dispute within ten (10) calendar days after receipt of the notice of intent to arbitrate by SOAH. SOAH will also give the parties a copy of the resumes of these persons. The number

of persons on the list shall be equal to the sum of the number of parties involved in the arbitration plus the number of arbitrators agreed to be used.

- (D) Each party shall have ten (10) calendar days from the transmittal date to strike one name. The remaining names should be numbered in order of preference, if such preference exists. If a party does not return the list within the time specified, all persons named therein shall be deemed acceptable. It is not necessary for the parties to exchange the name of the candidate that they are striking, nor will those names be disclosed to the candidates.
  - (E) SOAH will notify the parties of the arbitrator or arbitrators selected.
- (7) Disclosure Requirements and Challenge Procedure.
- (A) A potential arbitrator must not become or continue to be the arbitrator in any dispute if she/he believes or perceives that participation as an arbitrator would be a conflict of interest. A potential arbitrator must disclose any bias or any financial or personal interest she/he may have in the result of the particular arbitration as well as any past or present relationship with the parties, their principals, or their representatives.
  - (B) The duty to disclose is a continuing obligation throughout the arbitration process.
  - (C) Upon receipt of such information from the arbitrator or another source, SOAH shall communicate the information to the parties and, if appropriate, to the arbitrator and others. Upon objection of a party to the continued service of an arbitrator, the chief judge shall determine whether the arbitrator should be disqualified and shall inform the parties of his/her decision, which shall be conclusive.
- (8) *Vacancies.* If for any reason an arbitrator is unable to perform the duties of the office, the chief judge may, on proof satisfactory to him/her, declare the office vacant. Vacancies shall be filled in accordance with the applicable provisions of this chapter for initial appointment of an arbitrator.
- (9) *Qualifications of Arbitrators.*
- (A) The chief judge shall designate impartial third parties who shall be subject to the standards and duties prescribed by the applicable sections of the Civil Practices and Remedies Code (CPRC), and who shall have the qualified immunity prescribed therein.
  - (B) Potential arbitrators shall have a current resume on file, available to persons interested in utilizing the arbitration process, that shows

her/his experience, education, professional licenses and certifications, and professional associations and publications.

- (10) *Record.* The Arbitrator may make a tape recording of the proceeding which may be destroyed after the time for final appeal has passed.
- (11) *Interpreters.* Any party intending to use an interpreter for themselves or any of their witnesses must provide the other parties notice of their intent to use an interpreter and the identity of the interpreter at least thirty (30) calendar days prior to the arbitration. The other parties may file objections to the use of that interpreter which will be ruled upon by the arbitrator or have present their own interpreter selected and paid for by them. Any other party retaining an interpreter in response to another party's designation of their intent to use an interpreter must notify the other parties within fifteen (15) calendar days prior to the arbitration proceeding of the identity of the interpreter.
- (12) *Duties of the Arbitrator.* In addition to the duties set forth in subsection (e) of this section, the arbitrator:
  - (A) shall notify the department when the arbitrator's fees and expenses have exceeded the deposit estimated by the electing party so the department can collect additional expenses; and
  - (B) shall not issue an Award until notified by the department in writing that all monies have been received by the department as described in subsection (j)(2) of this section.
- (13) *Communication of Parties with Arbitrator.* The parties shall not communicate with the arbitrator concerning the issues of the dispute other than at an oral hearing, or through properly filed documents, unless the parties and the arbitrator agree otherwise.
- (14) *Date, Time, and Place of Hearing.*
  - (A) The arbitration hearing shall be scheduled to begin no later than the ninetieth day after the date that the arbitrator is selected.
  - (B) The arbitrator shall set the date, time, and place for each hearing. She/he shall send a notice of hearing to the parties at least thirty (30) calendar days in advance of the hearing date, unless otherwise agreed to by the parties.
  - (C) The arbitrator may grant a continuance of the arbitration at the request of any party.



- (D) All hearings shall be held in Austin or in the region where one or more parties are located, as determined by the arbitrator. Preference will be given to using government facilities.
- (15) *Representation.* Any party may be represented by counsel or other authorized representative.
- (16) *Public Hearings and Confidential Material.* The arbitrator shall maintain the privacy of the hearings unless the law provides to the contrary. Any person having a direct interest in the arbitration is entitled to attend hearings. It shall be discretionary with the arbitrator to determine the propriety of the attendance of any other person.
- (17) *Preliminary Conference.* The arbitrator may set a preliminary conference and may require parties to file a statement of position prior to that conference.
- (18) *Exchange of Information.* By the thirtieth day after the date SOAH mailed notice to the parties of the name of the appointed arbitrator, the parties shall have exchanged the following information:
  - (A) list of witnesses that a party expects to call identifying the subject matter on which the witness may testify; and
  - (B) copies of documents or other tangible things relevant to the dispute.
- (19) *Discovery.* The arbitrator may authorize discovery upon a showing of good cause. Parties are to voluntarily disclose information related to the dispute being arbitrated, as provided in paragraph (18) of this subsection.
- (20) *Control of Proceedings.* The presiding arbitrator shall exercise control over the proceedings, including but not limited to, determining the consequences of any party's failure to comply with these rules and/or the rulings of the arbitrator, the manner and order of interrogating witnesses and presenting evidence so as to:
  - (A) make the interrogation and presentation effective for the determination of the truth;
  - (B) avoid needless consumption of time; and
  - (C) protect witnesses from harassment or undue embarrassment.
- (21) *Evidence.*
  - (A) The parties may offer evidence as they desire and shall produce additional evidence that the arbitrator considers necessary to

understand and resolve the dispute. However, any documentary evidence not timely exchanged between the parties before the hearing will be excluded from consideration unless good cause is shown.

- (B) The arbitrator is the judge of the relevance and materiality of the evidence offered. Strict conformity to the rules of judicial proceedings is not required. The Texas Rules of Civil Evidence are not binding on the arbitrator but may be used as a guideline.
  - (C) All privileges recognized by the Texas Rules of Civil Procedure may be invoked to protect privileged documents. If requested, the arbitrator shall decide whether a document is in fact privileged.
  - (D) Each party shall produce any witnesses under its control without the necessity of a subpoena. Individuals may be compelled by the arbitrator, as provided in Title 9, United States Code §7, to attend and give testimony or to produce documents at the arbitration proceeding or at a deposition authorized under subsection (j)(19) of this section.
- (22) *Witnesses.* Witnesses shall testify under oath. Testimony may be presented in a narrative, without strict adherence to a "question and answer" format.
- (23) *Exclusion of Witnesses.* Any party may request that the arbitrator exclude witnesses from the hearing except when they are testifying. If such a request is made, the arbitrator shall instruct the witnesses not to discuss the case outside the official hearing other than with the designated representatives or attorneys in the case. However, an individual who is a party or any other party representative shall not be excluded under this rule. A witness or other person violating these instructions may be punished by the exclusion of evidence as the arbitrator deems appropriate.
- (24) *Evidence by Affidavit.* The arbitrator may receive and consider evidence of witnesses by affidavit. Affidavit testimony must be filed with the arbitrator and served on the other party no later than thirty (30) calendar days before the hearing. The other party will have fifteen (15) calendar days to file any objection to the admissibility of the affidavit or to file controverting affidavits. The arbitrator shall give such evidence only such weight as the arbitrator deems it entitled to after consideration of any objection made to its admission.
- (25) *Order of Proceedings.*
- (A) The arbitrator may allow each party to make an opening statement, clarifying the issues involved.
  - (B) The parties shall present the evidence supporting their respective claims in the order directed by the arbitrator. Witnesses for each

party shall answer questions propounded by the other parties and the arbitrator.

- (C) Exhibits offered by either party may be received in evidence by the arbitrator.
- (D) The parties may make oral closing statements or, at the request of the arbitrator, may submit arguments in writing.

(26) Attendance Required.

- (A) The arbitrator may proceed in the absence of any party or representative of a party who, after notice of the proceeding, fails to be present or to obtain a continuance.
- (B) An arbitrator may not make an award solely on the default of a party and shall require the party who is present to submit evidence, as required by the arbitrator, before making an Award.

*NEW §80.129. Alternative Dispute Resolution.*

The department offers, at no charge, alternative dispute resolution as an inexpensive and informal way of attempting to resolve any claim or dispute. Depending on the parties, this may involve informal meetings or non-binding mediation. Alternative dispute resolution is available upon request. In the event that a disputed matter cannot be resolved in this manner, the department reserves the right to pursue all other lawful means of resolution including, but not limited to, pursuit of administrative remedies.

~~*REPEAL §80.129.—Determinations Regarding the Pursuit of Administrative Penalties and Enforcement Actions:*~~

~~[(a) When the Department has reason to believe that a violation of the Standards Act, these Rules, or an administrative order has occurred, the Department shall determine what, if any, administrative action or actions may be appropriate to see that the purposes of the Standards Act are carried out. In that regard, in order to promote the uniform application of the Standards Act, the Department will follow these guidelines. The only time that the Department will deviate from these guidelines is when with either the Director or the Board determines, for documented *bona fide* reasons, that some other course of action, consistent with the Standards Act and any other applicable legal requirements would be more appropriate.]~~

~~[(b) As used herein, “dangerous conditions” means any condition which, if present, would constitute an imminent threat to health or safety, and “loss” means actual financial loss or damage, not including exemplary, punitive, special, or consequential damages. “Significant” means significant in relationship to the financial resources of the person who incurs a loss. “Promptly” means within~~

~~the time prescribed by the Standards Act, these Rules, and any administrative order (including any properly granted extension) or, in the case of a matter that constitutes an imminent threat to health or safety, as quickly as reasonably possible.]~~

~~[(c) — Any exceptionally flagrant, willful violation that constitutes an imminent threat to health or safety may be a basis for pursuit of maximum statutory penalties and/or suspension or revocation of licenses.]~~

~~[(d) — Anytime the record indicates that there is a high likelihood that a licensee's violation is a direct result of a systemic problem, it is appropriate to request the licensee to develop a plan to prevent future occurrences. Undertaking to develop such a system is an appropriate factor to be taken into account in determining what penalty to pursue.]~~

~~[(e) — Any and all penalties are IN ADDITION to full compliance with the Standards Act and Rules (*i.e.*, full, prompt corrective action, restitution, or whatever else the Standards Act and rules would have required in the first place). Failure to provide such compliance on a timely basis, as specified in the applicable order, will be deemed to be a violation of the order and serve as a basis for pursuing additional administrative action, including the assessing of additional penalties and the pursuit of suspension or revocation of licenses.]~~

~~[(f) — In determining the appropriate amount of a penalty or other action, all relevant factors shall be considered, including, but not limited to: the resources of the licensee and their ability to pay fines, efforts to achieve compliance, the nature and frequency of recurring violations, and monetary impact on consumers.]~~

~~[(g) — Enforcement Matrix.]~~

[Figure: 10 TAC §80.129(g)] - Moved Enforcement Matrix table to §80.240(a)(12).

**§80.130. Delivery of Warranty.**

- (a) The written warranty that the used manufactured home is habitable as per §1201.455 of the Standards Act, shall have been timely delivered if given to the homeowner at or prior to possession or at the time the contract for sale is signed.
- (b) The written manufacturer's new home construction warranty per §1201.351 of the Standards Act, shall be timely delivered if given to the homeowner at or prior to the time of initial installation at the consumer's homesite.
- (c) For secondary installations, the "installer" as defined in §80.119(a) of this title (relating to Installation Requirements) shall deliver the installation warranty required by §1201.361 of the Standards Act, to the consumer at the time of the installation at the consumer's homesite. The installer must keep a copy of the installation warranty and proof of delivery to the consumer in a permanent file for review by the department.

**§80.131. Correction Requirements.**

- (a) The retailer, installer, or manufacturer shall take immediate corrective action when notification is received from a consumer and the nature of the complaint indicates an imminent safety hazard or serious defect.
- (b) Except as provided in subsection (a) of this section, manufacturers, retailers, and installers shall perform their obligations in accordance with their respective written warranty within a reasonable period of time. A reasonable period of time is deemed to be forty (40) calendar days following receipt of the consumer's written notification unless there is good cause requiring more time. The consumer's written notification must be given within [received by the manufacturer, retailer, or installer within forty (40) calendar days following the end of] the one (1) year warranty period for new homes and for used homes within sixty (60) calendar days after the date of the sale.
- (c) The manufacturer, installer, and retailer shall make available for review by department personnel, records relating to their respective warranty responsibilities, to assure that warranty work has been accomplished and that warranty work has been done in accordance with design or standards criteria and properly completed.

**§80.132. Procedures for Handling Consumer Complaints.**

In order to comply with §1201.002 of the Standards Act, to provide for the protection of the citizens who purchase manufactured housing and to provide fair and effective consumer remedies, the following procedures will be followed:

- (1) On initial written contact by a consumer, the department will attempt to verify if the consumer has a valid complaint that is subject to the

department's authority. If the department determines that the department has jurisdiction:

- (A) If the consumer has not previously notified the manufacturer, retailer or installer ~~[in writing]~~, the department will forward the [instruct the consumer to provide] written notification to the manufacturer, retailer, or installer and give the license holder a reasonable amount of time to make repairs.
  - (B) If the consumer has previously provided written notification to the manufacturer, retailer or installer of the need for warranty service or repairs, but believes such has not been completed in a satisfactory manner, the department shall mail a complaint form to the consumer with instructions to complete it and return it to the department. On receipt of the complaint form, the department will make a determination regarding whether or not to open a consumer complaint. If a consumer complaint is opened, the department shall forward copies of the complaint form to the manufacturer, retailer and/or installer, as appropriate~~[, by certified mail, return receipt requested]~~. The department shall also include in the ~~[certified]~~ mail out the "Manufacturer's Response Form" or "Retailer's Response Form," as appropriate, which must be completed and returned to the department within ten (10) business [working] days. The department shall perform a home inspection, if required. If a home inspection is performed, the department will assign responsibilities for repair, and notify the manufacturer, retailer, installer, and consumer of their responsibilities to complete such warranty or service repair in accordance with §80.131(b) of this title (relating to Correction Requirements).
- (2) The department shall make a consumer complaint home inspection upon request ~~[if a consumer, manufacturer, or retailer requests such inspection]~~.
- (A) Consumer Request. The consumer may, at any time, request that the department perform a consumer complaint home inspection. A written complaint regarding failure to provide warranty work is deemed to be a request for a consumer complaint inspection. No written complaint form is required if a possible imminent safety hazard exists. [if the consumer has not been provided proper warranty service. The department may require that the request be in writing on a form provided by the department. If the department has reason to believe that the consumer complaint is covered by a warranty of a license holder, the department shall conduct a home inspection. There is no fee for an inspection performed at the request of the consumer when the department determines that a home inspection is warranted.]

- (B) Industry Request. Manufacturer or retailer requests for a consumer complaint home inspection must be in writing on such form as the department may require, shall identify the home by HUD label and serial number(s), and shall provide the necessary information for the department to contact the consumer and determine the physical location of the home. The request must be accompanied by the required fee. The manufacturer or retailer may request a consumer complaint home inspection if the manufacturer or retailer:
- (i) believes that the consumer's complaints are not covered by the respective written warranty, or implied warranties; or
  - (ii) believes that the warranty service was previously properly provided; or
  - (iii) has a dispute as to the respective responsibilities pursuant to the warranties.
- (C) The department will perform the inspection within thirty (30) calendar days from the date an inspection is requested. The inspector shall:
- (i) inspect all items included in the consumer complaint filed with the department and any additional items identified by the consumer prior to completion of the inspection. Any items identified by the consumer after the home inspection is complete shall be handled as a new consumer complaint.
  - (ii) For each item inspected, the inspector shall review the manufacturer's determinations in accordance with 24 CFR §3282.404(b) and evaluate whether or not the item is covered by either the manufacturer's, retailer's, or installer's warranty and, if covered, by which of the respective warranties. In addition, the inspector shall categorize items as follows:
    - (I) The item is a warranty item (also identify which warranty);
    - (II) The result of normal wear and tear, not a warranty item;
    - (III) The result of owner abuse neglect or modification, not a warranty item;
    - (IV) Within commercially acceptable standards, not a warranty item;

- (V) Meets the current federal and state standards, not a warranty item;
  - (VI) Cosmetic, not a warranty item;
  - (VII) License holder not notified within warranty period;
  - (VIII) Unable to determine, additional information is required; or
  - (IX) Other (explain).
- (D) Within ten (10) business [working] days following the consumer complaint home inspection, the department shall mail its written report and orders (includes amended reports and orders), if any, to the consumer, manufacturer, retailer, and installer by certified mail, return receipt requested.

**(E) If the consumer refuses to allow admission for inspection or service, the department will close the complaint. Also, any party denied access will not be held responsible by the department for repairs deemed to be their responsibility.**

- (3) When service or repairs are completed following any notice or orders from the department pursuant to paragraph 2(D) of this section, the manufacturer, retailer, and/or installer shall forward to the department copies of service or work orders reflecting the date the work was completed, or other documentation to establish that the warranty service or repairs have been completed. If the consumer refuses to sign the service or work order, the license holder shall note this fact on the service or work order. These service or work orders must be received by the department within ten (10) calendar days after the expiration of the period of time specified in the warranty order issued by the department.
- (4) Each license holder must maintain both a current physical location address and a current mailing address with the department. Service of notice of hearing or other notice sent by certified mail will be sent to the license holder's current mailing address according to the department's records. If the department sends a notice to the manufacturer, retailer, or installer at the mailing address by certified mail, and the notice is refused or unclaimed, the department may presume that the license holder was provided proper notice. All written amended reports and orders will be serviced in this manner.
- (5) If service or repairs cannot be made within the specified time frame, the license holder shall notify the department in writing prior to the expiration of the specified time frame by certified mail. The notice shall list those items



which have been, or will be, completed within the time frame and shall show good cause why the remainder of the service or repairs cannot be made within the specified time frame. The license holder shall request an extension for a specific time. If the department fails to respond in writing to the request within five (5) business [working] days of the date of receipt of the notice of request for extension, the extension has been granted.

- (6) Once the department receives the service or work orders with the consumer's signature indicating that all items have been satisfactorily completed, the department shall send a written notice to the consumer, stating that if the department does not receive a written reply within the thirty (30) calendar days the complaint file will be closed.
- (7) If the department decides that another inspection is necessary because of conflicts among the parties to a complaint regarding the nature or quality of the corrective work, whomever the department deems to be responsible for errors requiring the additional inspection will be required to pay the inspection fee to the department.

**§80.133. Administration of Claims under the Manufactured Homeowners' Recovery Trust Fund.**

- (a) The Manufactured Homeowners' Recovery Trust Fund (the "Fund") is established to reimburse consumers for actual unsatisfied claims against licensed manufacturers, retailers, brokers, and installers for violations of the Standards Act, these rules, the FMHCSS and its implementing regulations, and the Texas Deceptive Trade Practices-Consumer Protection Act. Payments from the Fund are subject to limitations, as set forth in §1201.405 of the Standards Act.
- (b) Documentation of a claim by a Licensee who is deemed to be a "consumer" under §1201.358(d) of the Standards Act – When either a manufacturer or a retailer has their license revoked or goes out of business and the party that went out of business or had its license revoked has failed to perform required warranty work on a timely basis, the Director may direct a licensee that is still in business to perform the warranty work. A licensee so directed will be deemed to be a "consumer" under §1201.358(d) of the Standards Act and entitled to be reimbursed from the Fund for the costs of performing such re-assigned warranty work.
  - (1) The Director, before authorizing any party performing re-assigned warranty work to proceed, will require that an estimate be submitted, itemizing the hourly cost of labor required, the estimated time to complete the work, the itemized costs of any material, equipment, and supplies, and such additional out-of-pocket expenses as the licensee believes it will incur. Overhead costs may be included, not to exceed 20% of the cost of labor and materials. If the required estimate is not submitted and approved prior to the commencement of re-assigned warranty work, the party performing the work may not be reimbursed for that work until the Director has been provided with evidence

establishing that the amount billed was justifiable in all respects. The estimate must be on the form prescribed by the department[Department], properly completed and executed.

- (2) An order by the Director authorizing re-assigned warranty work to be performed will specify that:
  - (A) the amount billed shall not exceed the actual hours required and the actual out-of-pocket expenses incurred;
  - (B) the licensee should keep complete records, subject to audit by the department[Department] for three years;
  - (C) the re-assigned warranty work shall, unless extended for good cause, [should] be performed within forty (40) days;
  - (D) the required evidence that the re-assigned warranty work was performed shall, unless extended for good cause, [should] be supplied to the department[Department] within ten (10) days of completion; and
  - (E) re-assigned warranty work, once completed, is subject to being re-inspected.
- (3) An order re-assigning warranty work and designating the party responsible for the re-assigned warranty work as a “consumer” under §1201.358(d) of the Standards Act becomes final if not appealed within thirty (30) days.
- (4) Failure to provide a required estimate in connection with an order to perform re-assigned warranty work, once that order has become final, may serve as grounds for an administrative action against the licensee.
- (5) Claims made by a consumer who is not a licensee and documentation of Fund claims -- when a consumer has a covered claim against a licensee and the licensee has not satisfied the claim, the department[Department] shall take appropriate steps to make sure that the claim is proper and that all reasonable steps to satisfy the claim have been exhausted. In that regard:
  - (A) The department[Department], working with the consumer, shall identify the specific section(s) of law or rule that gave rise to the damages;
  - (B) If the damages arose as a result of a violation of the Texas Deceptive Trade Practice – Consumer Protection Act, the specific violation must be adequately documented. Acceptable documentation would include a court order finding that such a violation had occurred or the establishing of confirmed facts that would specifically constitute such

a violation, along with proof that the court order could not be satisfied. The specific violation must relate directly to the manufactured home or the sale transaction regarding the manufactured home. Tangentially related matters, such as deception in connection with actions as a mortgage broker or real estate broker, are generally not covered and the person responsible should be pursued in the other capacity through appropriate means.

- (c) Attorneys' fees are subject to reimbursement from the Fund, subject to certain limitations. Before reimbursing a consumer for attorneys' fees, the [department\[Department\]](#) shall review the fee statement(s), which must indicate the specific services performed, the amount of work required, and the hourly rate(s) charged. Fees not directly relating to efforts to recover the unsatisfied claims are not reimbursable.
- (d) The [department\[Department\]](#) shall require reasonable proof of efforts to collect the damages for which reimbursement from the Fund is sought.
- (e) The [department\[Department\]](#) may require the assignment of claims against licensees for any amounts for which payments are made from the Fund. The [department\[Department\]](#) may re-assign any and all such claims to any bonding company or other surety that reimburses the Fund for such payments.
- (f) If there is no licensee that can be assigned responsibility for warranty work or corrective action, the [department\[Department\]](#) may require that the consumer select a contractor of their choice to perform the warranty work. The selected contractor shall submit an estimate itemizing the hourly cost of labor required, the estimated time to complete the work, the itemized costs of any material, equipment, and supplies, and such additional out-of-pocket expenses as the contractor believes it will incur. Overhead costs may be included, not to exceed 20% of the cost of labor and materials. Warranty work involving installation functions must be performed by a licensed and bonded installer as defined in §1201.101(d) of the Standards Act [enter into agreements with one or more licensees to perform such work after requesting bids from the qualified licensee(s) in the immediate area where the work is to be performed or if, because of the scope and nature of the work, there are no qualified local licensees, with such other licensees as may possess the resources and expertise to submit bids and perform the work]. If the only acceptable remedy is the replacement of a home, the [department\[Department\]](#) may negotiate with qualified manufacturers to identify the lowest cost acceptable resolution.
- (g) Notification of warranty work orders, inspections, and re-assigned warranty work
  - (1) When an inspection is to be conducted, other than an initial installation inspection, such as a follow-up installation inspection or a complaint inspection, the [department\[Department\]](#) shall notify each licensee that has been assigned responsibility for warranty items, provided that the licensee

still holds an active license, by notifying the licensee, by regular mail to their address of record, as on file with [department\[Department\]](#). If a party to be notified of an inspection is no longer licensed but has left a mailing address on file with the [department\[Department\]](#), such party shall be given notice of any such inspection by first class mail to that address.

- (2) When warranty work orders are issued, they will be sent to each licensee to whom responsibility has been assigned. They shall be sent to the licensee by regular mail to their address of record, as on file with [department\[Department\]](#).
- (3) If a licensee who has been assigned warranty responsibilities is no longer in business, the [department\[Department\]](#) will, in addition to notifying their surety, notify them of the time and place of the inspection. Such notification to the out-of-business licensee shall be sent to them at their latest business address of record on file with the [department\[Department\]](#). Unless the out-of-business licensee advises the [department\[Department\]](#), in writing, on or before the date of the inspection or actually attends the inspection, the [department\[Department\]](#) will re-assign the warranty work, if any, arising from the findings of the inspection to the retailer or manufacturer who is not out-of-business. The party to whom the warranty work is re-assigned shall perform the warranty work and shall be a consumer, as provided for in §1201.358(d) of the Standards Act, entitled to be reimbursed from the Fund.
- (4) Notification of the surety of an out-of-business or no longer licensed licensee is given in order to afford the surety an opportunity, in accordance with §1201.407 of the Standards Act, to participate in the informal dispute resolution process.
- (5) The Director shall consider the views of the surety, if any, as expressed in the informal dispute resolution process. However, the ultimate responsibility to determine how best to proceed rests with the Director, who shall make his or her decision based on a consideration of all relevant factors and the need to protect the health and safety of consumers and to carry out the purposes of the Standards Act.
- (6) Once a payment is made from the Fund, the [department\[Department\]](#) shall file a claim under the bond of the party primarily responsible for the unsatisfied claim. In the case of re-assigned warranty work reimbursed by the Fund, the claim shall be against the bond of the party that is no longer in business or whose license has been revoked.
- (7) A surety bond issued in connection with a person or entity that is a licensee shall remain in effect with respect to that person or entity, even though the surety bond may be amended to cover one or more additional person or entities or to cover that person operating under one or more different names

or identities UNLESS the amendment to the bond specifically terminates the bond with respect to such person or entity.

**REPEAL** [~~§80.134. *Deceptive Practices*~~]

~~[(a) The following practices will be considered by the Department as indications of deceptive or abusive practices. This section in no way limits or affects whether practices not enumerated or addressed herein are deceptive, abusive, illegal, or the basis for a claim or cause of action.]~~

~~[(1) Interim lending — To sell a manufactured home in a transaction that utilizes interim financing while an application for permanent financing is pending if the seller has any reason to believe that the purchaser will not qualify for the permanent financing.]~~

~~[(2) Price alterations — To sell or offer to sell a manufactured home at a price in excess of its advertised price based on whether the sale is for cash or financed.]~~

~~[(3) Role in credit transaction — To have a role in the financing of a manufactured home or any interest, direct or indirect, in a party providing such financing or acting as a third party settlement service provider with respect thereto unless that role is disclosed in writing to the consumer and the consumer is advised, in writing, of the right to obtain financing elsewhere without affecting the contractual terms, including price, relating to the purchase of the manufactured home.]~~

~~[(4) Making any material representation about a manufactured home and failing to evidence it in a document that the purchaser may enforce.]~~

~~[(5) Except for good cause shown, failure to submit the required forms to enable the purchaser to obtain evidence of good and marketable title within the time required by the Standards Act.]~~

~~[(6) Failure to give the notice required by §1201.162 of the Standards Act, formaldehyde notice, or any other required notice.]~~

~~[(7) If title to the manufactured home is in the name of any party other than the person negotiating and completing the sale transaction or the business on whose behalf he or she is acting, that fact must be disclosed, the identity of the true owner must be disclosed, and the person acting in that capacity must be acting as a licensed broker with authority to negotiate a sale that will result in the delivery of good and marketable title.]~~

- ~~[(8) Installing a manufactured home in a wind zone or thermal zone for which it is not approved or delivering such a home to such a wind zone or thermal zone for installation by someone else.]~~
- ~~[(9) Failure to provide a single contractual document that evidences all items to be provided in connection with the manufactured home and, if any such items are to be provided after the fact, specifying the estimated date by which they will be provided and the identity of any party other than the retailer responsible for any such items.]~~
- ~~[(10) Failure to provide detailed specifications of any item to be delivered or provided in connection with the sale of a manufactured home if the item has a retail value in excess of \$250. For example, disclosing that a refrigerator is provided is insufficient. The disclosure should specify the make and model or describe the size and features. If any item will not be “new” this must be disclosed in writing.]~~
- ~~[(11) Asking for or accepting any executed document that has not been completed or altering, without all parties’ signed agreement, any executed document.]~~
- ~~[(12) Knowingly accepting or issuing any check or other instrument appearing on its face to be a *bona fide* payment but known not to represent good funds.]~~
- ~~[(13) Accepting from a consumer any deposit or down payment, regardless of what it is called, without first giving the consumer a written statement setting forth:]~~
- ~~[(A) The amount of that deposit or down payment;]~~
- ~~[(B) A clear statement as to whether the deposit or down payment is refundable;]~~
- ~~[(C) Any requirements or limitations relating to obtaining such refund; AND]~~
- ~~[(D) Providing a written receipt identifying the name and address of the licensee taking the deposit or down payment and describing the manufactured housing transaction to which it relates.]~~
- ~~[(14) Negotiating or offering any required refund of less than the full amount the consumer is entitled to receive by law.]~~
- ~~[(15) Requiring a purchaser to accept delivery of a manufactured home, whether new or used, without giving them an opportunity to inspect the home to make sure that it conforms to their contract. When the~~

~~purchaser signs a document acknowledging that the home which has been delivered conforms to their contract, the sale becomes final, but this in no way affects the operation of any warranty required by law or granted contractually or affects or abridges any rights or obligations of either of the parties to the transaction.]~~

~~[(16) Failing to identify one's self as a licensee by displaying the type and license number on a business card or advertisement.]~~

~~[(b) Other disclosures: On the sale of a used home, the retailer or broker must provide the purchaser with a disclosure advising the consumer either that they will be responsible for the installation (which will have a written warranty of not less than one year) or, if they will not be installing the home, a statement that they will not be installing the home and therefore will not be providing any warranty as to installation.]~~

**§80.135. *Manufactured Housing Auctions.***

- (a) Auction of Manufactured Housing to Texas Consumers.
  - (1) The person(s) selling more than one home through an auction in a twelve (12) month period must be licensed as a retailer with this department and the specific location at which the auction is to be held must be bonded in accordance with the Standards Act.
  - (2) The auctioneer must be licensed as a manufactured housing salesperson with the Texas Department of Housing and Community Affairs and licensed as an auctioneer, pursuant to the Texas Auctioneer Act, Occupations Code, Chapter 1802.
  - (3) The retailer must notify this department in writing at least thirty (30) calendar days prior to the auction with such notice to contain the date, time, and physical address and location of the proposed auction.
  - (4) The retailer must keep and maintain a file copy of all notices, circulars, or advertisements of any kind relating to the auction of manufactured housing.
  - (5) A manufactured home that has been salvaged or is not habitable may not be sold, conveyed, or transferred to a consumer as a manufactured home for dwelling purposes. ~~[The seller must surrender the title and HUD label or Texas Seal, or a statement that there was no label or seal, to the department along with the required fee and an application to cancel the title to business use, before the home is auctioned.]~~
  - (6) The retailer must give notice to each person attending the auction, and the notice shall contain the following:

- (A) a statement that the homes offered for sale are habitable pursuant to §1201.455 of the Standards Act;
  - (B) a statement that any home purchased at the auction must be installed by a installer licensed with this department;
  - (C) the appropriate warning concerning formaldehyde as required by §1201.153 of the Standards Act; and
  - (D) the appropriate notice regarding home construction and Wind Zone standards as outlined in the Standards Act.
- (7) The retailer shall retain sales records as required by §80.121 of this title (relating to Retailer's Responsibilities) if the home is sold to a consumer.
- (b) Auction of Manufactured Housing to Licensed Retailers.
- (1) No license with the department is required of a lender whose repossessed manufactured homes are being auctioned, if the lender is selling to a retailer who is licensed with the department. The auctioneer must be licensed only pursuant to the Texas Revised Civil Statutes, Texas Auctioneer Act, Occupations Code, Chapter 1802.
  - (2) The auctioneer must notify the Texas Department of Housing and Community Affairs at least thirty (30) calendar days prior to the auction. Such notice must contain the date, time, and physical address and location of the proposed auction.
  - (3) The auctioneer must keep and maintain a file copy of all notices, circulars, or advertisements of any kind relating to the auction of manufactured housing.
  - (4) The auctioneer must keep and maintain an accurate register of all persons attending the auction. This register should show the name of the individual, the manufactured housing retailer business name, the address of the retailer, and the current license number of the manufactured housing retailer.
  - (5) The auctioneer must keep and forward to the Texas Department of Housing and Community Affairs immediately following the auction, a complete list of all manufactured homes sold at such auction including the name of manufacturer, model, serial and HUD numbers, along with the name, address, and license number of the retailer purchasing the home.
  - (6) In lieu of the auctioneer maintaining and filing the information in paragraphs (1)-(5) of this subsection with the department, the consigner of the manufactured homes may contract with the auctioneer to file the information with the department.



**REPEAL** [~~§80.136.—Homes Acquired on or after January 1, 2002.~~]

~~[(a)—When a retail sale of a manufactured home occurs and that home will be treated as real property under §1201.2055 of the Standards Act:]~~

~~[(1)—The closing of that sale must occur at either a title company authorized to do business in Texas, an attorneys' office, or an office of a federally insured depository institution, regardless of whether the manufactured home or the real property on which it will be located is or will be the homestead of the purchaser.]~~

~~[(2)—The method or manner of installation must be supported by documentation establishing the particular requirement with which it complies and the basis on which it was concluded that such particular requirement and particular department standard were met, such as a report by:]~~

~~[(A)—an FHA, FNMA, or FHLMC approved inspector;]~~

~~[(B)—an engineer, architect, real estate inspector, or appraiser licensed by the state of Texas; or]~~

~~[(C)—an inspector employed by and inspecting for the state of Texas or a local government in Texas.]~~

~~[(b)—When a manufactured home is installed or re-installed, the licensed installer (or, in the case of a retail sale of a new home, the retailer) shall provide to the Department a statement as to the name of the legal owner(s) of the property on which such manufactured home is being installed.]~~

**REPEAL** [~~§80.137.—Required Forms.~~]

~~[(a)—The following forms are required by the Department to be used for the purposes described therein, as set forth in the Standards Act:]~~

~~[(1)—Notice of Installation/Form T;]~~

**[Figure: 10 TAC §80.137(a)(1)] - Moved Form T to §80.260(a)(4).**

~~[(2)—Down Payment Verification Affidavit;]~~

**[Figure: 10 TAC §80.137(a)(2)] - Deleted Down Payment Verification Affidavit.**

~~[(3)—Estimate for Reassigned Warranty Work.]~~

**[Figure: 10 TAC §80.137(a)(3)] - Moved estimate of reassigned warranty work form to §80.260(a)(5).**

~~[(b) Any alternative form or any modification of any of the foregoing forms may be accepted by the Department if the Director determines that all information necessary to the administration of the Standards Act has been provided and that in all other respects the alternative form or modified form is acceptable AND the director has evidenced such approval in writing prior to the acceptance of any such alternative or modified form. The director may require a legal opinion from counsel for the person seeking to use an alternative or modified form that it complies with the Standards Act and addressing such other legal issues as the director may determine. The director may place limitations or conditions on the approval of any alternative or modified form.]~~

## **SUBCHAPTER F. CONSUMER NOTICE REQUIREMENTS**

### ***§80.180. Formaldehyde Notice Requirements.***

- (a) The consumer notice related to formaldehyde must be posted in the home in accordance with the FMHCSS.
- (b) In addition to the requirement of subsection (a) of this section:
  - (1) A retailer shall deliver a copy of the "Important Health Notice" prescribed by HUD to the consumer before the execution of any mutually binding sales agreement.
  - (2) The consumer must sign the copy of the notice. The retailer shall keep the originally signed copy in the permanent sales file and shall give a copy to the consumer at the time the original copy is signed. If requested, the retailer shall deliver a copy of the signed notice to the manufacturer of the home.
  - (3) The copy of the notice to be signed by the consumer may be reduced in size from the notice required to be posted in the home and may be entirely reproduced in either red or black. This copy of the notice must be on a form approved by the department, dated, and must contain the following certification immediately above the place for the consumer's signature in bold face type which is at least eight points in size: "I (We) certify that this Important Health Notice was prominently displayed in the kitchen of the manufactured home being purchased and further that this notice was given to me (us) on the date shown and prior to the signing of any binding agreement. I (We) have read the notice and understand it."

### **NEW §80.181. Sale of a Home from a Location other than a Principal, Licensed, Retail Location.**

**In order to comply with the provisions of §1201.107 of the Standards Act, a retailer or broker must:**

- (1) have a current, in effect surety bond issued in the most recent form promulgated by the department; and
- (2) include in the contractual document required by §1201.107(d)(2) of the Standards Act the following statement: “The way that the bond applies to this sale is that if the consumer sustains actual, unsatisfied damages that are subject to reimbursement from the Fund, if the Fund makes one or more payments to a consumer to compensate the consumer for covered damages, the Fund will seek reimbursement from the surety that provided that bond, subject to the provisions of that bond. A consumer does not have the right or ability to make a direct claim on the bond.

**REPEAL** [~~§80.181.—Section 162 Notice.~~]

~~[Before accepting a completed credit application from a consumer, a retailer (or any salesperson or other agent acting on behalf of a retailer) shall provide the following disclosure.]~~

~~[(1)—English version of Section 162 Notice:]~~

**[Figure: 10 TAC §80.181(1)] - Moved disclosure form to §80.260(a)(2).**

~~[(2)—Spanish version of Section 162 Notice (the retailer is not required to provide the form in Spanish; however, the consumer may request a copy in Spanish from the retailer or from the Department):]~~

**[Figure: 10 TAC §80.181(2)] - Moved Spanish version of disclosure form to §80.260(b)(1).**

**REPEAL** [~~§80.182.—163 Disclosure.~~]

~~[(a)—In a chattel mortgage or consumer loan transaction, the retailer shall deliver to the consumer, at least 24 hours before the execution of the contract, the disclosure set forth in paragraph (1) of this subsection and a copy of the contract to be executed with all information included, signed by the retailer.]~~

~~[(1)—English version of disclosure:]~~

**[Figure: 10 TAC §80.182(a)(1)] - Moved 163 disclosure form to §80.260(a)(3).**

~~[(2)—Spanish version of disclosure (the retailer is not required to provide the form in Spanish; however, the consumer may request a copy in Spanish from the retailer or from the Department):]~~

~~**[Figure: 10 TAC §80.182(a)(2)] - Spanish version of 163 disclosure form to §80.260(b)(2).]**~~

~~[(b) The disclosure must be given in writing in at least 12 point type. It may not be attached to any other disclosure or document. The consumer must sign and date a copy of the disclosure to acknowledge that it was provided.]~~

**§80.183. Three Day Right of Rescission.**

- (a) The first calendar day after the day on which the applicable contract is executed is the first day, and the three day right of rescission expires unless notice has been given prior to midnight on the third calendar day following the date of execution of the applicable contract.
- (b) The three day right of rescission may not be waived.
- (c) Although a licensee is not required to obtain a signed acknowledgment, a [A] licensee may rely on a signed acknowledgement from a consumer, executed after the right of rescission has expired, confirming that the right expired without being exercised.

**SUBCHAPTER G. STATEMENTS OF OWNERSHIP AND LOCATION**

**REPEAL** ~~[§80.200.—Responsibility for Completion and Filing of an Application for a Statement of Ownership and Location.]~~

~~[(a) When a person required to be licensed under the Standards Act is involved in the sale or transfer of ownership of a manufactured home, they must, no later than thirty (30) calendar days after the date of the closing of the sales or transfer transaction, either:]~~

~~[(1) Provide the transferee with an Application for Statement of Ownership and Location completed as to all parts that the seller transferor should be able to complete, including execution and the attachment of all necessary supporting documentation, and deliver it to the consumer for completion and filing; or]~~

~~[(2) Obtain the transferee's notarized signature on a fully completed application for Statement of Ownership and Location and file the completed application, together with the required fee and all necessary supporting documentation, with the Department.]~~

~~[(b) The transferor must retain copies of the completed application and all supporting documentation as evidence that it conveyed good and marketable title to the manufactured home to the transferee. A contract to convey title after completion of an extended payout, as opposed to a financed extended payout secured by a lien on the manufactured home, does not constitute a conveyance of good and marketable title. An extended payout is any repayment involving more than one installment or any finance charge.]~~

**§80.201. Issuance of Statements of Ownership and Location.**

- (a) Application Requirements. In order to be deemed complete, an application for a Statement of Ownership and Location must include, as applicable: ~~Initial Statements.~~

~~[(1) The Department will issue an initial Statement of Ownership and Location within ten (10) working days after receipt of a complete application, accompanied by all documentation necessary to support the application.]~~

~~[(2) In order to be deemed complete, an application for a Statement of Ownership and Location must include, as applicable:]~~

~~[(1)(A) A completed and fully executed Application for Statement of Ownership and Location on the department's~~Department's~~ prescribed form;~~

~~[(2)(B) The required fee;~~

~~[(3)(C) To record a lien for which the department does not have the owner's consent ~~[If one or more liens are to be reflected on the Statement of Ownership and Location]~~, copies of documentation establishing the creation~~[,]~~ and existence~~[,] and priority~~ of each such lien;~~

~~[(4)(D) A statement from the tax appraiser, of the county where the home was located the prior January 1st, that there are no unpaid taxes for the prior year for which a lien could be filed with the Department if such taxes were not paid. The statement may be provided on the Statement of No Unpaid Taxes form published in §80.260(b) or on any other form providing the same information. ~~[If a manufactured home is relocated, satisfactory evidence that there are no property tax liens on the home or that provision has been made for them. Satisfactory evidence would include, but would not be limited to, evidence that the relocation was effected with a TxDOT approved move or a statement from a title company, lender, or escrow agent, executed by a person purporting to be its duly authorized officer or representative, that money sufficient to pay the taxes was being held by them and would be applied to the payment of those taxes.]~~~~

~~[(5) If one or more existing liens are to be released, assigned, or foreclosed, appropriate supporting documentation;~~

~~[(6) If an application for Statement of Ownership and Location indicates a change in ownership but no change in lien, supporting documentation that clearly establishes that the lienholder consented to that change;~~

- (7) If a manufactured home is to be designated for use as a dwelling after the home has been designated for business use, salvage, or as real property, evidence of a satisfactory habitability inspection by the department.
- (8) If an application for Statement of Ownership and Location is for a home that is being declared abandoned, a completed notarized Affidavit of Fact for Abandonment on the form set forth in §80.260(a)(15) of this title with all required supporting documents.
- (b) Right of Survivorship: If the survivorship election is taken, then the department will issue a new Statement of Ownership and Location to the surviving person(s) upon receipt of a copy of the death certificate of the deceased person(s), and a properly executed application for Statement of Ownership and Location, and the applicable fee. [Revised Statements.]
- ~~[(1) The Department will issue a revised Statement of Ownership and Location within ten (10) working days after receipt of a complete application, accompanied by all documentation necessary to support the application.]~~
- ~~[(2) In order to be deemed complete, an application for a revised Statement of Ownership and Location must include, as applicable:]~~
- ~~[(A) A completed and fully executed Application for Statement of Ownership and Location on the Department's prescribed form;]~~
- ~~[(B) The required fee;]~~
- ~~[(C) If one or more liens are to be reflected on the Statement of Ownership and Location, copies of documentation establishing the creation, existence, and priority of each such lien;]~~
- ~~[(D) If one or more existing liens are to be released or transferred, appropriate supporting documentation, including a properly executed and completed release of lien form;]~~
- ~~[(E) If a manufactured home is to be designated for use as a dwelling after the home has been designated for business use only or salvage, evidence of a satisfactory habitability inspection by the Department, accompanied by the required fee;]~~
- ~~[(F) If a manufactured home is relocated, satisfactory evidence that there are no property tax liens on the home or that provision has been made for them. Satisfactory evidence would include but would not be limited to, evidence that the relocation was effected with a TxDOT approved move, a paid taxes certificate from the~~

~~county tax assessor for the county where the home was located prior to the move, or an original, signed statement from a title company, lender, or escrow agent, executed by a person purporting to be its duly authorized officer or representative, that money sufficient to pay the taxes was being held by them and would be applied to the payment of those taxes;]~~

~~[(G) In instances where title to a manufactured home is conveyed in a transaction other than a transaction requiring a license under the Standards Act, such as testamentary and non-testamentary transfers, private sales not requiring a license, voluntary or court-ordered partitions, etc, originals or certified copies of appropriate documentation to support any such transfer, as required by the Department; and]~~

~~[(3) Any change in a Statement of Ownership and Location shall result in a new Statement of Ownership and Location being issued, and the new Statement of Ownership and Location shall specify the effective date which shall be either the date of the submission of the completed application or such other date as the Director may determine is appropriately supported by the information provided.]~~

~~[(c) Replacing a Document of Title.]~~

~~[(1) Upon receipt of a written request, applicable fee(s), and any necessary additional information, including a notarized statement of election of real or personal property status, the Department will replace a document of title with a Statement of Ownership and Location.]~~

~~[(2) If a manufactured home title showed that it was personal property, that will be presumed to be its status until and unless a revised Statement of Ownership and Location is applied for and issued. Likewise, if a manufactured home has had a certificate of attachment issued and had title cancelled to real property, that shall be presumed to be its status until and unless a revised Statement of Ownership and Location is applied for and issued.]~~

~~(c)(d) Corrections to Statements of Ownership and Location.~~

(1) If a correction is required as a result of a department error, it will be corrected at no charge.

~~[(2) If an error was made for another reason, it will be corrected upon receipt of all documentation needed to support the correction.]~~

~~(2)~~~~(3)~~ If a correction is requested because of an error made by a party other than the department, the correction will not be made until the department receives the following:

- (A) A complete corrected application for Statement of Ownership and Location,
- (B) Any necessary supporting documentation, and
- (C) The required fee ~~of \$25~~, which can be reduced or waived by the director for good cause.

(d) Upon issuance of a Statement of Ownership and Location, the department will mail one certified copy to the owner and one certified copy to the lienholder. If additional certified copies are desired, a written request must be submitted and accompanied by the additional fee.

(e) Exchanging a Document of Title for a Statement of Ownership and Location.

(1) Upon receipt of the original title and completed application for Statement of Ownership and Location, including the physical location of the home, the department will issue a Statement of Ownership and Location.

(2) If a manufactured home title showed that it was personal property, that will be presumed to be its status until and unless a revised Statement of Ownership and Location is applied for and issued. Likewise, if a manufactured home has had a certificate of attachment issued and had title cancelled to real property, that shall be presumed to be its status until and unless a revised Statement of Ownership and Location is applied for and issued.

~~(f)~~~~e~~ Updating of Statements of Ownership and Location on Manufactured Homes Transferred as Real Property.

(1) When a manufactured home has become real property because the owner elected real property status and their Statement of Ownership and Location was recorded in the appropriate county records, the home may be sold or transferred as real property by the customary means used for real property transactions. As long as the home remains real property at the same location, ownership of the home is confirmed in the same manner as any other real property, rather than by verifying department records. ~~A [Any buyer or transferee is not required to apply for a]~~ new Statement of Ownership and Location does not have to be applied for until and unless:

- (A) the manufactured home is moved to a new location;



- (B) the current owner of the manufactured home wishes to convert it to personal property status; or
  - (C) the manufactured home no longer meets the requirements to be classified as real property (such as the home being on property subject to a long term lease which is not assignable to the buyer or transferee).
- (2) To convert a manufactured home from real property to personal property, the owner of the home must submit a completed Application for Statement of Ownership and Location to the department with supporting documentation as follows:
- (A) If the applicant is not the owner of record with the department, satisfactory proof of ownership under a complete chain of title. Acceptable evidence would include, but not be limited to, authenticated copies of all intervening transfer documents, a court order confirming ownership, or ~~[a commitment for]~~ title insurance policy in such owner's name issued by a title insurance company licensed to do business in Texas.
  - (B) Satisfactory evidence that any liens on the manufactured home have been discharged or that all lienholders have consented to the change.
  - (C) Evidence of a satisfactory habitability inspection by the department.
- (3) Upon receipt of the certified copy of the new Statement of Ownership and Location that reflects the real ~~[personal]~~ property election of the home, the certified copy shall be filed ~~[owner shall file that certified copy]~~ in the county real property records, at which time the real ~~[personal]~~ property election will take effect. A copy stamped "filed" by the county must be submitted to the department as evidence that the requirements of §1201.2055 of the Standards Act have been satisfied and the real property election to be perfected.

**REPEAL** [~~§80.202.— Fees for Title Documents.~~]

~~[(a)— Title Transaction Fees.]~~

- ~~[(1)— There shall be a fee of \$55 for each title transaction. The fee shall be submitted in the form of a cashier's check or money order payable to the Texas Department of Housing and Community Affairs. The fee shall accompany the required documents forwarded to the Manufactured Housing Division of the department at its principal office in Austin. Ten dollars of the fee for each title transaction shall be deposited in the~~

~~HORF. A title transaction is the issuance, reissuance, reinstatement, cancellation or recordation of: }~~

~~[(A) a document of title;]~~

~~[(B) Certificate of Attachment;]~~

~~[(C) a salvage title;]~~

~~[(D) a Manufacturer's Certificate of Origin;]~~

~~[(E) the filing of an inventory financing lien;]~~

~~[(F) the filing of foreclosure documents or a repossession affidavit; and]~~

~~[(G) the recording of a transfer of ownership from a lienholder to or through a retailer.]~~

~~[(2) There shall be a separate filing fee of \$150 when a certification form is provided for a home that is permanently affixed.]~~

~~[(3) There shall be a separate transaction fee of \$55 for Quick Title Service related to the issuance of titles in addition to the \$55 for each title transaction. Quick Title Service shall be defined as the processing of the documents related to a title transfer within three (3) working days from the day the application is received in the Manufactured Housing Division. Title transfer documents must be received in good order in the department's manufactured housing division in Austin for the issuance of a manufactured housing title on a Quick Title Service basis. Title transfer documents which are not in good transfer order or which are incomplete will be returned to the sender, and the title application will be processed within three (3) working days from the date that correct and completed documents are received. All quick title applications must be submitted by overnight mail or delivered in-person.]~~

~~[(b) If a correction of a document is required as a result of a mistake by the department, the issuance of a new document shall not require a fee.]~~

~~[(c) All persons licensed with the department as a manufacturer, retailer, broker, or installer may submit company or business firm checks in payment of any fee described herein. All state or federally chartered banks, savings banks or savings institutions and all commercial lenders or mortgage bankers who extend credit for the retail purchase of manufactured homes may also pay any fees with company or business firm checks at the discretion of the department. All checks shall be made payable to the Manufactured Housing Division of TDHCA.]~~

~~[(d) One check may be submitted in payment of the aggregate fees for multiple transactions or the issuance of more than one document. When multiple applications are submitted, a form prescribed by the department must be included which shall identify each application and reconcile the fee for each application with the total amount of the check.]~~

~~[(e) There shall be a fee of \$20 for any title search which shall be paid to the department by the requesting party in the form of a cashier's check or money order. The request must be in writing and must state the specific information being requested.]~~

**REPEAL** [~~§80.203. *Manufacturer's Monthly Shipment Report.*~~]

~~[(a) Every manufacturer shall submit a monthly report to the department of all manufactured homes produced during the preceding month for shipment to any point in Texas. The report shall contain the following information:]~~

~~[(1) the complete HUD label number(s);]~~

~~[(2) the complete serial number(s);]~~

~~[(3) the license number of the retailer as assigned by the department;]~~

~~[(4) a designation as to single or multiple sections; and]~~

~~[(5) the name and address of the purchaser, consignee, or person to whom it was shipped.]~~

~~[(b) The manufacturer's monthly shipment report shall be filed with the department by the 15th day of the month following the manufacture of the home and/or shipment.]~~

~~[(c) If a manufacturer has no sales, consignments, or shipments to any person or place during any month, the report must be filed stating such fact.]~~

**REPEAL** [~~§80.204. *Installation Information.*~~]

~~[(a) The installation information, on forms approved by the department, must accompany each application for a Statement of Ownership and Location and shall contain the following information:]~~

~~[(1) description of the home, including:]~~

~~[(A) serial number;]~~

~~[(B) HUD label number or Texas seal number;]~~

~~[(C)—size of home;]~~

~~[(D)—name of manufacturer;]~~

~~[(E)—Wind Zone, if available; and]~~

~~[(F)—map of the location of the home.]~~

~~[(2)—whether or not the home was, or will be, moved as a result of the sale or transfer;]~~

~~[(3)—whether or not the home was, or will be, installed at a new location as a result of the sale or transfer;]~~

~~[(4)—the location of the home immediately prior to the sale or transfer;]~~

~~[(5)—if moved, or to be moved, the location of the home after the move and the name and address of the person or company that moved, or will move, the home; and]~~

~~[(6)—if installed, or to be installed, the location of the home after installation; and the name and address of the person or company that installed, or will install, the home.]~~

~~[(b)—If the home was installed as a result of the sale or transfer, the installation fee required under §80.20(b) of this title (relating to Fees) must be submitted along with the installation information (Notice of Installation). The installation fee may be combined with the titling fee for each home.]~~

**§80.205. Inventory Finance Liens [~~Lien Information~~].**

~~[(a)—Inventory Financing Liens.]~~

~~(a)[(1)]~~ A lien and security interest on manufactured homes in the inventory of a retailer, as well as to any proceeds of the sale of those homes, is perfected by filing an inventory finance security form approved by the department and in compliance with these sections.

~~(b)[(2)]~~ The creditor-lender financing the inventory and the retailer must execute a security agreement which expressly sets forth the rights and obligations of the two parties in the inventory finance arrangement.

~~(c)[(3)]~~ The inventory finance security form shall contain the following:

~~(1)[(A)]~~ signatures of both the retailer and the creditor-lender;

~~(2)(B)~~ the name, sales location, address, and license number of the retailer; and

~~(3)(C)~~ the name and address of the creditor-lender.

~~(d)(4)~~ A separate form must be filed for each licensed sales location.

~~(e)(5)~~ For manufactured homes for which no Statement of Ownership and Location or Document of Title has been issued, the filing of the inventory-finance security form perfects a security interest in all manufactured homes, whether then owned or thereafter acquired, as well as to any proceeds of the sale of those homes, provided that:

~~(1)(A)~~ the home is financed by the creditor-lender;

~~(2)(B)~~ the creditor-lender has advanced any funds for the home; or

~~(3)(C)~~ the creditor-lender has incurred any obligation for the home.

~~(f)(6)~~ This security interest attaches to a particular manufactured home only when the act described in either subsection (e)(1), (2), or (3) of this section ~~[paragraph (5)(A), (B), or (C) of this subsection]~~ would either:

~~(1)(A)~~ enable the retailer to acquire the manufactured home;

~~(2)(B)~~ pay the existing balance of a creditor-lender for funds secured by a security interest in the manufactured home;

~~(3)(C)~~ in the event that the retailer and manufacturer are the same entity, pay funds to the manufacturer-retailer after completion of the manufacture of the manufactured home; or

~~(4)(D)~~ in the event that the retailer has no debt owed against the inventory, enable the retailer to use the manufactured home as security for a new debt.

~~(g)(7)~~ No provision in the security agreement between the parties to an inventory financing arrangement shall in any way modify, change, or supersede the requirements of this section for the perfection of security interests in manufactured homes in the inventory of a retailer.

~~(b) — Release of Liens.~~

~~(1) — The lienholder of a lien recorded on a Statement of Ownership and Location shall deliver a properly executed release of lien form prescribed by the department to the owner of record within thirty (30) calendar days of the satisfaction of the debt or obligation secured by the lien.~~

~~[(2) The lien recorded on a Statement of Ownership and Location shall be released by the department upon receipt of a release of lien form properly executed by the lienholder of record, and a new Statement of Ownership and Location shall be issued.]~~

~~[(c) Foreclosure or Repossession.]~~

~~[(1) In the event of sale after either foreclosure or repossession of a manufactured home that is not real property, the department shall issue a new Statement of Ownership and Location upon receipt of a properly executed application containing the following information:]~~

~~[(A) The description of the home along with an indication of whether the home is a foreclosure or repossession;]~~

~~[(B) The name and address of the lienholder and name of the person authorized to sign for the lienholder;]~~

~~[(C) An indication of whether the home was repossessed by judicial order or sequestration. A true copy of the order or bill of sale shall be attached; and ]~~

~~[(D) A certification that:]~~

~~[(i) the home will be sold from a licensed retailer's location; or]~~

~~[(ii) the seller is not required to be licensed under Subchapter C of the Standards Act.]~~

~~[(2) In the event of foreclosure or repossession of a manufactured home that is not real property, the department will not issue a new Statement of Ownership and Location until receipt of release of lien.]~~

~~[(d) Right of Survivorship: If two or more eligible persons are shown as purchasers or transferees, they may execute the right of survivorship election on an application for a Statement of Ownership and Location. Such election constitutes an agreement for the right of survivorship. If the survivorship election is taken, then the department will issue a new Statement of Ownership and Location to the surviving person(s) upon receipt of a copy of the death certificate of the deceased person(s), and a properly executed application for Statement of Ownership and Location, and the applicable fee.]~~

**REPEAL** ~~[\§80.206. Assignment of Lien.]~~

~~[(a) A lien may be assigned from one lienholder to another by completing a properly executed application for Statement of Ownership and Location requesting the~~

~~assignment of lien. The application for Statement of Ownership and Location must be signed by both lienholders and supported by a copy of the assignment agreement, and the fee.]~~

~~[(b) Should two lienholders anticipate assignments of lien for a large number of homes, they may prefile a copy of the assignment agreement with the department. The department will assign a file number, and the lienholder may reference the file number in place of including a copy of the assignment agreement with each application.]~~

**REPEAL** [~~§80.207. Reinstatement of Canceled Documents of Title.~~]

~~[(a) A manufactured home which has been declared real estate, may be converted and declared personal property upon inspection by the department for habitability and upon receipt of the following:]~~

~~[(1) a properly executed release of lien releasing any lien resulting from a security interest in the home from the lender;]~~

~~[(2) if no lien or security interest exists, an affidavit from the owner of record, executed before a notary public that no lien or security interest exists against the home;]~~

~~[(3) a properly executed application for the reissuance of a Statement of Ownership and Location and the required fee;]~~

~~[(4) confirmation from a title insurance company authorized to do business in Texas that no other liens exist on the manufactured home; and]~~

~~[(5) payment for a habitability inspection to ensure that the home is habitable and payment for the reissuance of a Statement of Ownership and Location.]~~

~~[(b) A manufactured home which has been designated for business use, may be used as a dwelling and elected as personal or real property upon inspection by the department for habitability and upon receipt of the following:]~~

~~[(1) payment for a habitability inspection; and]~~

~~[(2) receipt of a properly executed application for reinstatement accompanied by the proper fees.]~~

**§80.208. Recording Tax Liens [~~Lien~~] on Manufactured Homes.**

(a) For all manufactured homes elected as personal property and sold, or to which ownership is transferred, after December 31, 1985 ~~[and before August 31, 2001 and for all manufactured homes that are not real property sold, or to which~~

~~ownership is transferred after December 31, 1985~~], the recording of a tax lien notice filed with the department constitutes constructive notice of the existence of the lien to all consumers ~~[purchasers]~~ of the manufactured home who purchase it after the date or recordation of the lien and before the collector for the taxing unit files a notice canceling the tax lien.

- (b) Except as provided by subsection (c) of this section, a county that files with the Department, prior to October 1, 2005, information that asserts a tax lien with respect to a specific manufactured home located within that county for tax year 2004 or earlier will be deemed to have met the recordation requirements of Tex. Tax Code, Section 32.03 with respect to the timeliness of the filing but will not be perfected with regard to that filing until and unless all information required on the prescribed form in §80.260(a)(14) of this title has been provided. Such information must be provided on or before ( ) unless extended by the director for good cause. If a manufactured home is transferred after October 1, 2005, but before such a lien is perfected, the transfer is subject to the provisions of Tex. Tax Code §32.03. ~~[If a tax lien filed with the department in accordance with this section ceases to exist, the collector for the taxing unit shall file a notice with the department stating that the lien no longer exists. Such notice shall be filed no later than ten (10) calendar days after payment of the taxes].~~
- (c) A personal property tax lien may not be enforced against a manufactured home transferred to a bona fide ~~[bona fide]~~ purchaser who does not have constructive notice of the existence of the lien.

**REPEAL** ~~[§80.209. *Statement of Ownership and Location Forms.*]~~

~~[(a) — **Application for Statement of Ownership and Location:**]~~

[Figure: 10 TAC §80.209(a)] - Moved application for SOL form to §80.260(a)(6).

~~[(b) — **Form B (Release of Lien, Foreclosure of Lien or Lien Assignments):**]~~

[Figure: 10 TAC §80.209(b)] - Moved Form B to §80.260(a)(7).

## SUBCHAPTER H. TABLES AND FIGURES

NEW §80.240. *Tables and Figures.*

(a) **Tables.**

(1) **Maximum Spacing for Diagonal Ties.**



**MAXIMUM SPACING FOR DIAGONAL TIES (WIND ZONE I ONLY!)**

<b>Minimum Nominal Widths Single/Double Section</b>				
<b>Max. Vertical Distance</b>	<b>12/24 wide</b>	<b>14/28 wide</b>	<b>16/32 wide</b>	<b>18/36 wide</b>
20" to 24"	11 ft	14 ft	15 ft	16 ft
25" to 29"	9 ft	12 ft	14 ft	15 ft
30" to 40"	8 ft	10 ft	12 ft	14 ft
41" to 48"	7 ft	9 ft	11 ft	13 ft
49" to 60" (see note 3)	6 ft	8 ft	10 ft	12 ft
61" to <u>67" [80"]</u> (see notes 3 & 10)	5 ft	6 ft	8 ft	10 ft
Minimum number of longitudinal ties, each end of each section.	1 at min. 58° angle from vertical	2 at min. 32° angle from vertical	2 at min. 38° angle from vertical	2 at min. 46° angle from vertical

*Notes:*

- 1) This chart applies to single and multi section homes.
- 2) Anchoring components are rated at 4725 lbs. ultimate load. Anchoring components and equipment shall be installed in accordance with the anchoring component and equipment manufacturer's installation instructions or the generic standards in §80.55(d)(4).
- 3) Single section units shall have diagonal ties directly opposite each other along the two main I-beams. Multi section units need diagonal ties on the outer-most main I-beam only. When vertical distance exceeds 48", connect diagonal tie to opposite beam.
- 4) Ties installed at each end of the home shall be within 24 inches of each end of the applicable I-beam.
- 5) The distance between any two ties may be exceeded to avoid an obstruction, as long as the total number of ties remains the same, and no two anchors shall be within 4 ft of each other. See the table in §80.240(a)(2).
- 6) Any vertical ties present on homes must be attached to a ground anchor. Both vertical and diagonal ties may be connected to a single double-headed anchor, if the anchor manufacturer's installation instructions allow for the combined loading.
- 7) The vertical distance is measured from the anchor head to the underside of the floor joists.
- 8) No two anchors shall be within 4 ft of each other.
- 9) Other stabilizing systems registered with the department may replace longitudinal and/or lateral ties as long as the system manufacturer's installation instructions are followed.
- 10) Piers of greater heights are allowed if they are within limits established in adopted federal standards.**

**(2) Minimum Number of Diagonal Ties.**

**MINIMUM NUMBER OF DIAGONAL TIES REQUIRED PER SIDE, PER UNIT LENGTH  
(WIND ZONE I ONLY)**

unit length (ft)	o.c. spacing (ft)												
	4	5	6	7	8	9	10	11	12	13	14	15	16
40	10	8	7	6	6	5	5	4	4	4	4	3	3
42	11	9	7	6	6	5	5	5	4	4	4	4	3
44	11	9	8	7	6	5	5	5	4	4	4	4	4
46	12	9	8	7	6	5	5	5	5	4	4	4	4
48	12	10	8	7	7	6	5	5	5	4	4	4	4
50	13	10	9	8	7	6	6	5	5	5	4	4	4
52	13	11	9	8	7	6	6	5	5	5	4	4	4
54	14	11	9	8	7	7	6	6	5	5	5	4	4
56	14	11	10	8	8	7	6	6	5	5	5	4	4
58	15	12	10	9	8	7	6	6	6	5	5	5	4
60	15	12	10	9	8	7	7	6	6	5	5	5	5
62	16	13	11	9	8	7	7	6	6	5	5	5	5
64	16	13	11	10	9	8	7	6	6	6	5	5	5
66	17	13	11	10	9	8	7	7	6	6	5	5	5
68	17	14	12	10	9	8	7	7	6	6	6	5	5
70	18	14	12	10	9	8	8	7	7	6	6	5	5
72	18	15	12	11	10	9	8	7	7	6	6	6	5
74	19	15	13	11	10	9	8	7	7	6	6	6	5
76	19	15	13	11	10	9	8	8	7	7	6	6	6

Note: If unit length is not listed use next higher tabulated length.

**(3) Maximum Spacing for Diagonal Ties (Wind Zone II) per side of the Assembled Unit.**

**MAXIMUM SPACING FOR DIAGONAL TIES (WIND ZONE II)  
PER SIDE OF THE ASSEMBLED UNIT**

<b>Minimum Nominal Widths Single/Double Section</b>				
<b>Max. Vertical Distance</b>	<b>12/24 wide</b>	<b>14/28 wide</b>	<b>16/32 wide</b>	<b>18/36 wide</b>
20" to 24"	7 ft	8 ft	8 ft	8 ft
25" to 29"	6 ft	7 ft	8 ft	8 ft
30" to 40"	5 ft	6 ft	7 ft	8 ft
41" to 48"	4 ft	5 ft	6 ft	7 ft
49" to 60" (see note 3)	4 ft	6 ft	6 ft	6 ft
61" to <del>67"</del> <b>[80"]</b> (see notes 3 & 10)	4 ft	4 ft	4 ft	4ft
Minimum number of longitudinal ties, each end of each section.	2 at min. 58° angle from vertical	2 at min. 32° angle from vertical	3 at min. 38° angle from vertical	3 at min. 46° angle from vertical

*Notes:*

- 1) This chart applies to single and multi section homes.
- 2) Anchor components are rated at 4725 lbs. ultimate load.
- 3) Single section units shall have diagonal ties directly opposite each other along the two main I-beams. Multi section units need diagonal ties on the outer-most main I-beam only. When vertical distance exceeds 48", connect diagonal tie to opposite beam.
- 4) Ties installed at each end of the home shall be within 24 inches of each end of the applicable I-beam.
- 5) The distance between any two ties may be exceeded to avoid an obstruction, as long as the total number of ties remains the same, and no two anchors shall be within 4 ft of each other. See the table in §80.240(a)(2).
- 6) Any vertical ties present on homes must be attached to a ground anchor. Both vertical and diagonal ties may be connected to a single double-headed anchor, if the anchor manufacturer's installation instructions allow for the combined loading.
- 7) The vertical distance is measured from the anchor head to the underside of the floor joists.
- 8) No two anchors shall be within 4 ft of each other.
- 9) Other stabilizing systems registered with the department may replace longitudinal and/or lateral ties as long as the system manufacturer's installation instructions are followed.
- 10) Piers of greater heights are allowed if they are within limits established in adopted federal standards.**

**(4) Bracket Installation – Maximum Centerline Wall Opening for Column Uplift Brackets.**

**MAXIMUM CENTERLINE WALL OPENING FOR COLUMN UPLIFT BRACKETS**

----- Maximum opening based on floor widths -----

	12 Wide (140" max)	14 Wide (164" max.)	16 Wide (186" max.)	18 Wide (210" max.)
One Single Bracket (2-lags) either side of column.	17'-6"	15'-0"	13'-3"	11'-9"
Two Single Brackets (2-lags each), one each side of column.	35'-0"	30'-0"	26'-6"	23'-6"
One Double Bracket (4-lags) either side of column. Spans are on both sections, opposite each other.	31'-9"	27'-2"	23'-11"	21'-2"
*Two Double Brackets (4-lags) either side of column. Spans are on both sections, opposite each other.	40'-0"	40'-0"	40'-0"	40'-0"

\* For openings larger than 40'-0", consult a local licensed professional engineer or architect.

**(5) Floor Connections – Wind Zone I and II.**

**Floor Connections - Wind Zone I and II**

	min 5/16 lag screw	# 10 wood screw
Wind Zone I	max. 36"	max. 24"
Wind Zone II	max. 24"	max. 12"

**(6) Roof Connection – Fastener Type and Spacing.**

**Roof Connection - Fastener type and spacing:**

----- maximum o.c. spacing (in) -----

	3/8 Lag	1/4 Lag	#10 wood screw
Wind Zone I	36"	24"	24"
Wind Zone II	20"	16"	12"

**(7) Main Panel Box Feeder Conductor Sizes.**

**MAIN PANEL BOX FEEDER CONDUCTOR SIZES**

Main Breaker size (amps)	Raceway diameter	Red/Black (power)	White (neutral)	Green (grounding)
50	1	#6	#6	#8
100	1 1/4	#2 or #3	#2 or #3	#6
150	1 1/2	#1/0 or #2/0	#2	#6
200	2	#3/0	#2	#6

**(8) Footer Capacities.**

**FOOTER CAPACITIES (LBS)**

-----Soil Bearing Capacity-----

Footer size	1000psf	1500psf	2000psf	2500psf	3000psf	3500psf	4000psf
16x16x4	1700	2700	3500	4400	5300	6100	7000
20x20x4	2700	4100	5500	6900	8300	9400	11000
16x32x4	3500	5200	6800	8600	10400	12000	14000
24x24x4	4000	6000	8000	10000	12000	14000	16000

Notes:

- 1) 8x16x4 footers may be used for perimeter and/or exterior door supports. Capacity is half that of the tabulated values for a 16x16x4 footer. For double 8x16x4 footers use the 16x16x4 row.
- 2) Footers of material other than concrete may be used if registered with the department and the listed capacity and area is equal to or greater than the footer it replaces. Concrete footers of sizes not listed may be used as long as their size is equal to or greater than the size listed.
- 3) Footers with loads greater than 8,000 ~~[10,000]~~ lbs. require a double stacked pier.
- 4) All poured concrete is minimum 2500 psi at 28 days.
- 5) Actual footer dimensions may be 3/8 inch less than the nominal dimensions for solid concrete footers conforming to the specifications in ASTM C90-99a, Standard Specification for Load bearing ~~[Loadbearing]~~ Concrete Masonry Units.

**(9) Pier Loads without Perimeter Supports.**

**PIER LOADS (LBS) AT TABULATED SPACINGS  
(WITHOUT PERIMETER SUPPORTS)**

----- maximum pier spacing -----

Unit Width(ft)	4 ft o.c.	5 ft o.c.	6 ft o.c.	7 ft o.c.	8 ft o.c.
12 Wide	1725	2150	2600	3000	3400
14 wide	2000	2500	3000	3500	4000
16 Wide	2350	2900	3500	4100	4700

Note: 18 ft. wides require perimeter support ~~[blocking]~~ per the table in §80.240(a)(10).

Example: Determine maximum pier spacing for a 16 ft. wide x 76 ft. long single section with a soil bearing capacity of 1500 psf. Footer size to be used is a single 16x16x4 precast concrete footer.

Step 1: In the table in §80.240(a)(8) look up the maximum load for a single 16x16x4 pad set on 1500 psf soil.

Step 2: Answer = 2700 psf  
In the table in §80.240(a)(9) in the column for 16 ft. wide, find the on-center spacing (o.c.) load equal to or less than

Answer: the footer capacity of 2700 lbs found in the table in §80.240(a)(8).  
The 4ft column shows minimum capacity of 2350 lbs.  
Therefore, for a 16 ft. wide and a soil bearing capacity of 1500 psf using 16x16x4 footers the maximum pier spacing is 4 ft. o.c.

**(10) Pier Loads with Perimeter Supports.**

**PIER LOADS (LBS) AT TABULATED SPACINGS  
(WITH PERIMETER SUPPORTS)**

**----- maximum I-Beam pier spacing -----**

<b>Unit width (ft)</b>	<b>4 ft o.c.</b>	<b>6 ft o.c.</b>	<b>8 ft o.c.</b>	<b>10 ft o.c.</b>	<b>12 ft o.c.</b>
12 Wide	750	1150	1500	1900	2300
14 Wide	1050	1600	2100	2600	3100
16 Wide	1200	1800	2400	3000	3600
18 Wide	1450	2150	2850	3600	4300

Note: Maximum I-Beam pier spacing is 8 ft. o.c. for 8" I-Beam, 10 ft. o.c. for 10" I-Beam and 12 ft. o.c. for 12" I-Beam or the resultant maximum spacing based on soil bearing and footer size per the table in §80.240(a)(8), whichever is less.

**----- maximum perimeter pier spacing -----**

<b>Unit width (ft)</b>	<b>4 ft o.c.</b>	<b>5 ft o.c.</b>	<b>6 ft o.c.</b>	<b>7 ft o.c.</b>	<b>8 ft o.c.</b>
12 Wide	1000	1200	1500	1700	1900
14 Wide	1100	1400	1650	1900	2200
16 Wide	1300	1600	1900	2250	2500
18 Wide	1600	2000	2300	2700	3000

Example: Determine maximum I-Beam pier spacing for a 16 ft. wide with 12" I-Beam, perimeter [support blocking](#) and 1500 psf soil bearing capacity.  
 Step 1: From the table in §80.240(a)(8), the maximum load for a 16x16x4 at 1500 psf soil is 2700 lbs.  
 Step 2: From the table in §80.240(a)(10), the I-Beam pier load @ 10 ft. o.c. is 3000 lbs ==> no good, the I-Beam pier load @ 8 ft. o.c. is 2400 lbs ==> ok  
 I-Beam pier spacing is at 8 ft. o.c.  
 Step 3: The perimeter pier load @ 8ft. o.c. is 2500 lbs =====> ok  
 Perimeter pier spacing is at 8 ft. o.c.

(11) Mating Line Column Loads.

**MATING LINE COLUMN LOADS (LBS)**

-----Unit width in feet (nominal)-----

<b>Span in feet</b>	<b>12 Wide</b>	<b>14 Wide</b>	<b>16 Wide</b>
4	720	840	960
6	1080	1260	1440
8	1440	1680	1920
10	1800	2100	2400
12	2160	2520	2880
14	2520	2940	3360
16	2880	3360	3840
18	3240	3780	4320
20	3600	4200	4800
22	3960	4620	5280
24	4320	5040	5760
26	4680	5460	6240
28	5040	5880	6720
30	5400	6300	7200
32	5760	6720	7680
34	6120	7140	8160
36	6480	7560	8640

Note: If actual span is not shown use next higher tabulated span.

(12) Enforcement Matrix.

**Enforcement Matrix**

<b>Nature of Violation</b>	<b>Range of Recommended Actions</b>
1 <sup>st</sup> time – no dangerous conditions or loss to consumers – addressed promptly	1 <sup>st</sup> time violator letter
1 <sup>st</sup> time – no dangerous conditions or loss to consumers – not addressed promptly	Up to \$250 fine
1 <sup>st</sup> time – danger to consumer and/or significant loss to consumer – addressed promptly	Up to \$500 fine
1 <sup>st</sup> time – danger to consumer and/or significant loss to consumer – not addressed promptly	\$500-1000 fine
recurring – no dangerous conditions or loss to consumers – addressed promptly	Up to \$250 fine for 1 <sup>st</sup> recurrence; up to \$500 for 2 <sup>nd</sup> , up to \$1000 PLUS a written plan to prevent additional violations for 3 <sup>rd</sup>
recurring – no dangerous conditions or loss to consumers – not addressed promptly	Up to \$500 fine for 1 <sup>st</sup> recurrence; up to \$1000 for 2 <sup>nd</sup> , up to \$1000 and/or seek suspension
recurring – danger to consumer and/or significant loss to consumer – addressed promptly	\$500 -1000 for first recurrence; seek suspension (may be probated) for 2 <sup>nd</sup> recurrence; revocation for 3 <sup>rd</sup> recurrence
recurring – danger to consumer and/or significant loss to consumer – not addressed promptly	Up to maximum allowed by law for 1 <sup>st</sup> recurrence; seek suspension (may be probated) for 2 <sup>nd</sup> recurrence; revocation for 3 <sup>rd</sup> recurrence



(b) Figures.

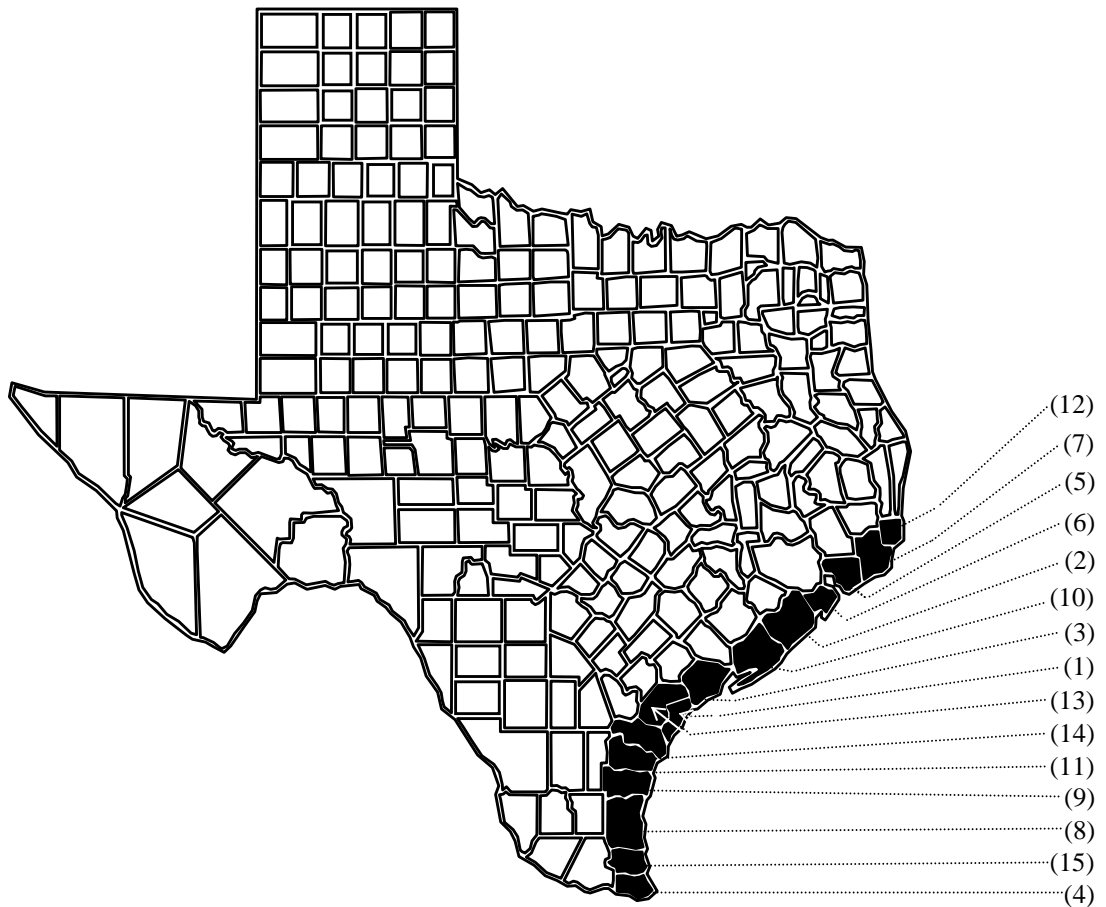
(1) Counties Located in Wind Zone II.

**Counties Located in Wind Zone II**

The following counties in Texas are considered to be in Wind Zone II (100 mph):

- |               |                   |
|---------------|-------------------|
| (1) Aransas   | (9) Kleberg       |
| (2) Brazoria  | (10) Matagorda    |
| (3) Calhoun   | (11) Nueces       |
| (4) Cameron   | (12) Orange       |
| (5) Chambers  | (13) Refugio      |
| (6) Galveston | (14) San Patricio |
| (7) Jefferson | (15) Willacy      |
| (8) Kenedy    |                   |

All other counties are in Wind Zone I.

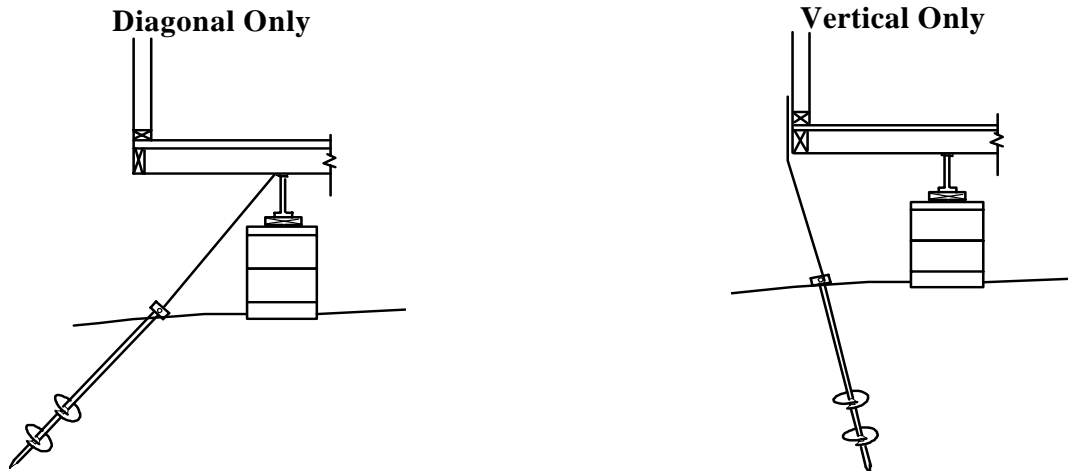


## (2) Anchor Installation.

### ANCHOR INSTALLATION

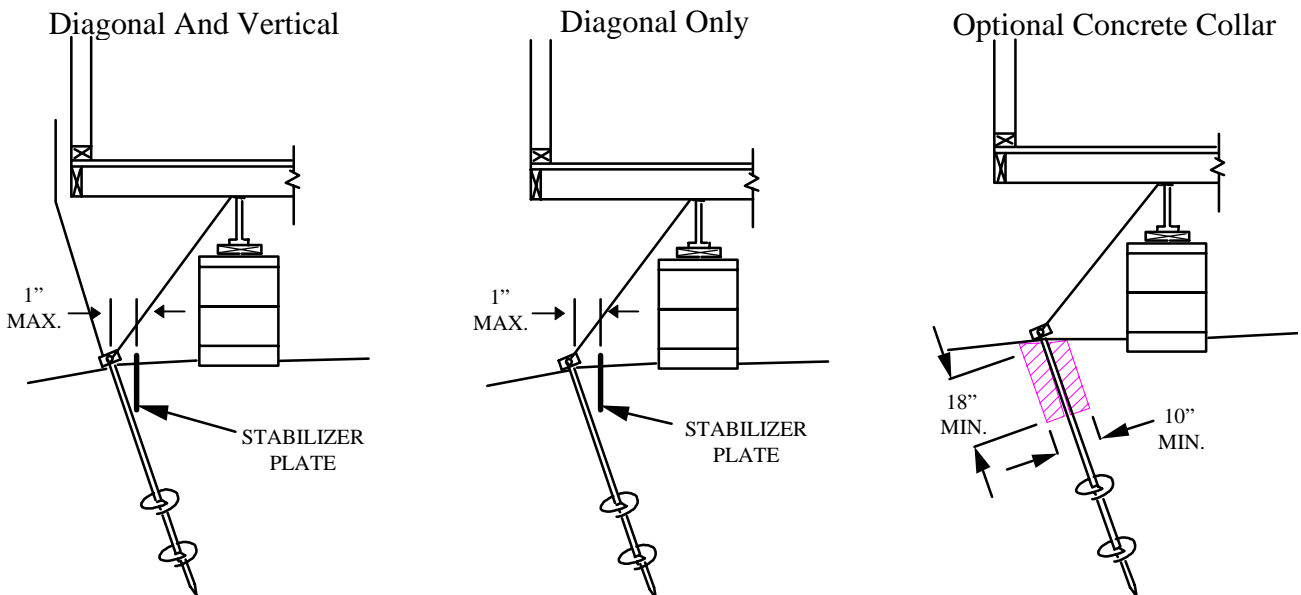
#### Notes:

- 1) Anchor head must be not more than 1 inch from the ground at insertion point.
- 2) Anchor head may be inset a maximum of 6 inches from the vertical outer edge of the floor framing to allow for skirting installation.



## (3) Placement of Stabilizing Devices.

### PLACEMENT OF STABILIZING DEVICES [PLATES]



#### Notes:

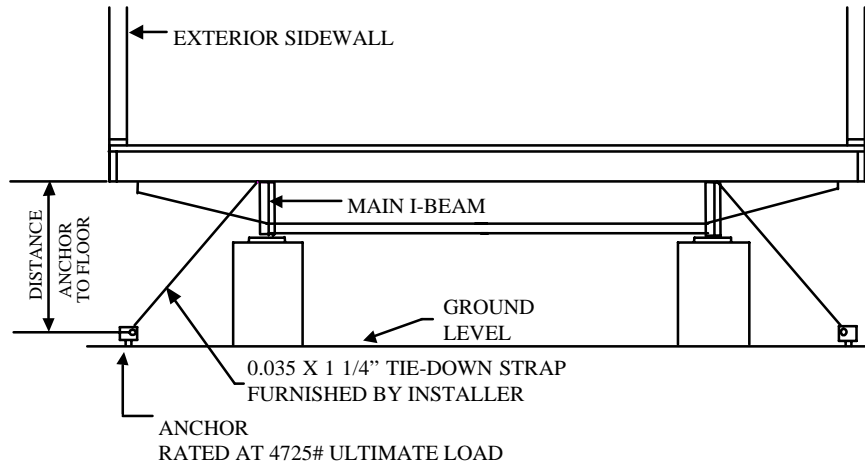
- 1) Stabilizer plate may be replaced with a concrete collar that is at least 18 inches deep and 10 inches in diameter or other approved devices.
- 2) Diagonal tie must depart from the top of the I-Beam as shown.
- 3) The top of the stabilizer plate must be within 1 inch of the anchor shaft.
- 4) Stabilizer plates and other approved devices must be installed in accordance with the product [plate] manufacturer's instructions.

**(4) Wind Zone I Installation (Single & Multi-Section).**

**WIND ZONE I – SINGLE/MULTI-SECTION INSTALLATION**

*(Refer to other figures for depictions of proper anchor and stabilizer device installation.)*

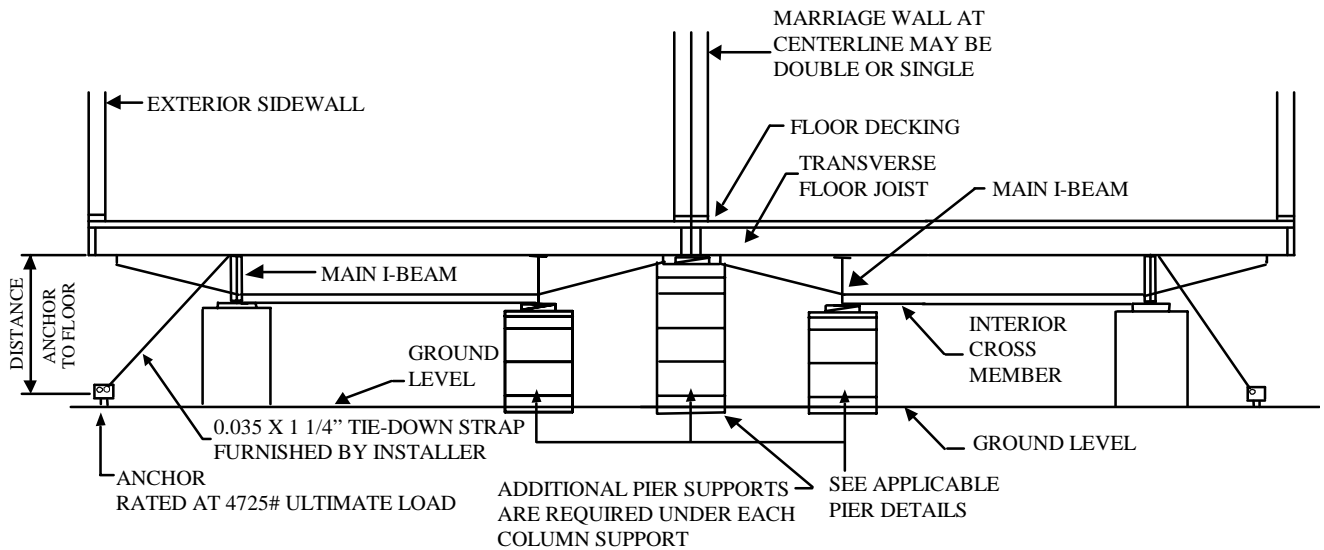
**Figure 1: Single Section**



**Notes:**

- 1) Single section units require diagonal ties to be directly opposite each other.
- 2) All existing vertical ties must be connected to a ground anchor.
- 3) Diagonal tie spacing per the table in §80.240(a)(1) or §80.55(d)(4). Vertical distance in this table refers to the distance of the anchor head to the underside of the floor joists as shown above.
- 4) Diagonal tie must depart from the top of the I-Beam as shown.

**Figure 2: Multi-Section**



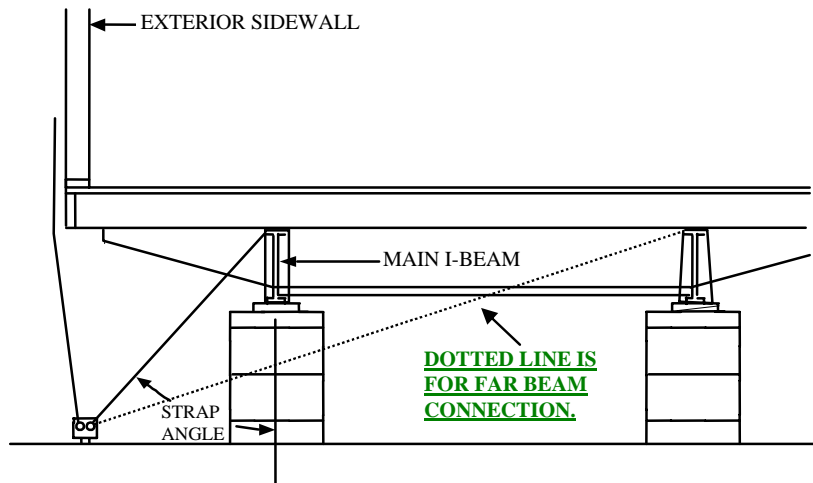
**Notes:**

- 1) Multi-section units require diagonal ties on the outer main I-Beams only.
- 2) Diagonal ties need not be directly opposite each other.
- 3) Diagonal tie spacing per the table in §80.240(a)(1) or §80.55(d)(4). Vertical distance in this table refers to the distance of the anchor head to the underside of the floor joists as shown above.
- 4) Existing vertical ties must be connected to a ground anchor.
- 5) Diagonal tie must depart from the top of the I-Beam as shown.

**(5) Diagonal Strap Placement for Piers Exceeding 36 in. in Height.**

**DIAGONAL STRAP PLACEMENT FOR PIERS EXCEEDING 36 INCHES IN HEIGHT**

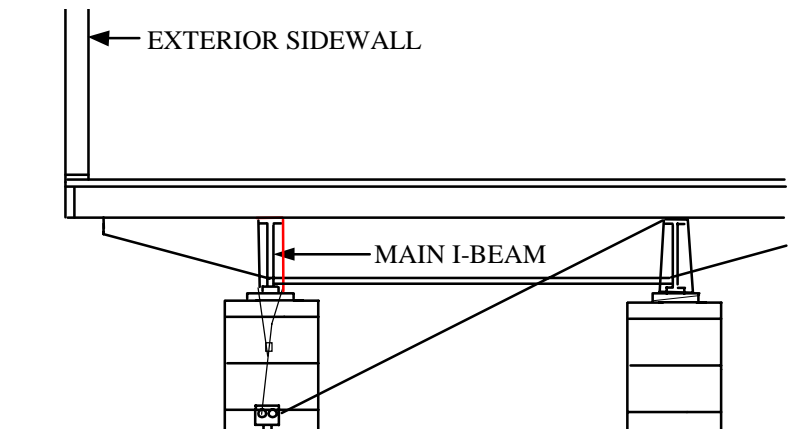
*(Refer to other figures for depiction of proper anchor and stabilizer device installation.)*



**(6) Diagonal and Vertical Ties.**

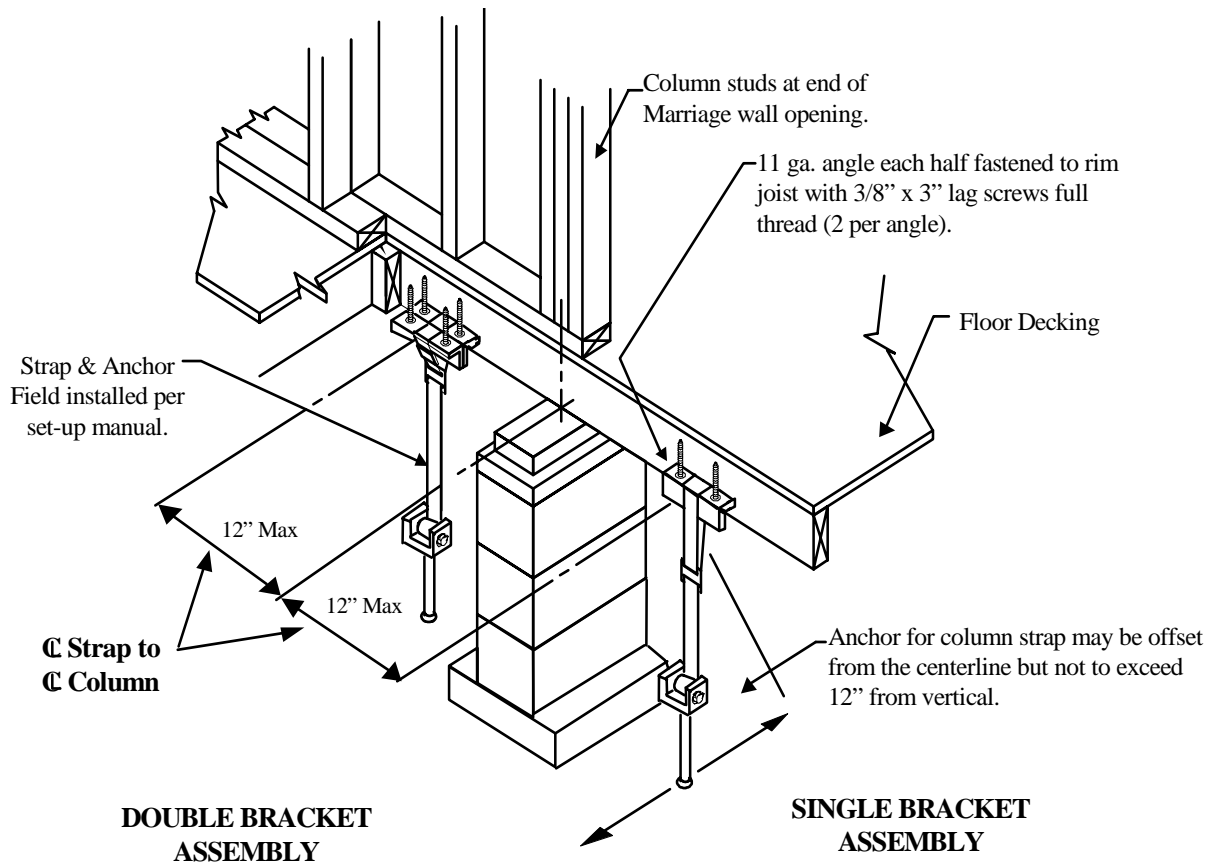
**DIAGONAL AND VERTICAL TIES**

*(Refer to other figures for depiction of proper anchor and stabilizer device installation.)*



(7) Typical Installation Details.

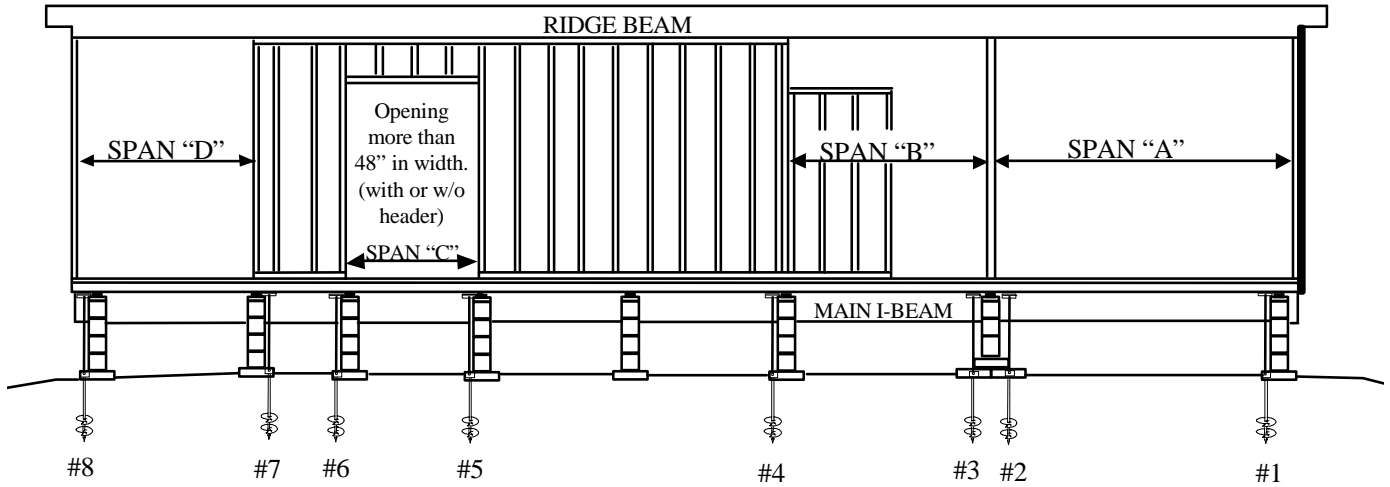
**TYPICAL INSTALLATION DETAILS**



**Note:** Anchors, straps, buckles and crimps shown are for illustration purposes only. All components used must be registered with the department.

(8) Anchor Span.

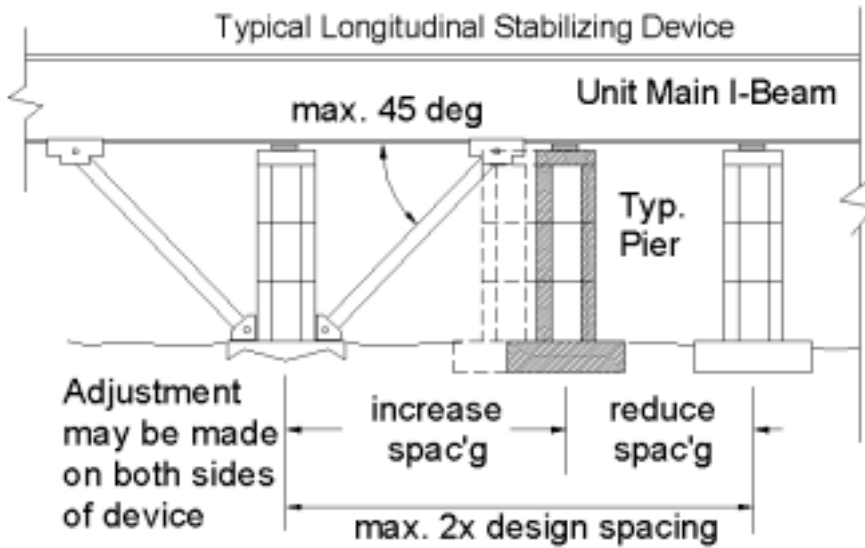
ANCHOR SPAN



Determine type and number of brackets needed at each opening.

- Anchor #1:** From the table in §80.240(a)(4), row 3 in the 14 ft. wide column, the maximum span for this condition is 27'-2". Actual span is 18'-0" =====> one double bracket is ok.
- Anchor #2 & #3:** Since the wall between spans "A" and "B" is less than 16 inches in width the two spans must be added together to determine number and type of brackets.  
Span "A" (18'-0") + Span "B" (14'-8") = 32'-8"  
From the table in §80.240(a)(4), row 3 in the 14 ft. wide column, the maximum span for one double bracket is 27'-2". Actual span is 32'-8" =====> two double brackets required.
- Anchor #4:** Span "B" is on both sections @ 14'-8". From the table in §80.240(a)(4), row 3 in the 14 ft. wide column, the maximum span for one double bracket is 27'-2" =====> ok
- Anchor #5:** Same as anchor # 4, except for 6'-8" span.
- Anchor #6 & #7:** This span is on one section only. Therefore a single bracket may be used. From the table in §80.240(a)(4), row 1 in the 14 ft. wide column, the maximum span for a single bracket is 15'-0". Actual span is 13'-8" =====> single bracket is ok.

(9) Typical Longitudinal Stabilizing Device.



(10) Longitudinal Ties.

LONGITUDINAL TIES

Figure 1

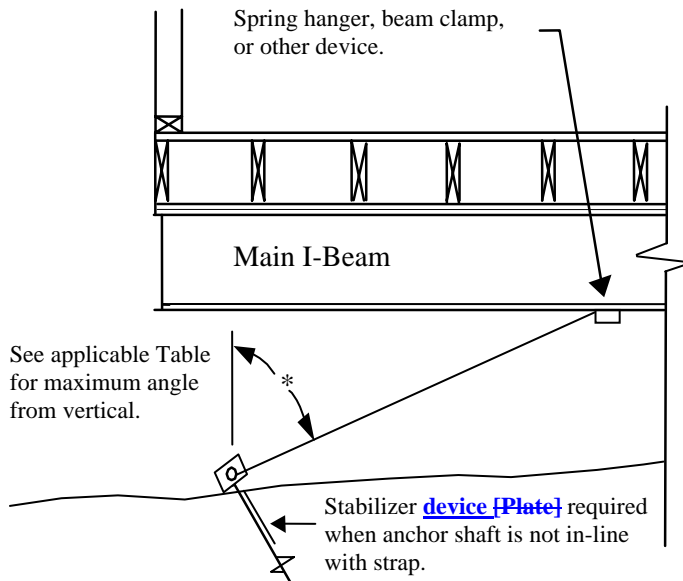


Figure 2

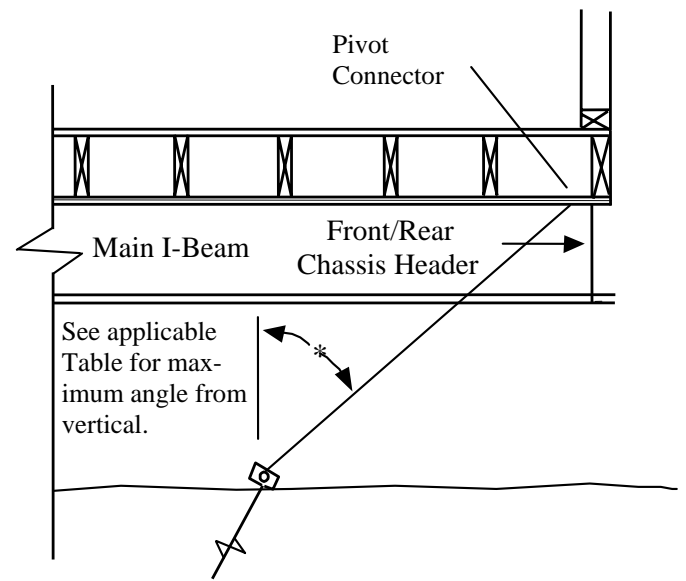


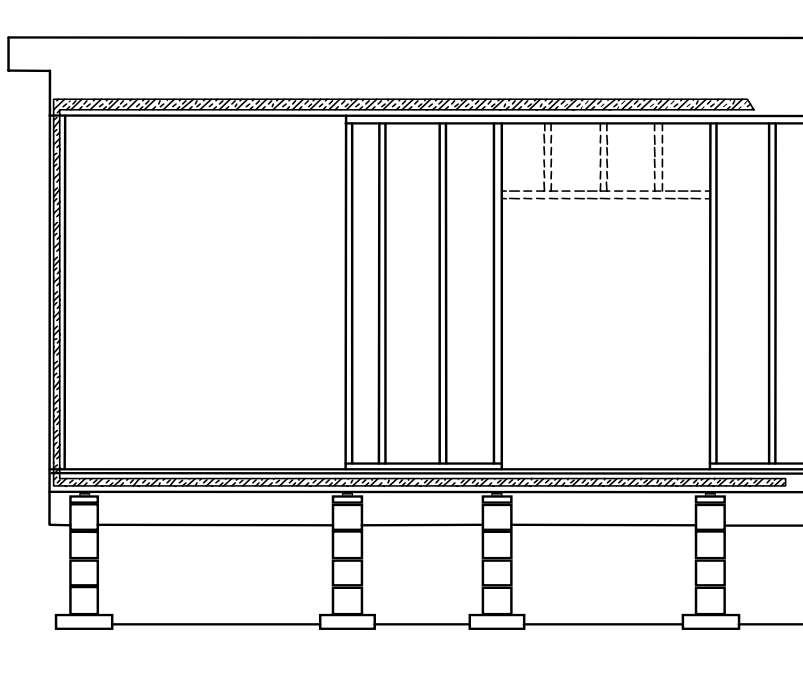
Figure 1: Connection to existing spring hangers, factory installed or site installed beam clamps.

Figure 2: Connection to front or rear chassis headers. Strap must be installed within 12" of where the header member connects to the main I-beam.

**(11) Mating Line Surfaces.**

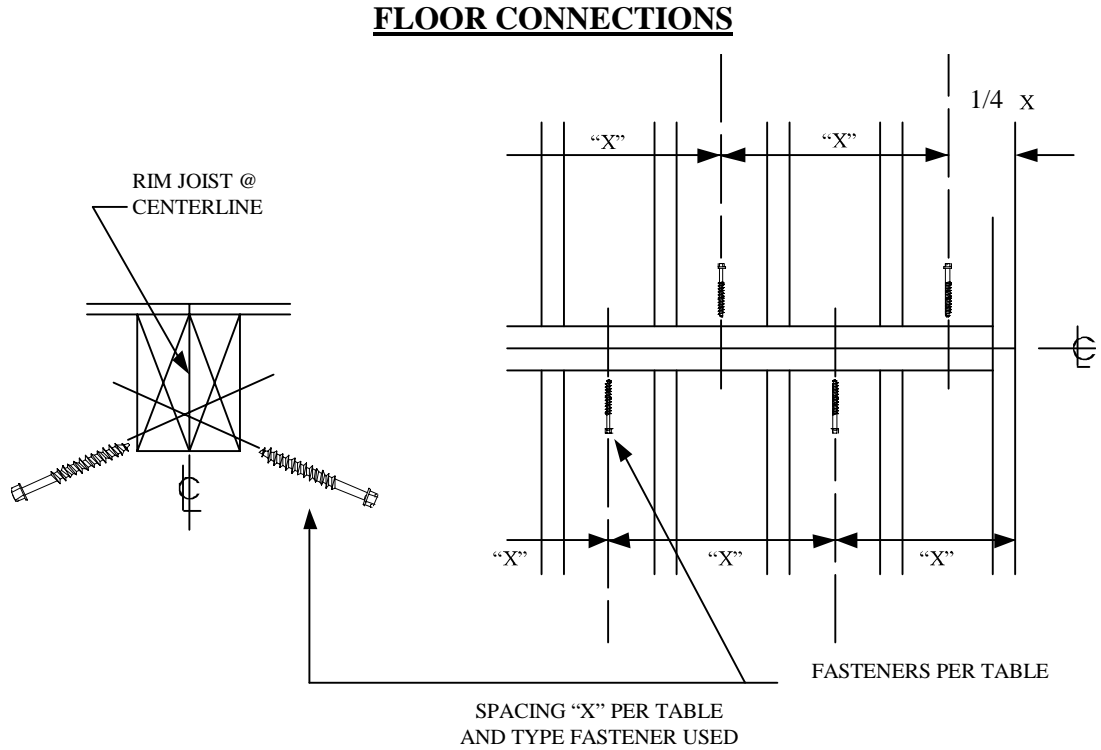
**MATING LINE SURFACES**

Mating line surfaces are along the floor, up the front and rear endwalls and along the ceiling line.

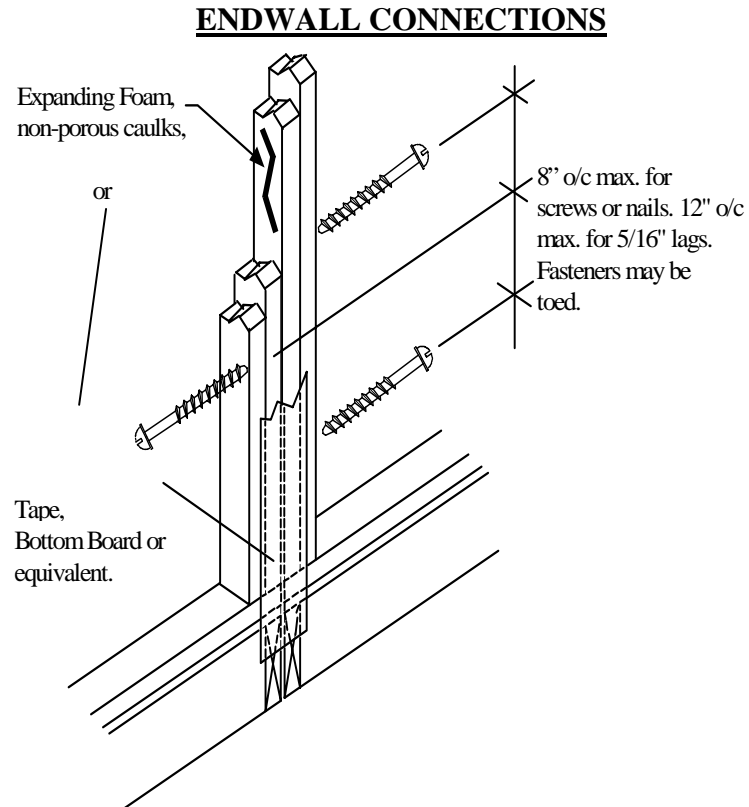




**(12) Floor Connections.**

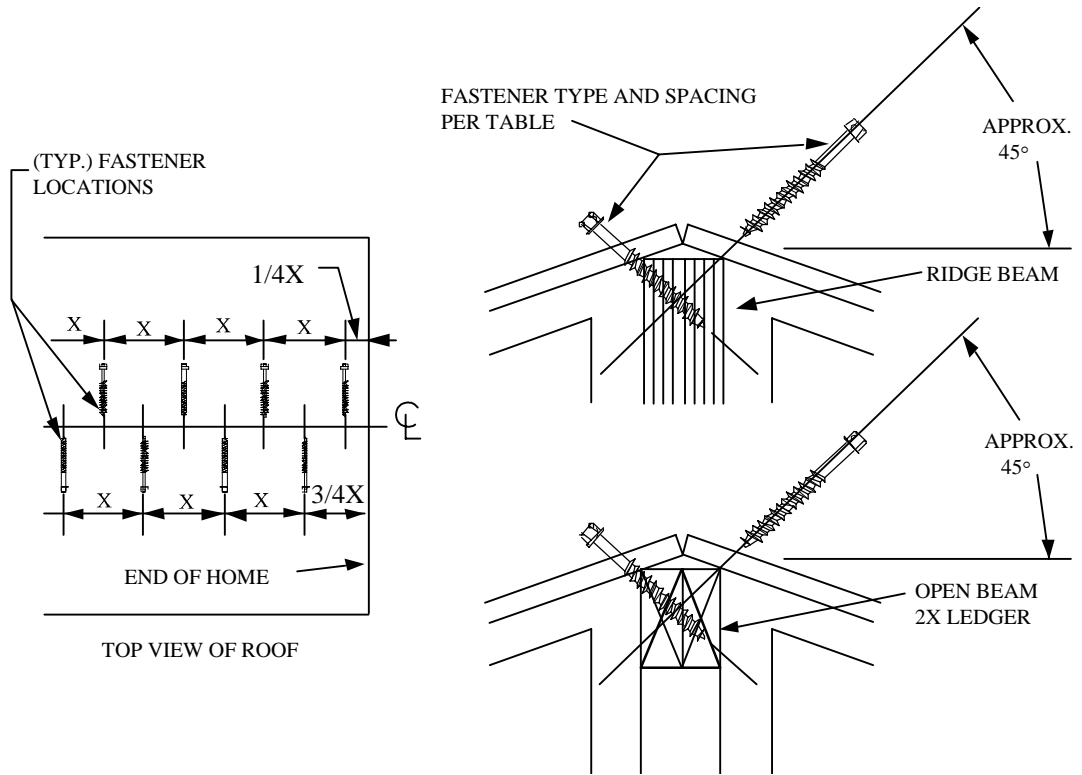


**(13) Endwall Connections.**



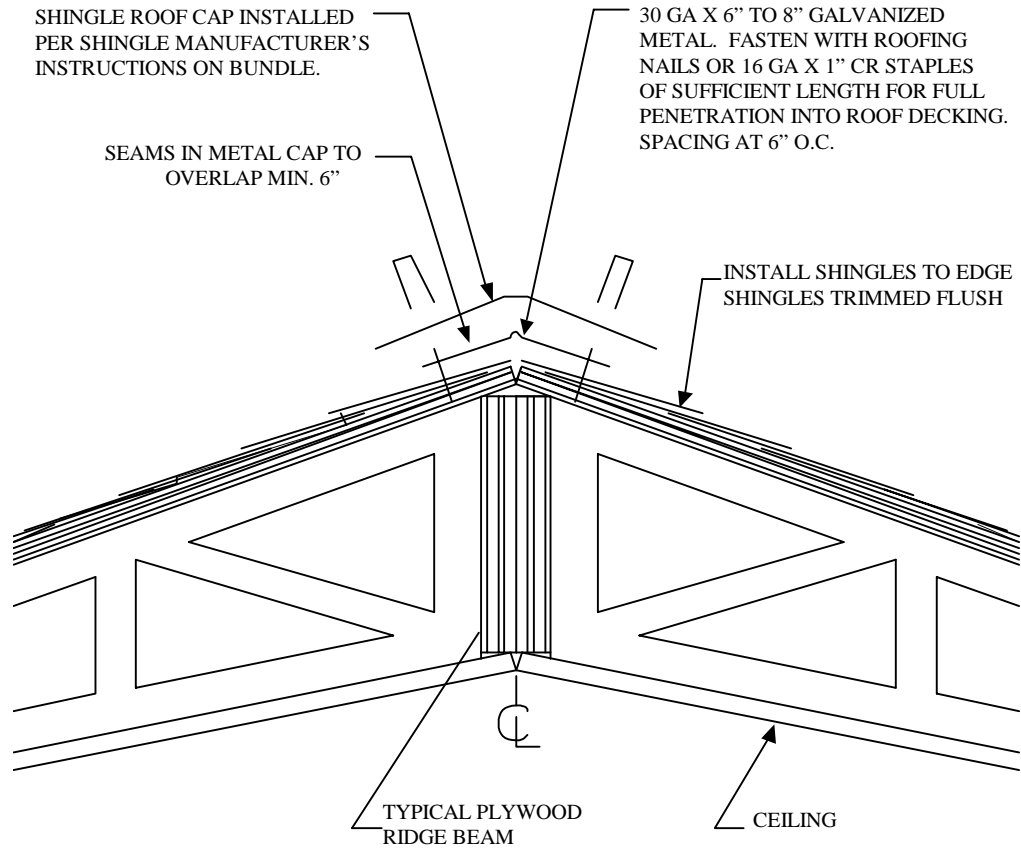
**(14) Roof Connection.**

**ROOF CONNECTION**



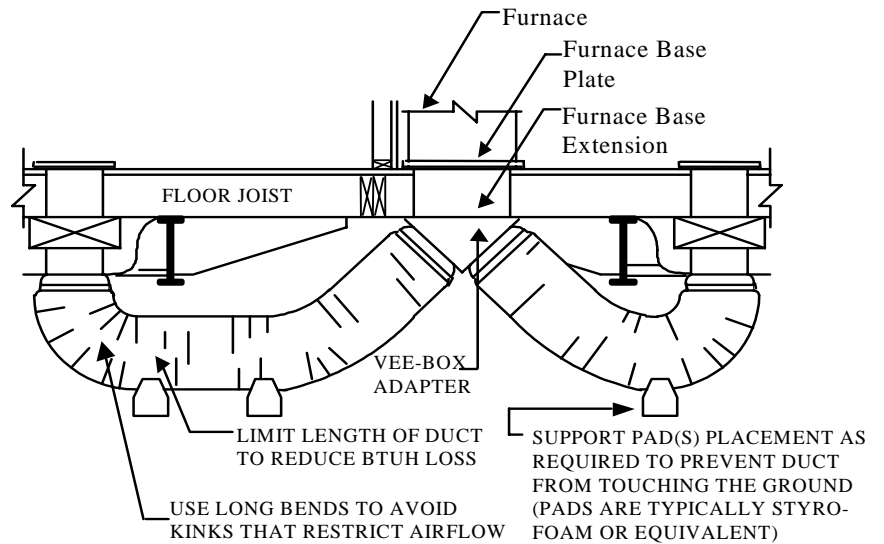
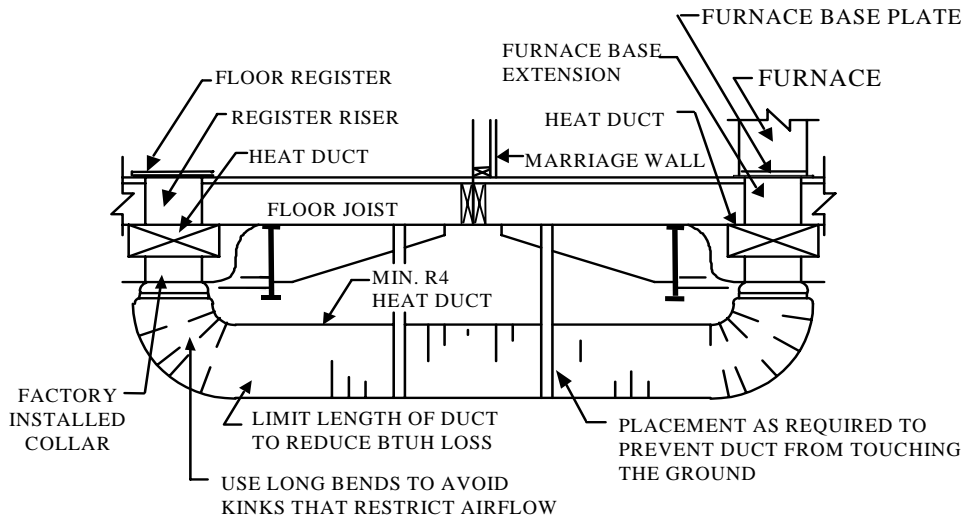
**(15) Exterior Roof Close Up.**

**EXTERIOR ROOF CLOSE UP**



**(16) HVAC (Heat/Cooling) Duct Crossover.**

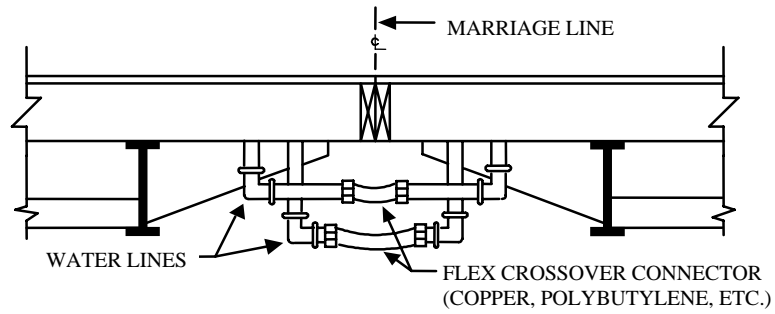
**HVAC (HEAT/COOLING) DUCT CROSSOVER**



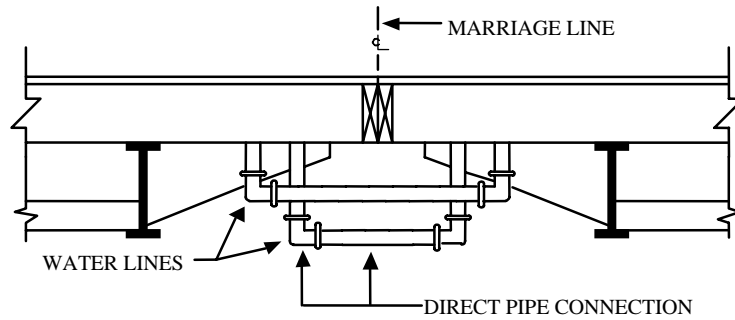
(17) Multi-Section Water Crossover Connections.

**MULTI-SECTION WATER CROSSOVER CONNECTIONS**

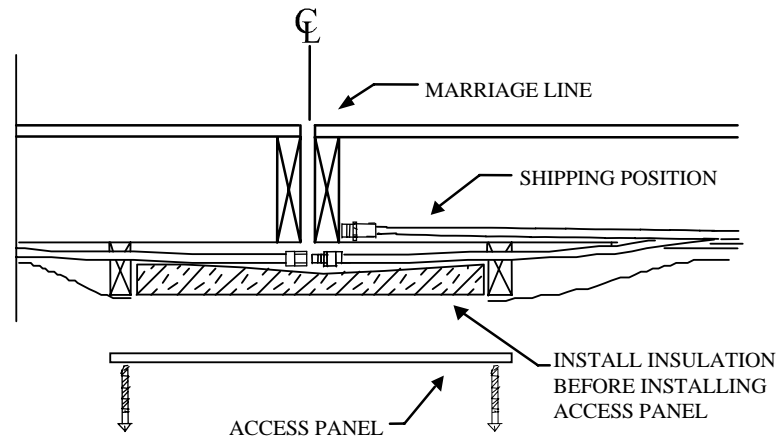
**METHOD A**



**METHOD B**

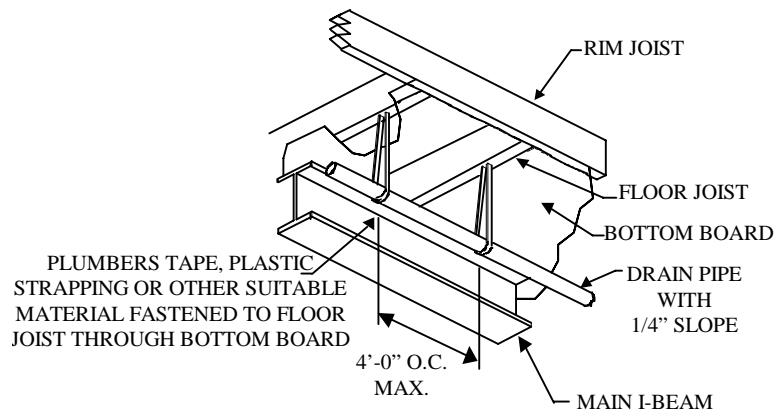
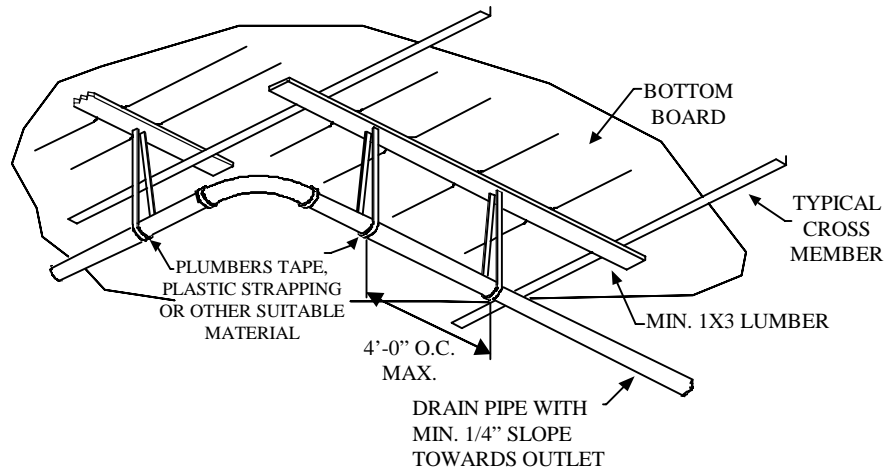
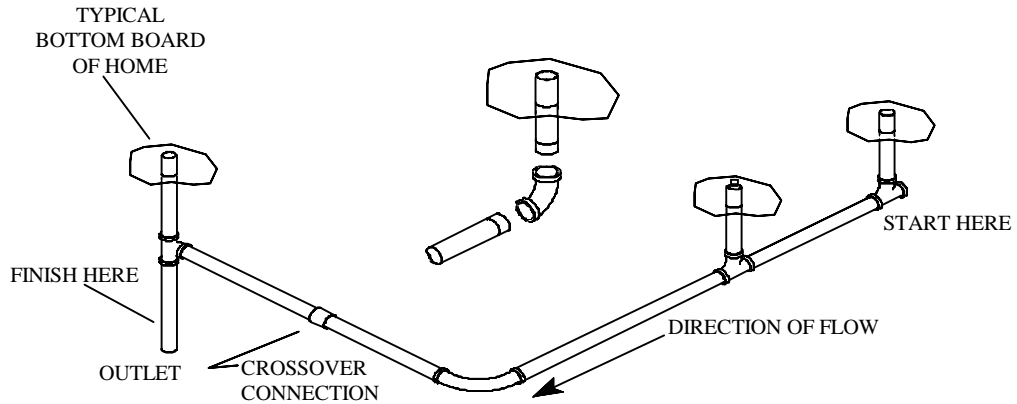


**METHOD C**



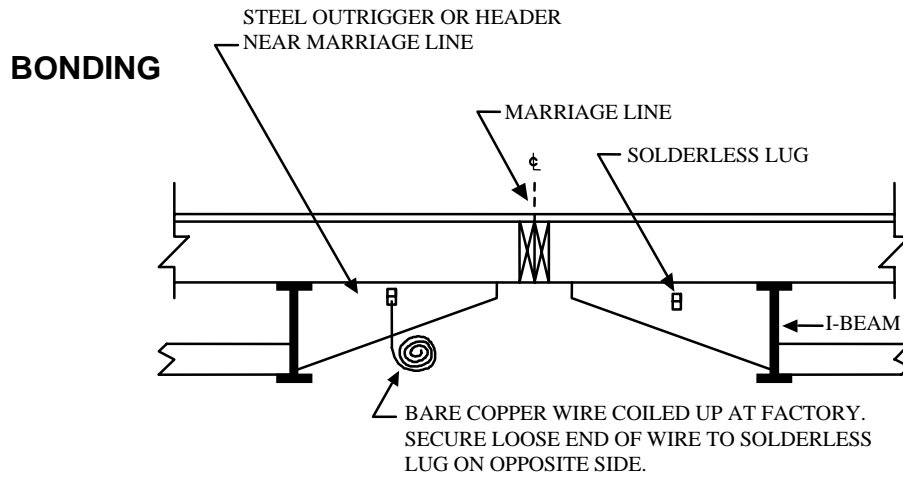
**(18) Drain, Waste and Vent Floor Piping System.**

**DRAIN, WASTE AND VENT FLOOR PIPING SYSTEM**



(19) Chassis Bonding.

**CHASSIS BONDING**

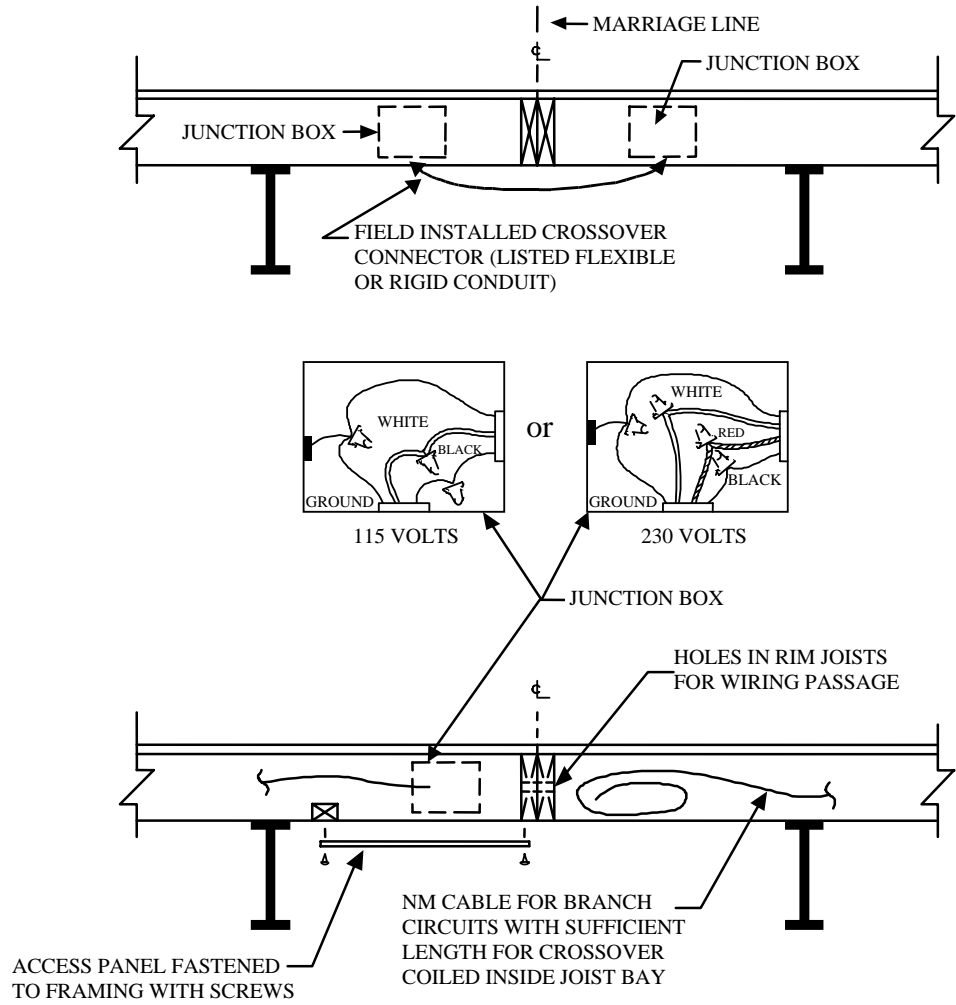


NOTE:

A 4" BONDING STRAP MAY BE USED INSTEAD OF COPPER WIRE BY ATTACHING THE STRAP TO BOTH UNITS WITH 2-#8X3/4" SELF-TAPPING METAL SCREWS ON EACH SIDE.

(20) Electrical Crossover.

**ELECTRICAL CROSSOVER**



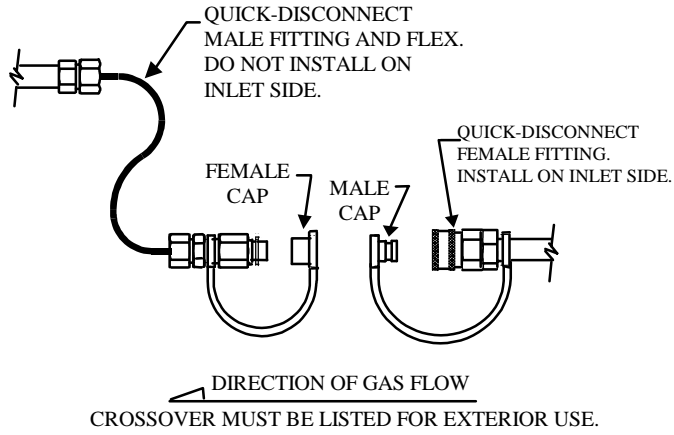
NOTE:  
ANY EXPOSED NM CABLE MUST BE PROTECTED BY  
CONDUIT AND INSTALLED IN ACCORDANCE WITH  
THE N.E.C.



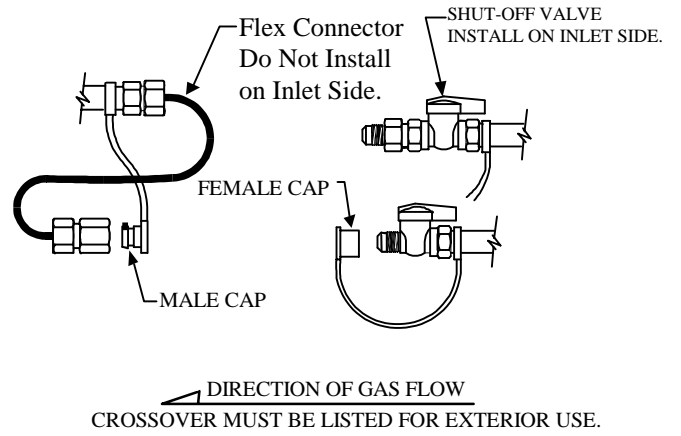
(21) Fuel Gas Pipe Crossover Connections.

**FUEL GAS PIPE CROSSOVER CONNECTIONS**

**Method A**

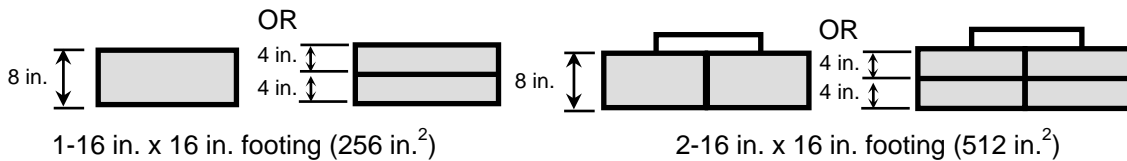
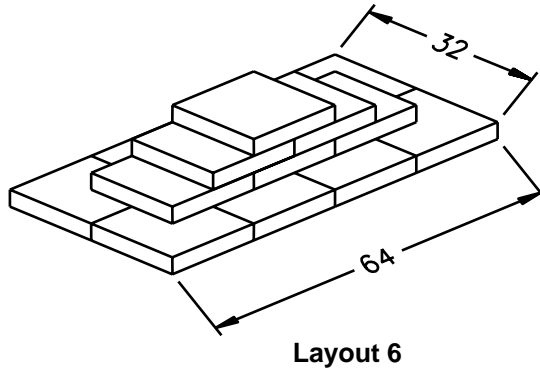
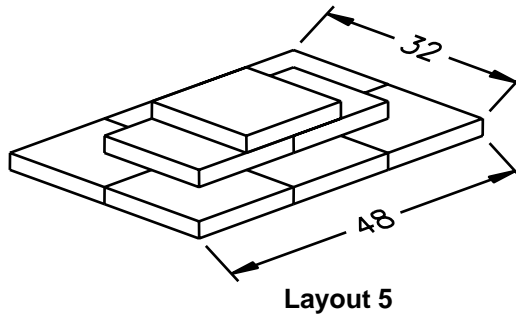
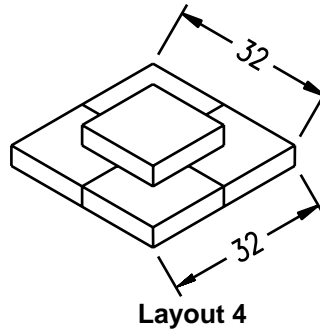
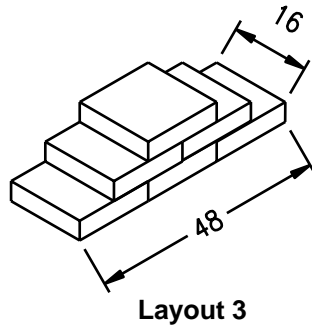
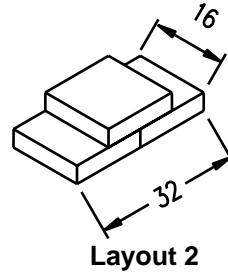
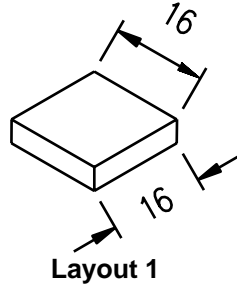


**Method B**



(22) Footer Configurations.

**FOOTER CONFIGURATIONS**

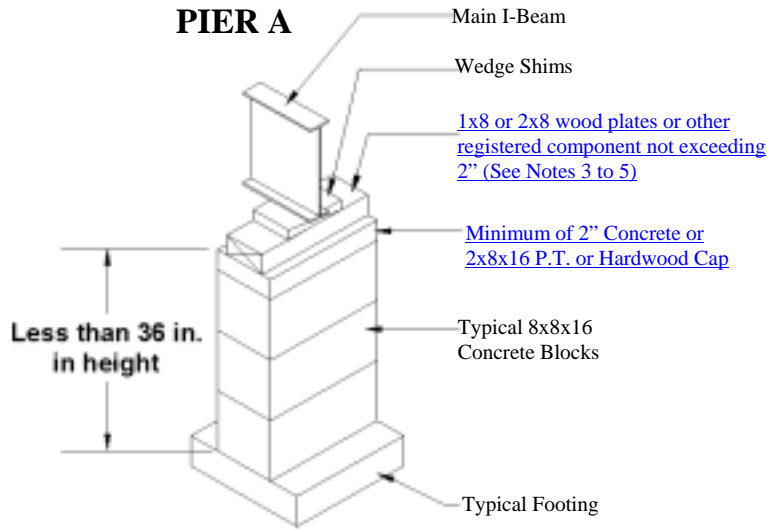


Notes:

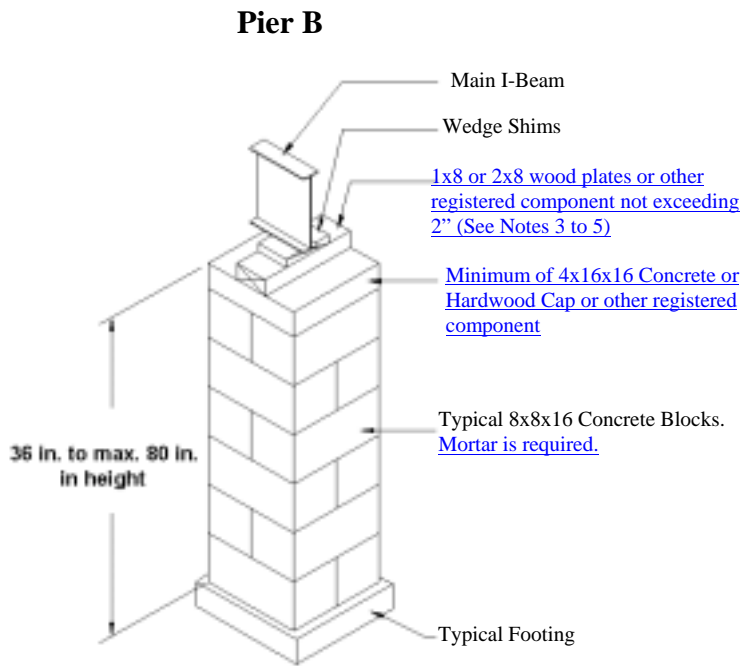
1. Typical pier pad: 16 in. x 16 in. x 4 in. thick precast concrete.
2. For shaded area, the thickness of the pad shall be minimum 8 in. or place two pads one on top of the other.
3.  $F_c = 4000$  psi min.
4. For SI units, 1 in. = 25.4 mm; 1 in.<sup>2</sup> = 645 mm<sup>2</sup>.

**(23) Pier Design (Single and Multi-Section Stack).**

**PIER DESIGN (SINGLE & MULTI-SECTION STACK)**

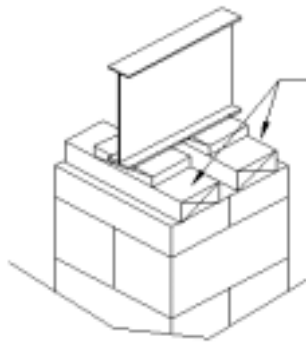


**Pier A:** Single stack of **solid or** open cell, 8x8x16 concrete blocks. Maximum height is 36 inches as measured from the top of the footer to the top of the last concrete block. Concrete blocks are installed with their lengths perpendicular to the main I-Beam. Open cells must be vertical and in alignment.



**Pier B:** Interlocked double stack of **solid or** open cell 8x8x16 concrete blocks. The maximum height is 80 inches as measured from the top of the footer to the top of the last concrete block. The pier is capped with a minimum 16x16x4 concrete cap. Open cells must be vertical and in alignment. Each course of open cell blocks must be perpendicular to the previous course.

### Pier B-1

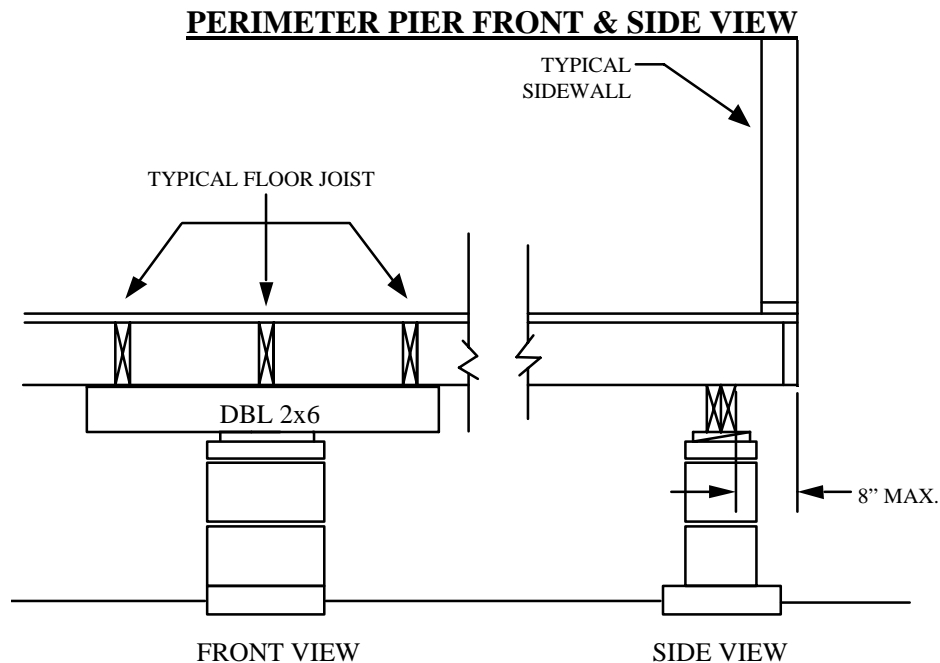


[2-1x8 or 2-2x8 Wood plates or other registered component not exceeding 2" \(See Notes 3 to 5\)](#)

Note:

- 1) Open cell and solid concrete blocks shall meet ASTM-C90-99a, Standard Specification for [Load bearing \[Loadbearing\]](#) Concrete Masonry Units.
- 2) Support system components are to be undamaged and installed in a manner to accomplish the purpose intended.
- 3) Either wood caps or shims must be used between I-Beam and concrete.
- 4) [Preservation treated \(PT\) wood components shall conform to the applicable standards issued by the American Wood Preserver's Association and referenced by the latest edition of the International Residential Code.](#)
- 5) [When concrete caps are used, wood plates or other registered components are required. When wood caps are used, wood plates shall not be used.](#)

### (24) Perimeter Pier Front & Side View.

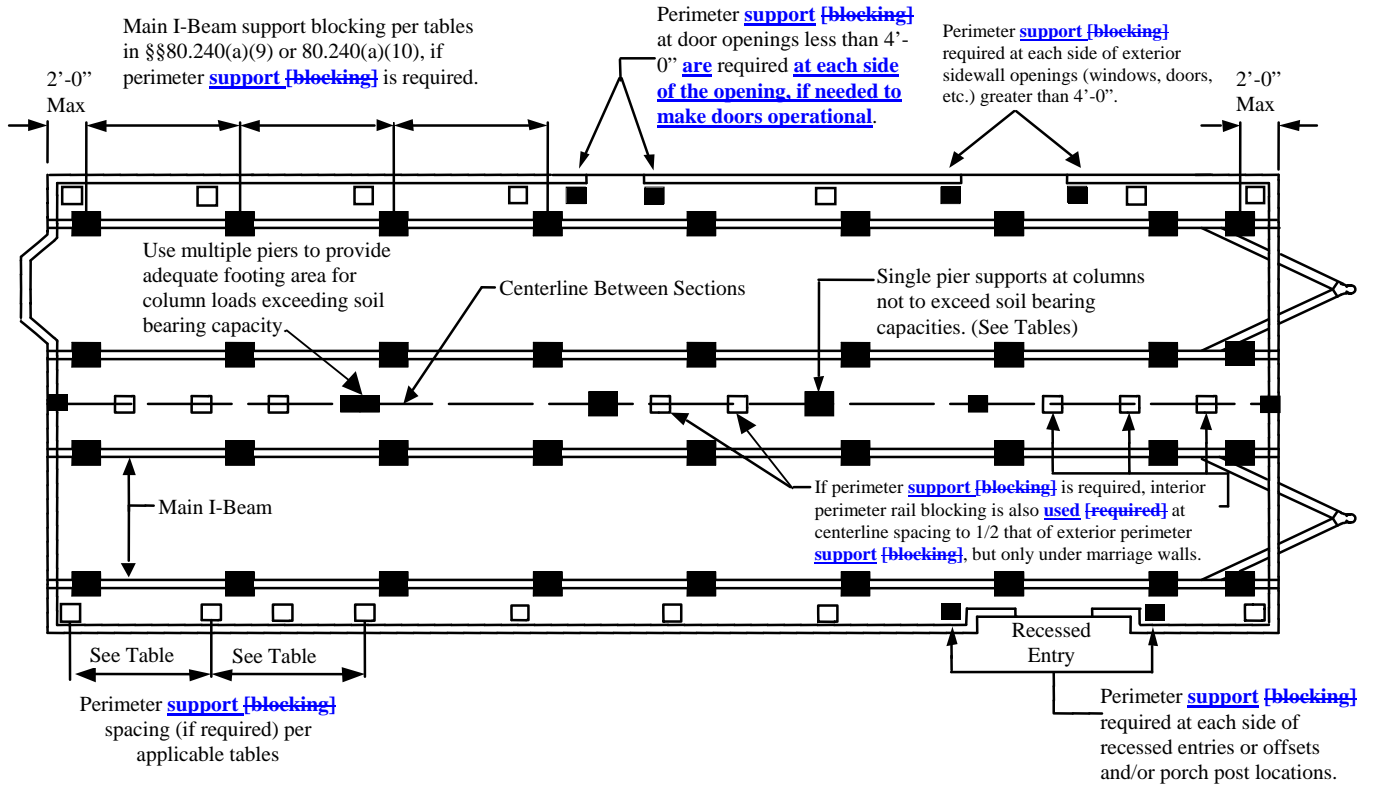


Notes:

- 1) Perimeter pier may be inset from edge of floor up to 8". The 2x6 brace may be omitted if the front face of a perimeter pier is flush with the perimeter joist and the perimeter pier supports the intersection of an interior joist and perimeter joist.
- 2) Dbl 2x6 are min. #3 Yellow Pine or pressure treated Spruce-Pine, nailed together with min. 16d [galvanized](#) nails 2-rows at maximum 8" o.c.
- 3) 2x6 brace must span at least two (2) but not more than three (3) floor joists.

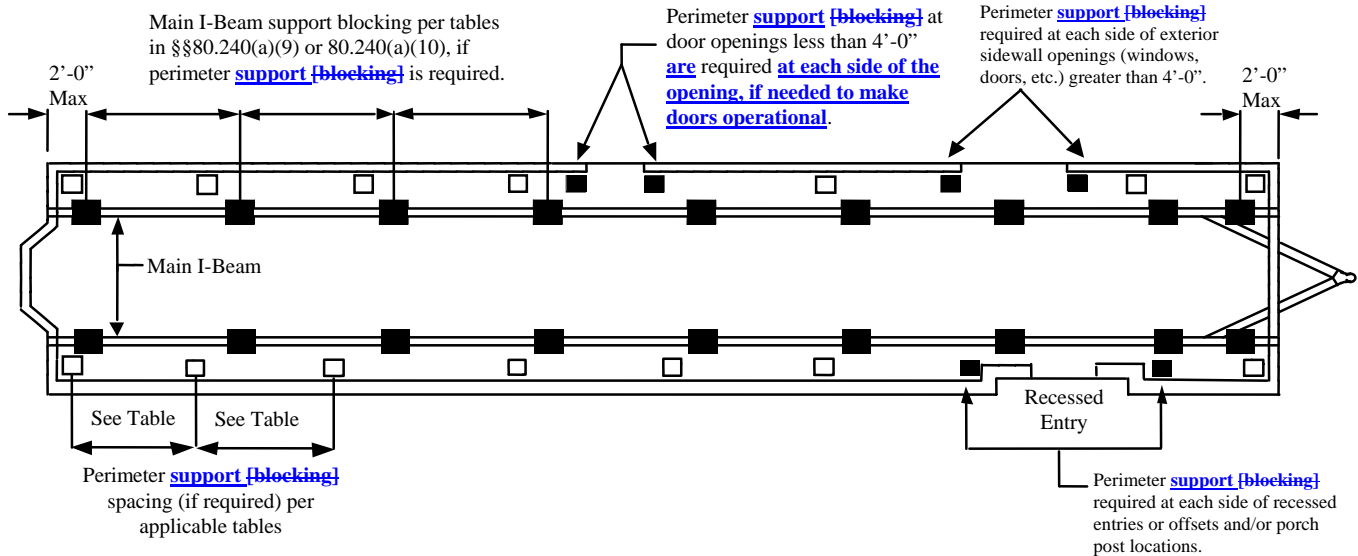
(25) Typical Multi-Section Pier Layout.

**TYPICAL MULTI-SECTION PIER LAYOUT**



(26) Typical Single Section Pier Layout.

**TYPICAL SINGLE SECTION PIER LAYOUT**



(27) Determining Column Load and Marriage Line Elevation.

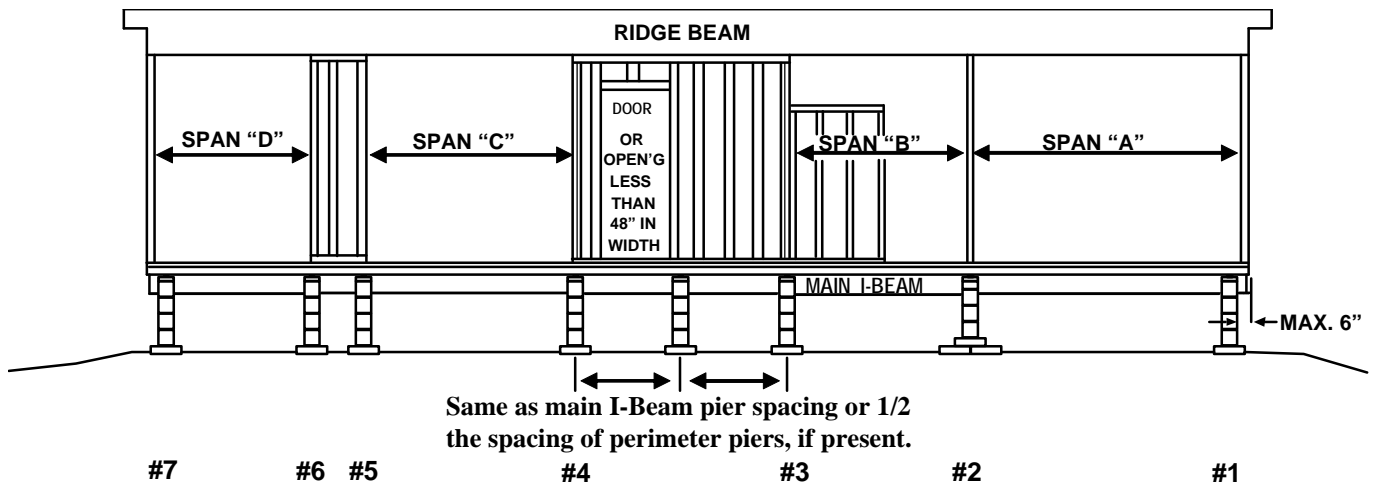
**DETERMINING COLUMN LOAD**

To determine the column load for Column #1 at the endwall look up Span "A" in the table in §80.240(a)(11). To determine the column load for Column #2, look up the combined distance of both Span "A" and Span "B".

To determine the column load for Column #3 look up Span "B" in the table.  
(NOTE: Mating line walls not supporting the beam must be included in the span distance.)

To determine the loads for Columns #4 and #5 look up Span "C". For Columns #6 and #7 look up load for span "D".

**MARRIAGE LINE ELEVATION**



**SUBCHAPTER I. FORMS**

**NEW §80.260. Required and Optional Forms.**

**(a) Required Forms.**

**(1) Site Preparation Notice.**

## SITE PREPARATION NOTICE

**FAILURE TO PREPARE THE SITE PROPERLY BEFORE INSTALLING YOUR MANUFACTURED HOME MAY INVALIDATE YOUR WARRANTY AND MAY CAUSE PROBLEMS WITH YOUR HOME.**

**IF YOU ARE ACQUIRING LAND FOR A MANUFACTURED HOME AND WILL NOT HAVE THE ABILITY TO OVERSEE SITE PREPARATION YOURSELF, BE SURE THAT YOUR AGREEMENT WITH THE PARTY PROVIDING THE LAND COVERS THEIR RESPONSIBILITIES FOR SITE PREPARATION.**

If you are acquiring a manufactured home you need to be sure that the site is properly prepared **BEFORE the home is installed**. If you will be having your home installed in a rental community, you should first be sure that the community has prepared the site properly and assumed that responsibility. If you are acquiring a manufactured home that is already installed, you should satisfy yourself that the site was properly prepared first.

Site Preparation includes AT LEAST the following: (1) selecting a site where the home will not be affected by rising or running water, as in the case of heavy rains, (2) grading the site, as needed, so that the land slopes away from the home, (3) making sure that the site will not create puddles or moisture build-up under the home by filling any depressions and, as needed, providing for drainage, (4) clearing away any plants, stumps, or debris on the site where the home will be placed, and (5) installing any required vapor retarder (and, if such a retarder is to be installed, trimming any grasses or other organic materials to a suitable height, not greater than 8”).

The footing must be placed on firm, undisturbed soil, or fill compacted to at least 90% of its maximum relative density. Installation on loose, noncompacted fill may invalidate the home's limited warranty.

If your retailer is providing skirting, the retailer must also provide and install any required vapor retarder and insure that there is adequate ventilation under the home. If the retailer is not providing these things, you should be sure that you have provided for any required vapor retarder and that you have provided adequately for ventilation under the home.

**FAILURE TO PREPARE THE SITE PROPERLY AND/OR FAILURE TO TAKE APPROPRIATE MEASURES TO GUARD AGAINST MOISTURE BUILD-UP MAY CAUSE SERIOUS PROBLEMS WITH YOUR MANUFACTURED HOME INCLUDING, BUT NOT LIMITED TO, MOISTURE IN THE HOME, DE-LAMINATION OF FLOOR DECKING, BUCKLING OF WALLS AND FLOORS, WARPAGE THAT WILL MAKE DOORS AND WINDOWS NOT OPERATE PROPERLY, FAILURE OF ANCHORS TO HOLD THE HOME AS INTENDED, AND EVEN SERIOUS STRUCTURAL DAMAGE.**

\_\_\_\_\_ signature      \_\_\_\_\_ signature  
**consumer's [purchaser/homeowner]**

\_\_\_\_\_ signature  
type or print name

\_\_\_\_\_ signature  
type or print name

\_\_\_\_\_ signature  
date

\_\_\_\_\_ signature  
date

**(2) Consumer Disclosure Statement.**



## Consumer Disclosure Statement

**\*Esta forma está disponible en Español a petición del vendedor o al llamar al 1-800-500-7074\***

“When buying a manufactured home, there are a number of important considerations, including price, quality of construction, features, floor plan, and financing alternatives. The United States Department of Housing and Urban Development (HUD) helps protect consumers through regulation and enforcement of HUD design and construction standards for manufactured homes. Manufactured homes that meet HUD standards are known as ‘HUD-code manufactured homes.’

The Texas Department of Housing and Community Affairs, regulates Texas manufacturers, retailers, brokers, salespersons, installers, and rebuilders of manufactured homes.

If you plan to place a manufactured home on land that you own or will buy, you should consider items such as:

**“ZONING AND RESTRICTIVE COVENANTS”** Municipalities or subdivisions may restrict placement of manufactured homes on certain lots, may prohibit the placement of homes within a certain distance from property lines, may require that homes be a certain size, and may impose certain construction requirements. You may need to obtain building permits and homeowner association approval before you place a manufactured home on a certain lot. Contact the local municipality, county, and subdivision manager to find out if you can place the manufactured home of your choice on a certain lot.

**“WATER”** Be sure that your lot has access to water. If you must drill a well contact several driller’s for bids. If water is available through a municipality, utility district, water district, or cooperative, you should inquire about the rates you will have to pay and the costs necessary to join the water system.

**“SEWER”** If your lot is not serviced by a municipal sewer system or utility district, you will have to install an on-site sewer facility (commonly known as a septic system). There are a number of concerns or restrictions that will determine if your lot is adequate to support an on-site sewer facility. Check with the local county or a licensed private installer to determine the requirements that apply to your lot and the cost to install such a system.

**“HOMEOWNER ASSOCIATION FEES”** Many subdivisions have mandatory assessments and fees that lot owners must pay. Check with the manager of the subdivision in which your lot is located to determine if any fees apply to your lot.

**“TAXES”** Your home will be appraised and subject to *ad valorem taxes* as are other single-family residential structures. These taxes **MUST** be escrowed with your monthly payment, except that your lender is not obligated to impose an escrow requirement in a real property transaction involving a manufactured home if the lender is a federally insured financial institution and does not otherwise require the escrow of taxes, insurance premiums, fees, or other charges in connection with loans secured by residential real property. On closing, you will be notified of all provisions pertaining to federal truth in lending disclosures.

**“INSURANCE”** Your lender may require you to obtain insurance that meets lender requirements and protects your investment. You should request quotes from the agent of your choice to obtain the insurance.

**“TYPES OF MORTGAGES AVAILABLE”** The acquisition of a manufactured home may be financed by a real estate mortgage or a chattel mortgage. A real estate mortgage may have a lower interest rate than a chattel mortgage.

**“RIGHT OF RESCISSION”** If you acquire a manufactured home, by purchase, exchange, or lease-purchase, you may, not later than the **THIRD DAY** after the date the applicable contract is signed, rescind the contract **WITHOUT PENALTY OR CHARGE**.

This **Disclosure** was provided by the retailer and/or lender shown below on this date and it was provided to me or us before I or we completed a credit application or before signing a contract to purchase a manufactured home.

\_\_\_\_\_  
Retailer Name / License # or Lender      Date

\_\_\_\_\_  
Consumer      Date

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Consumer      Date

\_\_\_\_\_  
City      County      State      Zip

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City      County      State      Zip

**The disclosure must be given in writing in at least 12 point type. It may not be attached to any other disclosure or document or included in any other disclosure or document. The consumer must sign and date a copy of the disclosure to acknowledge that it was provided.**

**(3) Consumer Protection [163] Disclosure – Chattel Mortgage Transactions.**

**CONSUMER PROTECTION DISCLOSURE - CHATTEL MORTGAGE TRANSACTIONS**

Depending on whether you intend to keep your manufactured home as personal property or declare it as a part of real estate, you may (subject to lender approval) have a choice between a "chattel mortgage" (consumer loan) or "real estate mortgage" (mortgage). A variety of financing terms may be available. You may qualify for one type of financing, but not another. **The following are general significant differences between TYPICAL consumer loans and mortgages:**

	<b>CONSUMER LOANS</b>	<b>MORTGAGES</b>
Security for the loan	Typically only the home	Typically the home and land
Homestead for the land?	NO	YES
Site improvement requirements	Typically none	Often required (foundations, access, other lender requirements and/or inspections)
Interest Rates	May generally be higher, but not always: depends on circumstances	May generally be lower, but not always: depends on circumstances
Additional expenses	Typically none	Survey, appraisal, document preparation and recording fees, title insurance, mortgage insurance, interim construction finance costs
Time to process the loan	Typically shorter	Typically longer
Amortization	Typically 20 years	Typically 30 years
Foreclosure/repossession	Typically faster and easier for lender, can result in loss of home and personal judgment against you	Typically takes longer and more expensive for all parties, can result in loss of home and land, personal judgment against you

**TYPICAL COSTS ASSOCIATED WITH A CHATTEL MORTGAGE PURCHASE OF A MANUFACTURED HOME:**

Possible prepaid finance charges (rarely more than 3% of loan); escrow of taxes; homeowner insurance premiums

**EXAMPLES OF MONTHLY PAYMENTS IN TYPICAL CHATTEL MORTGAGE TRANSACTIONS:**

	<b>EXAMPLE 1</b>	<b>EXAMPLE 2</b>	<b>EXAMPLE 3</b>
Price (including inventory tax & title)	\$80,000	\$40,000	\$15,000
Down Payment	\$ 4,000 (5%)	\$ 4,000 (10%)	\$ 3,000 (20%)
Unpaid Balance	\$76,000	\$36,000	\$12,000
1 year Physical Damage insurance	\$ 1,200	\$ 900	\$ 400
Prepaid finance charges	\$ 1,544	\$ 738	\$ 248
<b>Total loan</b>	<b>\$78,744</b>	<b>\$37,638</b>	<b>\$12,648</b>
Term of loan (years/months)	20 yrs (240 months)	20 yrs (240 months)	7 yrs (84 months)
Contract interest rate	10%	12%	14%
Monthly principal & interest	\$759.90	\$414.43	\$237.02
1 <sup>st</sup> payment principal/interest	\$103.70 / \$656.20	\$38.05 / \$376.38	\$89.56 / \$147.56
Last payment principal/interest	\$753.64 / \$6.26	\$410.35 / \$4.08	\$234.28 / \$2.74
Monthly tax escrow*	\$139.91 (1)	\$115.48 (2)	\$6.47 (3)
Monthly insurance escrow	\$0	\$0	\$33.33
<b>Total monthly payment</b>	<b>\$899.81</b>	<b>\$529.91</b>	<b>\$276.82</b>

\*Examples do not include homestead exemptions and assumes taxes assessed at valuation equal to the purchase price, per \$100 of valuation.

(1) assumes taxes: county (.04698), school dist. (1.70714), hosp. dist. (.259), road & bridge (.0859);

(2) assumes taxes: county (.06505), ISD (1.61), hosp. dist. (.2133), water conserve. dist. (.29766);

(3) assumes taxes: ISD (1.285), college (1.9338), fire dist. (1.9495)

**I ACKNOWLEDGE RECEIPT OF THIS DISCLOSURE BEFORE COMPLETION OF MY FIRST CREDIT APPLICATION**

(sign)\_\_\_\_\_ (sign)\_\_\_\_\_ (date)\_\_\_\_\_

## CHOOSING A LOAN TO BUY A MANUFACTURED HOME

[\\*Esta forma está disponible en Español a petición del vendedor o al llamar al 1-800-500-7074\\*](#)

**CONSUMER**—Before you agree to any loan to buy a manufactured home, you must be given these—and other—disclosures. They are intended to help you make the best possible choice on this major purchase. You will also be required to sign papers to confirm that you actually received these disclosures. **THESE ARE IMPORTANT. The costs and obligations of home ownership are more than just monthly payments.**

If you want to obtain a loan to buy your manufactured home, you will need to apply for the loan and “qualify” or be approved. There are two basic types of loans to buy manufactured homes: mortgage loans and consumer loans. Mortgage loans, typically used for “site built” homes, use both the land and the home as security for the loan. Consumer loans are usually secured only by what is being purchased, in this case the home, and they do not have real estate as security. If you fail to make your required loan payments, you may lose your collateral.

### *How do you compare mortgage loans and consumer loans?*

The main factors that will affect the amount of each monthly payment and the total of the payments that you will make over the life of the loan are the interest rate, the “term” (how long you are given to repay), and the amount that you borrow. In the past, mortgage loans have had lower interest rates than consumer loans, but you should ask about the interest rates for which YOU will qualify on different types of loans. There are things that lenders can do with the loan term to change the monthly payments. For example, they may calculate the payments based on a very long term but actually have a shorter term, meaning that when the last payment falls due it will be a large payment (a balloon payment). When you look at the options available, you should consider that the longer the term, the longer it will take to pay off the loan; but longer terms will also result in lower monthly payments. It is a trade-off between managing your monthly payments and owning your home debt free sooner.

Most loans have other costs, and they may affect the amount you will need to come up with “out of pocket” or the amount that you will need to borrow. Some of these costs are “lender” costs that are incurred on almost all loans, such as underwriting and processing fees and filing fees. Some of these costs involve third party services that are obtained, such as surveys, appraisals, and title insurance policies. Typically these third party costs are associated with mortgage loans. **ASK WHAT COSTS ARE—OR MAY BE—FINANCED AS PART OF THE LOAN AMOUNT.**

Regardless of which type of loan you decide on, you will need to complete an application. Typically a loan application provides the lender with information about your employment and income and your financial condition (the things you own and the obligations you owe). Mortgage loans usually take longer to review and approve because these things must be verified and documented in greater detail than on a consumer loan. Also, obtaining third party services, such as title insurance, surveys, and appraisals, may take additional time.

### *What if I can't make my loan payments?*

Regardless of whether you have a mortgage loan or a consumer loan, you will be asked to give your lender the right to protect itself by making the entire loan balance due and by taking control of the security so that they can sell it and apply the money from the sale to the unpaid loan balance. On a consumer loan, a private foreclosure is usually done. The lender finds a buyer for the home and sells it to them. The lender can usually repossess the home as long as they do not cause a breach of the peace. The lender may sell the home for whatever it is worth at the time and apply the proceeds of the sale first to the costs of repossession, and any remaining amounts are applied to your unpaid loan balance. If the proceeds of the sale are not enough to pay off what is owed on the home, the finance company may sue you to collect the "deficiency" which is the unpaid balance owed on your loan, including any unpaid interest and late charges.

On a mortgage loan, there is a process for posting notice and holding a public auction of the home. A lender on a mortgage loan cannot evict you. The lender will sell your home and the property at a foreclosure sale, and the new owners will have to go to court to have you evicted. You can lose the manufactured home and the property it is sitting on if you cannot make the payments on a mortgage loan. Any problems with your loan, including late payments and any foreclosures, can be reported and go on your credit record.

**~~ASK QUESTIONS BEFORE YOU DECIDE ON A PARTICULAR TYPE OF LOAN. Understand the loan product you choose.~~**

---

**~~If you apply for a mortgage loan, the Real Estate Settlement Procedures Act requires you to be given a Good Faith Estimate that will describe your estimated closing costs. If you apply for a consumer loan, the section below must be completed to describe your estimated closing costs on a consumer loan:~~**

<i>Description of cost</i>	<i>Estimated amount</i>	<i>Indicate if the cost will be included in the amount of the loan or if it must be paid "up front" or at closing</i>
----------------------------	-------------------------	---

---

**~~If you apply for a consumer loan, your estimated MONTHLY payments would be as follows:~~**

**~~Principal and interest on an initial loan amount of \$ \_\_\_\_\_ \$ \_\_\_\_\_~~**

**~~1/12 of estimated annual premium for required insurance \_\_\_\_\_ \$ \_\_\_\_\_~~**

**~~1/12 of estimated property taxes on the manufactured home \_\_\_\_\_ \$ \_\_\_\_\_~~**

**~~This estimate is based on the following:~~**

~~[ ] Installation in \_\_\_\_\_ County at the following specified location and information obtained from that county's tax assessor as to the current rates applicable at that location.~~

Location:

~~[ ] You have told us that the home will be installed in \_\_\_\_\_ County, but you have not yet determined where in the county it will be installed. Therefore, this disclosure is based on the actual information obtained from that county's tax assessor as to current rates that are applicable throughout the county. If the home is ultimately located on a site subject to one or more additional tax entities that do not extend throughout the county, your actual taxes may be higher.~~

~~[ ] You have told us that you do not know in which county the home will be installed. Therefore, this disclosure is based on the actual information obtained from the county tax assessor for \_\_\_\_\_ County, being the county where this dealership is located, as to current rates that are applicable throughout this county. If the home is ultimately located in a different county and or in this county but on a site subject to one or more additional tax entities that do not extend throughout the county, your actual taxes may be higher.~~

~~**NOTE: YOUR ACTUAL PROPERTY TAXES MAY DIFFER. CONTACT THE TAX ASSESSOR IN THE COUNTY WHERE YOUR HOME WILL BE LOCATED TO OBTAIN ADDITIONAL INFORMATION**~~

**CONSUMER:**

~~**IF YOUR LENDER DOES NOT ESCROW, YOU WILL STILL BE RESPONSIBLE FOR PROPERTY TAXES.**~~

Other estimated costs (describe)

\_\_\_\_\_ \$\_\_\_\_\_

\_\_\_\_\_ \$\_\_\_\_\_

**\_\_\_\_\_ TOTAL ESTIMATED MONTHLY COSTS \_\_\_\_\_ \$\_\_\_\_\_**

~~**HOME OWNERSHIP WILL INVOLVE OTHER COSTS, SUCH AS REPAIRS, MAINTENANCE, AND UTILITIES. ALSO, THERE MAY BE THINGS YOU WILL WANT THAT MAY NOT BE INCLUDED IN THE PRICE OF THE HOME.**~~

~~[ ] IF THIS BOX IS CHECKED, the person who is selling you the manufactured home or someone affiliated with them will also be involved in making or placing the loan to buy the home and will be receiving compensation, such as a fee, commission, or premium, for providing this service. If all they are doing is originating the loan and selling it at no profit and they are not receiving any additional compensation, this box does not need to be checked. If it is checked, here is an ESTIMATE of their compensation:~~

~~Nature of compensation \_\_\_\_\_ Estimated amount or range of  
\_\_\_\_\_ compensation~~

~~\_\_\_\_\_ \$ \_\_\_\_\_~~

~~At this time the following ADDITIONAL DISCLOSURES are being provided and are attached (list):~~

~~Each of us, by signing below, agree that we were given this disclosure on the date shown and it had been fully completed at the time it was given to us.~~

~~Name: \_\_\_\_\_ Name: \_\_\_\_\_~~

~~Signature: \_\_\_\_\_ Signature: \_\_\_\_\_~~

~~Date: \_\_\_\_\_ Date: \_\_\_\_\_~~

~~By signing below, I confirm that I am the person licensed under the Texas Manufactured Housing Standards Act who provided this disclosure (including any attachments) to the consumers named above.~~

~~Name: \_\_\_\_\_~~

~~Signature: \_\_\_\_\_~~

~~Date: \_\_\_\_\_~~

~~License number: \_\_\_\_\_~~



**(4) Notice of Installation (Form T).**

Texas Department of Housing and Community Affairs  
**MANUFACTURED HOUSING DIVISION**  
P. O. BOX 12489 Austin, Texas 78711-2489  
(800) 500-7074, (512) 475-2200 FAX (512) 475-1109  
Pursuant to the Texas Manufactured Housing Standards Act, Chapter 1201 of the Occupations Code  
Internet Address: [www.tdhca.state.tx.us/mh/index.htm](http://www.tdhca.state.tx.us/mh/index.htm)

**NOTICE OF INSTALLATION (FORM T)**

HUD Label or Texas Seal # (s): \_\_\_\_\_ Serial # (s): \_\_\_\_\_

Manufacturer Name: \_\_\_\_\_ License No. \_\_\_\_\_

Home Size - Width / Length: \_\_\_\_\_ X \_\_\_\_\_ Weight \_\_\_\_\_ Date of Manufacture: \_\_\_\_/\_\_\_\_/\_\_\_\_ Model / Name: \_\_\_\_\_

**Draw A Map To Provide Directions To Home On Page 2**

Consumer: \_\_\_\_\_ Phone Numbers: Home: ( ) \_\_\_\_\_ Work: ( ) \_\_\_\_\_

Mailing Address: \_\_\_\_\_ ZIP: \_\_\_\_\_

Site Address: \_\_\_\_\_ Within City Limits of \_\_\_\_\_ ZIP: \_\_\_\_\_

County Where Home is Installed: \_\_\_\_\_

Actual Installation Date: \_\_\_\_/\_\_\_\_/\_\_\_\_ Wind Zone on Data Plate: I ( ) II ( ) III ( )

	Name	Address	License #	Expiration Date	Phone #
<b>Retailer</b>					
<b>Installer</b>					

( ) New ( ) Used Does retailer or installer provide skirting? Yes ( ) No ( )

Is installation part of sales contract of used home? Yes ( ) No ( ) Not Applicable ( )

The home has been installed in accordance with:

- ( ) 1. Manufacturer's Home Installation Instructions (provide page number or option \_\_\_\_\_).
- ( ) 2. State Generic Standards - Title 10 Texas Administrative Code (10 TAC) §§80.55, 56, 57, 58, and 59.
- ( ) 3. A stabilization system registered with the department in accordance with 10 TAC §80.62 - provide name of system or reference to MHD Approval Letter or registration \_\_\_\_\_.
- ( ) 4. A Special Foundation System (attach a copy of the drawing for this system and provide a reference, if applicable, to any drawing previously submitted).

**IF NO METHOD IS CHECKED, IT WILL BE PRESUMED THAT OPTION 2  
(STATE GENERIC STANDARDS) WAS USED.**

To be submitted to ~~filed with~~ the department along with the required fee no later than the 15<sup>th</sup> day of the month after which the installation is completed ~~within 30 days of original sale or within 10 days of a secondary move~~. The Installation Report (Form T) should no longer be submitted with the title documents.

---

I verify that I am a licensed installer, that I am responsible for the installation described, and that the information supplied is true and correct.

---

Signature (Retailer/Installer)

---

Printed Name and Title

**DRAW MAP BELOW**



**(5) Estimate for Reassigned Warranty Work.**

## Estimate for Reassigned Warranty Work

### Part I – Labor and Materials:

**For each item on the inspection report, provide the information requested.**

1) Description of proposed correction: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Estimated time: \_\_\_\_\_ Hourly rate: \_\_\_\_\_

Itemized cost of materials: \_\_\_\_\_  
\_\_\_\_\_

2) Description of proposed correction: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Estimated time: \_\_\_\_\_ Hourly rate: \_\_\_\_\_

Itemized cost of materials: \_\_\_\_\_  
\_\_\_\_\_

3) Description of proposed correction: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Estimated time: \_\_\_\_\_ Hourly rate: \_\_\_\_\_

Itemized cost of materials: \_\_\_\_\_  
\_\_\_\_\_

## Part II – Other Costs and Expenses

<b>Block 1: Travel</b>	
Starting location, which must be the closer of the nearest office to the site of the re-assigned warranty work or the in-state service center for the licensee.	<b>Starting location:</b>
Mileage is reimbursable at the greater of the rate of \$0.35 per mile, not to exceed \$75.00 per day, or the State of Texas approved rates from time to time in effect for reimbursement of state employees' travel expenses.	<b>Estimated round-trip mileage:</b>
<b>Itemized list of any other travel costs:</b>	
<b>Block 2: Lodging</b>	
Reimbursement for overnight lodging is to include the actual room rate and any applicable taxes but does not include any long distance telephone calls, entertainment, food, or beverages. Reimbursement may not exceed the State of Texas approved rates for reimbursement of state employees' lodging.	<b>Name, location, and rate:</b>
<b>Block 3: Meals</b>	
Reimbursement for meals (receipts are required) shall not exceed the greater of \$25.00 per day or the State of Texas approved rate for reimbursement of state employees' meals while traveling. Alcoholic beverages are not subject to reimbursement.	<b>Estimated cost of meals:</b>
<b>Block 4: Administrative and oversight costs</b>	
Administrative services may not exceed 20% of the total estimate. Provide an explanation of the necessary administrative services, including the number of hours required and the hourly rate of each person providing such services:	

## Part III – Certification

The undersigned represents that:

- (1) the actual costs for labor charged to the Texas Department of Housing and Community Affairs, Manufactured Housing Division and/or the Manufactured Homeowner's Recovery Trust Fund will not exceed the actual number of hours expended, rounded to the nearest quarter of an hour increment, times the hourly rate specified above;
- (2) the actual costs for materials charged to Texas Department of Housing and Community Affairs, Manufactured Housing Division and/or the Manufactured Homeowner's Recovery Trust Fund will not exceed the costs actually charged to the undersigned and such costs do not exceed the costs at which the undersigned is able to obtain such materials for its own account;
- (3) the hourly rate being charged by the undersigned does not exceed the normal hourly rate at which the specified individuals customarily provide their services; and
- (4) if the work to be performed involves any repair or alteration that would require DAPIA approval, such approval will be obtained and a copy of such approval, together with all DAPIA-approved drawings relating thereto, will be submitted when reimbursement is requested.

Name of Licensee: \_\_\_\_\_ This estimate submitted this \_\_\_\_ day of \_\_\_\_\_,

License number: \_\_\_\_\_

\_\_\_\_\_  
*Signature of licensee or duly authorized officer or representative*

*Printed name of licensee or duly authorized  
officer or representative*

**(6) Application for Statement of Ownership and Location.**



Texas Department of Housing and Community Affairs

MANUFACTURED HOUSING DIVISION

P. O. BOX 12489 Austin, Texas 78711-2489

(800) 500-7074, (512) 475-2200 FAX (512) 475-1109

Pursuant to the Texas Manufactured Housing Standards Act, Chapter 1201 of the Occupations Code

Internet Address: www.tdhca.state.tx.us/mh/index.htm

**APPLICATION FOR STATEMENT OF OWNERSHIP AND LOCATION**

Instructions: Submit this completed form (type or print clearly) with the required fee to the above address.

<b>BLOCK 1: Transaction Identification</b>	
This application is for: <input type="checkbox"/> First time issuance of an SOL for a new home (first retail sale) <input type="checkbox"/> Revised <input type="checkbox"/> Correction <input type="checkbox"/> Other _____ _____	(For Department Use Only) Coding:  Lien on file: Y / N      Lienholder Code  County Code:                      Right of Surv.: Y / N  Retailer #:                              Manufacturer #:

<b>BLOCK 2: Home Information</b>					
Manufacturer Name:					Model:
Address:					Date of Manufacture:
City, State, Zip:					Total Square Feet:
License Number:					Wind Zone:
	<i>Label/Seal Number</i>	<i>Serial Number</i>	<i>Weight</i>	<i>Size*</i>	*NOTE: Size must be reported as the outside dimensions (length and width) of the home as measured to the nearest 1/2 foot at the base of the home, exclusive of the tongue or other towing device.
Section 1:				X	
Section 2:				X	
Section 3:				X	
Section 4:				X	

<b>BLOCK 3: Home Location</b>			
Was Home Moved? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, a paid taxes certificate from the county tax assessor for the county where the home was located on the preceding January 1.			
Was Home Installed? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, provide installer information below, if known			
Installer Name:			
Address/City/State/ZIP:			
Installer Phone:		Installer Fax:	
Physical Location: (or 911 address)			
	<i>Physical Address (cannot be a Rt. or P. O. Box)</i>	<i>City</i>	<i>State</i> <i>ZIP</i> <i>County</i>

<b>BLOCK 4: Ownership Information</b>		<b>IF ownership changed, date of transfer:</b>	
(4a) Seller(s) or Transferor(s)		(4b) Purchaser(s), Transferee(s), or Owner(s)	
Name	License # if Retailer:	Name	License # if Retailer:
Name		Name	
Mailing Address		Mailing Address	
City/State/Zip		City/State/Zip	
Daytime Phone Number ( ) -		Daytime Phone Number ( ) -	

<b>BLOCK 5: Right of Survivorship (if no box is checked, joint owners will NOT have right of survivorship)</b>
If joint owners desire right of survivorship, check the applicable box below: <input type="checkbox"/> Husband and wife will be the only owners and agree that the ownership of the above described manufactured home shall, from this day forward, be held jointly and in the event of death, shall pass to the surviving owner. <input type="checkbox"/> Joint owners are <u>other than</u> husband and wife, desire right of survivorship, <b>and</b> have attached a completed Affidavit of Fact for Right of Survivorship or other affidavits as necessary to meet the requirements of §1201.213 of the Standards Act.

**BLOCK 6: Personal/Real Property Election - Purchaser(s)/Transferee(s)/Owner(s) check one election type:**

- Personal Property – Applicant elects to treat this home as personal property. All documents affecting title to the home will be filed in the records of the department.
- Real Property – I (we) elect to treat this home as real property and certify that I am (we are) entitled to make this election in accordance with Section 1201.2055 of the Occupations Code because **(one box must be checked)**:
  - I (we) own the real property that the home is attached to.
  - I (we) have a qualifying long-term lease for the land that the home is attached to.

I (We) understand that the home will not be considered to be real property until a certified copy of the SOL has been filed in the real property records of the county in which the home is located AND a copy stamped "Filed" has been submitted to the department.

**Legal description must be provided for real property:** \_\_\_\_\_

- Inventory – Retailer number must be provided in Block 4b. **(FOR RETAILER USE ONLY)**

**BLOCK 7: Designated Use - to be designated by purchaser(s), transferee(s), or owner(s)**

- Residential Use (as a dwelling) OR
- Non-Residential - Check **one** of the following:  *Business Use*     *Salvage*

**BLOCK 8: Personal Property Liens - Specify any liens, charges, or other encumbrances to be recorded on the SOL**  
**\* A Lien cannot be recorded here if "Real Property" is elected in Block 6.**

Date of First Lien:		Date of Second Lien:	
Name of First Lienholder:		Name of Second Lienholder:	
Mailing Address:		Mailing Address:	
City/State/ZIP:		City/State/ZIP:	
Daytime Phone Number:	(    )    -	Daytime Phone Number:	(    )    -

**BLOCK 9: Special Mailing Instructions.**

**IF** a certified copy of an SOL is to be mailed to anyone other than the owner or lienholder of record (such as a closing agent), please provide that mailing address here.

Name: \_\_\_\_\_  
 Company: \_\_\_\_\_  
 Street Address: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_

**BLOCK 10: Certification and Notarization - The statements set forth herein are made under oath and are true and correct.**

- **Seller warrants that the home is and will remain habitable until the 60<sup>th</sup> day after the later of the installation date or the date of the purchase agreement.**
- **Seller must provide the purchaser with a written disclosure on a form prescribed by the Department describing the condition of the home and of any appliances that are included in the home.**
- **Seller warrants that provisions have been made for all taxes owed on the home.**

<p><b>(10a) Each seller/transferor must sign, and notary signature and seal are required.</b></p>	<p><b>(10b) Each purchaser/transferee or owner must sign, and notary signature and seal are required.</b></p>
<p>_____  <i>Signature of seller/transferor</i></p> <p>Sworn and subscribed before me this ____ day of _____, 20__</p> <p>_____  <i>Signature of Notary</i></p> <p>SEAL</p>	<p>_____  <i>Signature of purchaser/transferee or owner</i></p> <p>Sworn and subscribed before me this ____ day of _____, 20__</p> <p>_____  <i>Signature of Notary</i></p> <p>SEAL</p>
<p>_____  <i>Signature of seller/transferor</i></p> <p>Sworn and subscribed before me this ____ day of _____, 20__</p> <p>_____  <i>Signature of Notary</i></p> <p>SEAL</p>	<p>_____  <i>Signature of purchaser/transferee or owner</i></p> <p>Sworn and subscribed before me this ____ day of _____, 20__</p> <p>_____  <i>Signature of Notary</i></p> <p>SEAL</p>

**(7) Release or Foreclosure of Lien (Form B).**

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Pursuant to the Texas Manufactured Housing Standards Act, Chapter 1201 of the Occupations Code

Internet Address: www.tdhca.state.tx.us/mh/index.htm

RELEASE OR FORECLOSURE OF LIEN

(This form is not to be used for tax liens. Please type or print clearly.)

FORM B

**BLOCK 1: Home Information (Must be completed)**

Manufacturer Name:		License #:	
Manufacturer Address:			
Model :	Total Sq. Ft.:	Date of Manufacture:	
Label/Seal Number	Complete Serial Number	Weight	Size
Section One:			
Section Two:			
Section Three:			

**BLOCK 2: For Release of Liens**

(Name of Lienholder)	(Address)	(City)	(State)	(Zip)	(Phone)
(Name of Consumer)	(Address)	(City)	(State)	(Zip)	(Phone)
Release of Lien Effective Date:					

**BLOCK 3: For Foreclosure of Lien**

Date of Repossession: \_\_\_\_\_ Release of Lien Effective Date: \_\_\_\_\_

**Method of Repossession (MUST CHECK ONE):**

Terms of Security (Lien) Agreement

Judicial Order (Sequestration, Possessory Lien, etc.) If by judicial order, attach a copy of the Sheriff's Bill of Sale. If the lien was not recorded on the document of title, a COPY of the Security Agreement or Judicial Order must be attached.

**BLOCK 4: Sale of Foreclosed Manufactured Home  
MUST be completed IF foreclosure is being recorded**

**Method of Sale (MUST CHECK ONE):**

I (We) will sell the home to or through a licensed retailer.

I (We) will sell the home directly to a consumer and have the required retailer license.

I (We) will sell the home directly to a consumer and I am (We are) not required to be licensed as a retailer under Subchapter C of the Standards Act.

If either of the first two items above is checked and this form is submitted in conjunction with an application to record the sale of the manufactured home, the name and license number of the retailer must be provided here: R-\_\_\_\_\_.

**BLOCK 5: Notarized Signature Required**

I (We) certify that the statements set forth hereinabove and the information attached hereto are true and correct.	Sworn and subscribed before me this _____ day of _____, 20____ (month) (year)
	_____ (Signature of Notary)
_____ (Signature of Person Authorized to Sign for Lienholder)	_____ Seal
_____ (Title of Person Signing) (Phone)	_____ (Typed Name of Notary) (Date Commission Expires)

**(8) Quick Processing Form.**

**QUICK PROCESSING**  
OF APPLICATION FOR STATEMENT OF OWNERSHIP AND LOCATION (SOL)

To receive **Quick Processing**, the application **MUST**:

- be complete,
- be **clearly** labeled for **Quick Processing** **or** have this coversheet attached to the **front**,
- be delivered in person or by overnight mail to address above, and
- be accompanied by full payment of all fees, including **additional Quick Processing fee**.

**BLOCK 1: Select Return Method**

To be picked up. Call \_\_\_\_\_ at (\_\_\_\_) \_\_\_\_ - \_\_\_\_\_ when ready.

Return by regular mail

Return using \_\_\_\_\_ overnight service. One of the following **MUST** be provided (**credit cards are NOT accepted**):

- Requestor's overnight service account # \_\_\_\_\_
- Pre-paid return airbill enclosed with the application

**BLOCK 2: Provide Address to Return Incomplete Applications to**

Name:	
Company:	
Street Address:	
City, State, Zip:	

**BLOCK 3: Specify person to contact with questions about the application**

Name:	
Phone Number:	(     )                      -

Note: Quick Processing takes 3 business days from the date that the complete application is received in the Manufactured Housing Division (MHD) mailroom. Due to mail delivery and routing times, the date received by MHD may be later than the date it is received by TDHCA. Your certified copy of the SOL will be returned via **regular** mail unless a pre-paid return airbill or account number is provided.

**(9) Form M.**

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Pursuant to the Texas Manufactured Housing Standards Act, Chapter 1201 of the Occupations Code

Internet Address: [www.tdhca.state.tx.us/mh/index.htm](http://www.tdhca.state.tx.us/mh/index.htm)

**FORM M**

*(Please type or print clearly.)*

**IMPORTANT NOTICE!**

**Place this form on top of the SOL application packet**

**This form is required when paying for multiple applications with one check, thereby enabling us to match refunds with applications.**

	HUD #, Seal #, or Serial #	Purchaser / Owner Name(s)	Fee(s) Per Home
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			
21.			
22.			
23.			
24.			
25.			
26.			

\_\_\_\_\_  
 ( ) *(Payor)*  
 \_\_\_\_\_  
 ( ) *(Phone Number)*      ( ) *(Fax Number)*      \_\_\_\_\_ *(Check Number)*      Total Fees: \$ \_\_\_\_\_



**(10) Affidavit of Fact for Right of Survivorship.**

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Internet Address: www.tdhca.state.tx.us/mh/index.htm

<b>AFFIDAVIT OF FACT</b>				
<b>FOR RIGHT OF SURVIVORSHIP OWNERSHIP AGREEMENT</b>				
<b>BLOCK 1: Home Information (Must be completed)</b>				
Manufacturer Name:			License #:	
Manufacturer Address:		City/State/Zip:		
Model :	Total Sq. Ft.:	Date of Manufacture:		
Label/Seal Number		Complete Serial Number		Weight
Section One:				
Section Two:				
Section Three:				
<b>BLOCK 2: Type of Mutual Agreement</b>				
The relationship that exists between the undersigned can be defined as (check one):				
<input type="checkbox"/> Legally married (If this box is checked, complete Block 6 only) <input type="checkbox"/> Common Law marriage (If this box is checked, complete Block 3 and Block 6) <input type="checkbox"/> Co-owners are unmarried (If this box is checked, complete Block 4 and Block 6) <input type="checkbox"/> Co-owners are married but not to each other (If this box is checked, complete Block 5 and Block 6)				
<b>BLOCK 3: Attestation of Common Law Marriage</b>				
We, the undersigned, acknowledge and affirm that we are married by common law to each other and that any previous marriage(s) legal or common law, between any of the undersigned and other party(ies) was legally terminated by a spouse in death or by a legal divorce.				
Signature of Co-owner _____		Signature of Co-owner _____		Date _____
<b>BLOCK 4: Attestation of Unmarried Status</b>				
I, the undersigned, acknowledge and affirm that I am not married, legally or by common law marriage.				
Signature of Co-owner _____		Signature of Co-owner _____		Date _____
<b>BLOCK 5: Attestation of Separate Property By the Undersigned Spouse</b>				
<b>Spouse #1</b>				
In order to establish right of survivorship between the co-owners of said manufactured home, I, _____ the spouse of _____, do hereby acknowledge and attest that any and all property rights and interests in the above referenced manufactured home is the separate property of the co-owners exclusively.				
Signature of spouse #1: _____ Date: _____				
<b>Spouse #2</b>				
In order to establish right of survivorship between the co-owners of said manufactured home, I, _____ the spouse of _____, do hereby acknowledge and attest that any and all property rights and interests in the above referenced manufactured home is the separate property of the co-owners exclusively.				
Signature of spouse #2: _____ Date: _____				
<b>BLOCK 6: Signatures of Co-Owners</b>				
<b>NOTARIZATION REQUIRED</b>				
We, the undersigned, hereby agree that the ownership of the above described manufactured home shall, from this day forward, be held jointly and in the event of death, shall pass to the surviving owner(s).				
Signature of Co-owner _____		Signature of Co-owner _____		Date _____
Before me personally appeared the person (s) whose signature (s) appear above, who by being sworn, upon oath, say that the statements set forth hereinabove are true and correct. Subscribed and sworn before me this ____ day of _____ 20____				
_____ (Notary Public)			SEAL	
_____ (Commission Expires)			Notary Public State of Texas	

**(11) Retailer/Broker Disclosure Statement.**

**Retailer/Broker Disclosure Statement**  
**Installation Responsibility on Purchase of Used Manufactured Home**  
*(Required per §80.121(a)(3)(C) of 10 TAC, Chapter 80)*

**Check One:**

- The purchase of your used manufactured home **INCLUDES** the installation; therefore the license holder **WILL** provide the required installation warranty.
- The purchase of your used manufactured home **DOES NOT** include the installation; therefore the license holder will **NOT** provide an installation warranty.

Each of us, by signing below, agree that we were given this disclosure on the date shown and it had been fully completed at the time it was given to us.

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

By signing below, I confirm that I am the person licensed under the Texas Manufactured Housing Standards Act who provided this disclosure (including any attachments) to the consumers named above.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

License number: \_\_\_\_\_

**(12) Warranty of Habitability.**

**WARRANTY AND DISCLOSURE  
FOR A USED MANUFACTURED HOME**

*If the manufactured home does not have a HUD Label or Texas Seal, a copy of this disclosure must be submitted to the Department along with an application for a Texas Seal and the required fee.*

**BLOCK 1: Home Information**

Manufacturer Name:		Model:	
Address:		Date of Manufacture:	
City, State, Zip:		Total Square Feet:	
License Number:		Wind Zone:	

	Label/Seal Number	Serial Number	Weight	Size*	
Section 1:				X	* <b>NOTE:</b> Size must be reported as the outside dimensions ( <b>length and width</b> ) of the home as measured to the nearest 1/2 foot at the base of the home, exclusive of the tongue or other towing device.
Section 2:				X	
Section 3:				X	
Section 4:				X	

**BLOCK 2: Statement of Warranty**

**The above-described home is warranted by the seller to the purchaser to be habitable and to remain habitable until the later of 60 days from the date of the purchase agreement selling or transferring the home or 60 days after the date that the installation of the home is completed at the site designated and agreed upon by the purchaser. By “habitable” it is meant that:**

- **There is no defect or deterioration in or damage to the home that creates a dangerous situation;**
- **The plumbing, heating, and electrical systems are in safe working order;**
- **The walls, floor, and roof are:**
  - **free from a substantial opening that was not designed and**
  - **structurally sound; and**
- **All exterior doors and windows are in place. Any window that is a designated fire exit is in working order.**

**The PURCHASER, \_\_\_\_\_, must notify the SELLER, \_\_\_\_\_,**  
(name of purchaser) (name of seller)

**IN WRITING within 65 DAYS of any DEFECT that makes the home NOT HABITABLE or the SELLER will have NO LIABILITY for the warranty of habitability.**

### BLOCK 3: Disclosure of Home And Appliance Condition

**Rating scale:**

- E** *Excellent* – substantially the same condition as new
- G** *Good* – obviously not new but still sound and fully serviceable with significant anticipated life or utility remaining
- F** *Fair* – sound and serviceable but sufficiently used and will require replacement or significant repair in the near future
- P** *Poor* – in need of imminent repairs; not sound and serviceable

#### Appliances

*Indicate the appliance being conveyed and rate its condition.  
Any item checked and not assigned a rating is assumed to have no known defects.*

Check Appliances Conveyed with home	Make and Model	Gas or Electric	Rating (as listed above)
<input type="checkbox"/> Refrigerator			
<input type="checkbox"/> Range			
<input type="checkbox"/> Stove top only			
<input type="checkbox"/> Microwave			
<input type="checkbox"/> Washer			
<input type="checkbox"/> Dryer			
<input type="checkbox"/> Trash Compactor			
<input type="checkbox"/> Other			

#### Home

*Rate each category below. Any item present but not assigned a rating is assumed to have no known defects.*

<b>Interior</b>	<b>Rating (as listed above)</b>	<b>Comments</b>
Living room:		
Kitchen:		
Bedroom 1		
Bedroom 2		
Bedroom 3		
Bathroom 1		
Bathroom 2		
Laundry/utility room:		
Other rooms (list):		
<b>General Home Exterior</b>	<b>Rating (as listed above)</b>	<b>Comments</b>
Roof decking		
Roof covering		
Floor underside		
Walls		
Other		
<b>Systems</b>	<b>Rating (as listed above)</b>	<b>Specify whether or not each system is operational</b>
Electrical system		
Mechanical system		
Plumbing system		

### BLOCK 4: Signatures

*I certify that the above information is, to the best of my knowledge, complete and accurate.*

\_\_\_\_\_

*(Seller's Signature)*

\_\_\_\_\_

*(Printed Name of Seller or Seller's authorized representative)*

\_\_\_\_\_

*(Date)*

*I acknowledge receipt of the Warranty and Disclosure for the purchase of a used manufactured home.*

\_\_\_\_\_

*(Consumer/Purchaser's Signature)*

\_\_\_\_\_

*(Printed Name of Consumer/Purchaser)*

\_\_\_\_\_

*(Date)*

**(13) Continuous Manufactured Housing Surety Bond.**



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Pursuant to the Texas Manufactured Housing Standards Act, Chapter 1201 of the Occupations Code

Internet Address: www.tdhca.state.tx.us/mh/index.htm

Continuous Manufactured Housing Surety Bond

The State of \_\_\_\_\_ TDHCA license # (if known): \_\_\_\_\_

County of \_\_\_\_\_

I (we) \_\_\_\_\_, (Name of Owner, Partner, or Corporate Officer)

to be licensed as a manufactured housing \_\_\_\_\_ (Manufacturer, Retailer, Broker, Installer, Or Rebuilder)

doing business as \_\_\_\_\_ / \_\_\_\_\_ (Assumed or Corporate Name) (Trade Name of Location)

at \_\_\_\_\_ / \_\_\_\_\_ (Physical Street Address, City, State, Zip) (Mailing Address if Different)

( ) \_\_\_\_\_, as PRINCIPAL and \_\_\_\_\_ (Telephone) (Surety)

as SURETY, duly authorized and qualified to do business as a surety company in this state, are firmly bound unto the special account referred to in the Texas Manufactured Housing Standards Act (the "Act"), Tex. Occ. Code, Chapter 1201, as the Texas Manufactured Homeowners' Recovery Trust Fund, in the sum of \$\_\_\_\_\_, payable at Austin, Travis County, Texas for use by the Texas Department of Housing and Community Affairs to satisfy claims resulting from any cause of action directly related to the construction, re-building, sale, lease-purchase, exchange, brokerage, or installation of a manufactured home for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, successors and assigns, jointly and severally, firmly by these presents.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that the PRINCIPAL and all persons acting on behalf of said PRINCIPAL shall faithfully discharge all obligations, duties, and responsibilities under the Act as that statute is presently worded and as it may hereafter be amended to read, and all applicable rules and regulations of the Executive Director of the Texas Department of Housing and Community Affairs, Manufactured Housing Division adopted to carry out the provisions of said Act, subject, however, to the following terms and conditions:

- 1) It is agreed that as of \_\_\_\_\_, 20\_\_\_\_, this bond shall be in full force and effect and remain in effect until canceled by the surety.
2) This bond is valid when received by the Texas Department of Housing and Community Affairs, Manufactured Housing Division at its Austin office.
3) The bonding company must provide written notification to the Texas Department of Housing and Community Affairs, Manufactured Housing Division at least sixty (60) days prior to the cancellation of this bond.
4) This bond shall be open to successive claims up to the face value of the bond. The surety shall not be liable for successive claims in excess of the bond amount, regardless of the number of years the bond remains in force.
5) Although this bond is issued in fulfillment of the requirements of the Texas Department of Housing and Community Affairs, Manufactured Housing Division, this bond applies to all acts and omissions of the PRINCIPAL subject to the Act, the rules that implement the Act, and the orders of the Texas Department of Housing and Community Affairs, Manufactured Housing Division that implement or effectuate the Act, regardless of the site of any such act or omission.

IN WITNESS WHEREOF said PRINCIPAL and SURETY have executed this bond this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, to be effective on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Surety By: \_\_\_\_\_ (Signature)

\_\_\_\_\_ (Printed Name)

Title: \_\_\_\_\_

Surety Company Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Street / P.O. Box City Zip

Phone #: ( ) \_\_\_\_\_ Fax #: ( ) \_\_\_\_\_

Signature of Owner, Partner, or Corporate Officer: \_\_\_\_\_ Title: \_\_\_\_\_

Bond Number: \_\_\_\_\_ (For Surety Company's Use)

NOTE: The physical street address listed on this surety bond form must match the physical street address listed on the application.

**(14) Form required to record a tax lien.**

**TAX LIEN  
RECORD/RELEASE**

*Please type or print clearly.*

**BLOCK 1: Required Information**

HUD Label or Texas Seal #: \_\_\_\_\_ **OR** Serial #: \_\_\_\_\_  
Year for which taxes are owed: \_\_\_\_\_

Check here if an electronic or paper list of liens is attached.

**BLOCK 2: Optional Additional Information**

Tax Roll Account #: \_\_\_\_\_

Collector's Name: \_\_\_\_\_

Collector's Address: \_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City)

\_\_\_\_\_  
(State)

\_\_\_\_\_  
(Zip Code)

Collector's Phone #: (       ) \_\_\_\_\_

Taxing Unit and ID #: \_\_\_\_\_

Property Owner Name: \_\_\_\_\_  
(Name)

Property Owner Address: \_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City)

\_\_\_\_\_  
(State)

\_\_\_\_\_  
(Zip Code)

**BLOCK 3: Signature for Tax Lien Recording**

I hereby certify that all liens being RECORDED with this form are in accordance with the provisions of §32.03 of the Tax Code.

\_\_\_\_\_  
(Collector's Signature)

\_\_\_\_\_  
(Date)

**BLOCK 4: Signature for Tax Lien Release**

I hereby certify that all liens being RELEASED with this form have been discharged and should be removed from the records of the Texas Department of Housing and Community Affairs.

\_\_\_\_\_  
(Collector's Signature)

\_\_\_\_\_  
(Date)

**Submit to the address or fax number at the top of this form.**

**(15) Required notice of intent to declare a home abandoned pursuant to §1201.217 of the Standards Act**

**Affidavit of Fact for Abandonment**  
*(Sworn Statement)*

**BLOCK 1: Home Information**

Manufacturer: \_\_\_\_\_ Model: \_\_\_\_\_  
Serial Number: \_\_\_\_\_ Label # and/or Seal #: \_\_\_\_\_  
Square Footage: \_\_\_\_\_ Size: \_\_\_\_\_

**BLOCK 2: Statement of Facts**

I, \_\_\_\_\_, being first duly sworn, do hereby make this affidavit of fact and certify to the Texas Department of Housing and Community Affairs, Manufactured Housing Division (the "Department") as follows:

"I own the real property on which the manufactured home identified above is located. Such manufactured home has been continuously unoccupied for at least four (4) months. Any indebtedness secured by the manufactured home is delinquent. I have made reasonable efforts to locate and give notice to all owners and lienholders of record with the Department that I am seeking to acquire ownership of this manufactured home pursuant to Tex. Occ. Code, Section 1201.217, Manufactured Home Abandoned. The manufactured home has remained on the real property for at least forty-five (45) days after the date that each such notice was postmarked. As evidence that all notice requirements have been fulfilled and that I am entitled to a statement of ownership and location reflecting me as the owner of the manufactured home, I have attached a true and correct copy of each of the following documents:

- Each notice, on the form prescribed by the Department, and the return receipt for certified mail that was sent to the following:
  - Each owner of the home at the address(es) on the statement of ownership and location records of the Department.
  - Each lienholder, including each holder of a recorded tax lien, on the statement of ownership and location records of the Department.
- Evidence that any indebtedness secured by the manufactured home is delinquent.
- For any certified mail for which the return receipt indicated that such mail was unclaimed or undeliverable, I have made a reasonable effort to determine the location of the party to whom such mail was addressed and, if I could locate an alternative address, I sent them the same notice at the alternative address by certified mail, and copies of the return receipts for such certified mail are attached. The reasonable measures I undertook to find an alternative address included [ ] an internet search (printout attached) [ ] other, described as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

"I certify that my ownership of the above-described real property is duly recorded in the deed or real property records for the county where such property is located."

Further affiant saith not.

**BLOCK 3: Signatures (Notarization is REQUIRED)**

\_\_\_\_\_  
*(Signature)*

\_\_\_\_\_  
*(Signature)*

Before me personally appeared the person(s) whose signature(s) appear above, who by being sworn, upon oath, say that the statements set forth hereinabove are true and correct. Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_.

\_\_\_\_\_  
*(Name of Notary)*

\_\_\_\_\_  
*(Notary Public)*

\_\_\_\_\_  
*(Commission Expires)*

*SEAL*

*Notary Public State of Texas*

**(16) Notice of intent to acquire ownership of an abandoned manufactured home.**



This notice must be sent by certified mail, return receipt requested, to the owner of record of the manufactured home described below and each lien holder, including any holder of a tax lien, reflected in the official records of the Texas Department of Housing and Community Affairs, Manufactured Housing Division, as of the date that this notice is sent.

---

**IMPORTANT NOTICE OF INTENT  
TO ACQUIRE OWNERSHIP OF AN ABANDONED  
MANUFACTURED HOME**

**RE: Manufactured Home with HUD label, Texas Seal and/or Serial Number(s)**  
\_\_\_\_\_ (the "Home")

**Owner name and address:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**1<sup>st</sup> lienholder name and address:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**2<sup>nd</sup> lienholder name and address:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Dear \_\_\_\_\_:**

The above-referenced Home is on my real property located at \_\_\_\_\_ and appears to have been abandoned. It has been continuously unoccupied for at least four months, and the following indebtedness, secured by the Home, is delinquent (insert description of indebtedness including holder/payee):

---

**It is my INTENT TO DECLARE THE HOME ABDANDONED. It is my intent forty-five (45) days from the date of this letter, to declare the Home to be abandoned and to apply to the Texas Department of Housing and Community Affairs, Manufactured Housing Division, for a Statement of Ownership and Location with respect to the Home, reflecting me to be the owner of the Home, free and clear of any liens, all in accordance with Tex. Occ. Code, §1201.217.**

\_\_\_\_\_  
(Printed Name of Sender)

\_\_\_\_\_  
(Signature of Sender)

**(17) Manufacturer's Certificate of Origin.**

## MANUFACTURER'S CERTIFICATE OF ORIGIN TO A MANUFACTURED HOME

**THE UNDERSIGNED MANUFACTURER HEREBY CERTIFIES THAT THE NEW MANUFACTURED HOME DESCRIBED HEREIN, THE PROPERTY OF SAID MANUFACTURER, HAS BEEN TRANSFERRED ON THE DATE SET FORTH HEREIN, SUBJECT TO THE TERMS AND CONDITIONS OF THE INVOICE OR OTHER APPLICABLE AGREEMENT TO:**

NAME OF RETAILER		REG. NO.	ADDRESS OF RETAILER		CITY	STATE	ZIP
TRANSFER DATE	MODEL DESIGNATION		DATE OF MANUFACTURE	NUMBER OF SECTIONS		TOTAL SQUARE FEET	
LABEL/DECAL NUMBER		SERIAL NUMBER		WEIGHT		SIZE	EXCLUDING HITCH
LABEL/DECAL NUMBER		SERIAL NUMBER		WEIGHT		SIZE	EXCLUDING HITCH
LABEL/DECAL NUMBER		SERIAL NUMBER		WEIGHT		SIZE	EXCLUDING HITCH
LABEL/DECAL NUMBER		SERIAL NUMBER		WEIGHT		SIZE	EXCLUDING HITCH
<b>FIRST ASSIGNMENT (FOR RETAILERS ONLY)</b>				<b>CONSTRUCTED FOR:</b>			
<b>TO:</b>				ENERGY ZONE _____			
NAME OF RETAILER		REGISTRATION NO.		WIND ZONE _____			
ADDRESS				ROOF LOAD ZONE _____			
CITY				STATE		ZIP	
TYPE NAME AND TITLE OF PERSON AUTHORIZED TO SIGN FOR TRANSFERENCE TO RETAILER				THE MANUFACTURER WARRANTS THAT A GOOD AND MARKETABLE TITLE IS BEING TRANSFERRED AND THAT NO OTHER VALID MANUFACTURER'S CERTIFICATE OF ORIGIN IS ISSUED AND OUTSTANDING ON THE MANUFACTURED HOME DESCRIBED HEREIN.			
AUTHORIZED SIGNATURE				MANUFACTURER OF HOME		REGISTRATION NO.	
<b>SECOND ASSIGNMENT (FOR RETAILERS ONLY)</b>				ADDRESS OF MANUFACTURER			
<b>TO:</b>				CITY		STATE	ZIP
NAME OF RETAILER		REGISTRATION NO.		AUTHORIZED SIGNATURE/TITLE			
ADDRESS				INVOICE # _____			
CITY		STATE		NOTE: THIS MANUFACTURER'S CERTIFICATE OF ORIGIN MAY NOT BE ASSIGNED BY A RETAILER WHOSE NAME APPEARS HEREIN EXCEPT TO ANOTHER RETAILER LICENSED WITH THE TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS.			
TYPE NAME AND TITLE OF PERSON AUTHORIZED TO SIGN FOR TRANSFERENCE TO RETAILER							
AUTHORIZED SIGNATURE							

**(b) Optional Forms.**

**(1) Spanish Version of Consumer Disclosure Statement.**

## **Declaración de Divulgaciones para el Consumidor**

Al comprar una vivienda prefabricada, hay varias consideraciones importantes, incluyendo el precio, la calidad de construcción, las características, el plano de piso, y las alternativas para financiamiento. El Departamento de Vivienda y Desarrollo Urbano de EE.UU. (HUD) ayuda a proteger los consumidores a través de la regulación y ejecución de normas de HUD para el diseño y la construcción de viviendas prefabricadas. Las viviendas prefabricadas construidas de acuerdo con las normas de HUD se conocen como “HUD-code manufactured homes”.

El Departamento de Viviendas y Asuntos Comunitarios reglamenta los fabricantes, minoristas, agentes, vendedores, instaladores, y reconstructores de viviendas prefabricadas en Texas.

Si usted desea colocar una vivienda prefabricada en terreno que le pertenece o que comprará, usted debe considerar detalles como los siguientes:

**“RESTRICCIONES Y CONVENIOS RESTRICATIVOS”** Municipalidades o subdivisiones pueden restringir la colocación de viviendas prefabricadas en ciertos lotes, restringir su colocación a cierta distancia de linderos de propiedad, requerir que sean de cierto tamaño, y establecer ciertos requisitos para su tamaño y construcción. Puede que usted tenga que obtener permisos de construcción y aprobación de una asociación de propietarios antes de colocar una vivienda prefabricada en un lote en particular. Comuníquese con el gerente de la municipalidad, el condado, y la subdivisión local para determinar si la vivienda prefabricada que usted prefiere se puede colocar en un lote en particular.

**“AGUA”** Asegurase de que su lote tiene acceso al agua. Si tiene que perforar un pozo, comuníquese con varios perforadores para ofertas. Si agua está disponible a través de una municipalidad, un distrito de servicio público, un distrito de agua, o una cooperativa, usted debe preguntar sobre las tarifas que tendrá que pagar y los costos de ingresar con el sistema de agua.

**“ALCANTARILLA”** Si su lote no es servido por un sistema alcantarilla municipal o un distrito de servicio público, usted tendrá que instalar un sistema para aguas cloacales (conocido como una fosa séptica). Hay varias consideraciones o restricciones que determinarán si su lote es adecuado para soportar una fosa séptica. Para determinar los requisitos que se aplican a su lote y el costo de instalar tal sistema, comuníquese con el condado o un instalador privado que tiene licencia.

**“HONORARIOS PARA UNA ASOSIACION DE DUENOS”** Muchas subdivisiones tienen tasas y cuotas obligatorias que los propietarios de lotes tienen que pagar. Comuníquese con el gerente de la subdivisión donde está localizado su lote para determinar si hay honorarios asociados con su lote.

**“IMPUESTOS”** Su vivienda será evaluada y sujeto a impuestos “*al valórem*” igual que otras estructuras residenciales para una sola familia. Estos impuestos se tienen que poner en plica con su pago mensual las primas para seguridad, honorarios, u otros cobros en conexión con los préstamos asegurados por los bienes raíces residenciales, excepto que su prestamista no está obligado a imponer un requisito de plica en una transacción de bienes raíces que incluyen una vivienda prefabricada si el prestamista es una institución financiera asegurada por el gobierno

federal y de otros modos no requiere la plica de los impuestos. En el cierre, le notificarán de todas las divulgaciones requeridas por el gobierno federal para préstamos honestos.

**“ASEGURANZA”** Su prestamista puede requerir que usted obtenga aseguranza que satisface los requisitos del prestamista y que protege su inversión. Usted debe de pedir cotización del agente que usted prefiere para obtener aseguranza.

**“TIPOS DE HIPOTECAS DISPONIBLES”** La compra de una vivienda prefabricada se puede financiar con una hipoteca para bienes raíces o con una hipoteca prendaria. Una hipoteca para bienes raíces puede tener una tasa de interés mas baja que una hipoteca prendaria.

**“DERECHO A RESCINDIR”** Si usted adquiere una vivienda prefabricada, por medio de una compra, un intercambio, o un contrato para la compra tras arrendamiento, usted puede, hasta el TERCER DIA después de la fecha en que se firma el contrato pertinente, rescindir el contrato SIN PENA NI COBRO.

Esta **Divulgación** fue proveída por el minorista y/o el prestamista indicado abajo en esta fecha y me(nos) fue proveído antes de que completara(mos) una aplicación para crédito o antes de firmar un contrato para la compra de una vivienda prefabricada.

\_\_\_\_\_  
Nombre y # de licencia del minorista o prestamista      Fecha

\_\_\_\_\_  
Dirección

\_\_\_\_\_  
Ciudad    Condado    Estado    Código Postal

\_\_\_\_\_  
Consumidor      Fecha

\_\_\_\_\_  
Consumidor      Fecha

\_\_\_\_\_  
Dirección

\_\_\_\_\_  
Ciudad    Condado    Estado    Código Postal

**Antes de completar una aplicación para crédito, el minorista o su agente tiene que dar al consumidor esta declaración en texto tipográfico de por lo menos tamaño 12, y no puede estar adjunto con, ni incluido en, ninguna otra divulgación u otro documento.**

(2) Statement of No Unpaid Taxes [Spanish Version of 163 Disclosure—  
Choosing a Loan to Buy a Manufactured Home.]

## **Statement of No Unpaid Taxes**

Manufactured home HUD label number \_\_\_\_\_, Texas Seal Number \_\_\_\_\_, or  
Serial Number \_\_\_\_\_

This is to confirm that no property within \_\_\_\_\_ County, Texas for which  
the undersigned performs appraisals has any unpaid taxes in connection with the above-described  
manufactured home with respect to which, if such taxes were not paid, a lawful tax lien could be  
filed with the Texas Department of Housing and Community Affairs, Manufactured Housing  
Division.

\_\_\_\_\_  
Chief Appraiser for the above-named county  
Or his/her duly authorized representative

Date: \_\_\_\_\_



## ESCOGIENDO UN PRÉSTAMO PARA LA COMPRA DE UNA VIVIENDA PREFABRICADA

**CONSUMIDOR**— Antes de aceptar un préstamo para una vivienda prefabricada, se requiere que sea presentado con estas y otras advertencias. Sirven para ayudarle a hacer la mejor decisión posible en esta compra importante. También se requiere que usted firme documentos confirmando que recibió estas advertencias. **ESTAS ADVERTENCIAS SON IMPORTANTES.** Los costos y las obligaciones de ser dueño de un hogar son más que simplemente hacer los pagos mensuales.

Si quiere obtener un préstamo para su vivienda prefabricada, usted tendrá que hacer aplicación para el préstamo y “calificar” o ser aprobado. Hay dos tipos básicos de préstamos para una vivienda prefabricada: los préstamos hipotecarios y los préstamos de consumidor. Los préstamos hipotecarios, típicamente usados para viviendas construidas en un terreno, usan el terreno y la vivienda como seguridad para el préstamo. Usualmente, los préstamos de consumidor se aseguran sólo con lo que se está comprando, en este caso la vivienda prefabricada, y no mantienen el terreno como seguridad.

Si usted no logra hacer los pagos, puede perder su vivienda.

*¿Cómo se comparan los préstamos hipotecarios a los préstamos de consumidor?*

Los factores principales que afectarán la cantidad de cada pago mensual y el total de los pagos que hará durante la duración del préstamo son la tasa de interés, el plazo (cuanto tiempo se le dará para pagar), y la cantidad que tomará prestado. En el pasado, los préstamos hipotecarios han llevado tasas de interés más bajas que los préstamos de consumidor. Usted debe preguntar sobre las tasas de interés de los diferentes tipos de préstamos por las que USTED puede calificar. Hay varias maneras en que los prestamistas, utilizando el plazo del préstamo, pueden cambiar los pagos mensuales. Por ejemplo, pueden calcular los pagos de manera que se basan en un plazo muy largo pero en realidad tiene un plazo más corto. Entonces cuando cumpla el último pago será una cantidad grande (un “balloon payment” o “pago aumentado”). Al considerar las alternativas disponibles, debe tomar en cuenta que mientras más largo sea el plazo, más tiempo le tomará pagar el préstamo; pero plazos más largos también resultarán en pagos mensuales más bajos. Es un intercambio entre administrar sus pagos mensuales y ser dueño de su hogar sin deuda más pronto.

La mayoría de los préstamos tienen otros costos. Estos pueden afectar la cantidad que tendrá que pagar de su bolsillo o la cantidad que tendrá que tomar prestado. Algunos de estos costos son costos del prestamista que se incurren en casi todos los préstamos, como cobros para endosamiento, procesamiento, y registramiento. Algunos de estos costos son para servicios que se obtienen de otros individuos, como levantamiento topográfico, tasación, y póliza de seguros de título. Típicamente, estos costos están asociados con los préstamos hipotecarios. **PREGUNTE CUALES COSTOS SON O PUEDEN SER FINANCIADOS COMO PARTE DE LA CANTIDAD DEL PRÉSTAMO.**

Sin importar que tipo de préstamo elija, usted tendrá que llenar una aplicación. Típicamente, la aplicación para un préstamo le provee al prestamista información sobre su empleo e ingresos y su condición financiera (sus propiedades y las deudas que tiene). Usualmente, los

~~préstamos hipotecarios toman más tiempo para revisar y aprobar porque estos datos se tienen que verificar y documentar en mayor detalle que para un préstamo de consumidor. También el obtener servicios de otros individuos, como la póliza de seguros de título, levantamiento topográfico, y tasación, pueden tomar tiempo adicional.~~

*~~¿Qué sucede si no puedo hacer los pagos?~~*

~~Sin considerar si tienes un préstamo hipotecario o un préstamo de consumidor, se le pedirá dar a su prestamista el derecho a protegerse haciendo que la cantidad total aún sin pagar sea vencida y tomando control de la seguridad para que pueda vender la propiedad y asignar el dinero de la venta al saldo del préstamo. Usualmente, para un préstamo de consumidor se realiza una ejecución hipotecaria privada. El prestamista consigue un comprador para la vivienda y la vende. Usualmente, el prestamista puede recobrar posesión de la vivienda mientras no cause una violación de la paz. El prestamista puede vender la vivienda por el valor actual y asignar las ganancias de la venta primero a los costos de recobrar posesión, y el resto se asigna al saldo del préstamo. Si las ganancias no son suficientes para pagar la deuda entera, la compañía financiera puede entablar acción judicial para coleccionar la “deficiencia” que es el saldo del préstamo, incluyendo intereses e intereses moratorios que quedan sin pagar.~~

~~Para un préstamo hipotecario, hay un proceso para hacer noticia pública y tener una subasta pública para la vivienda. El prestamista de un préstamo hipotecario no lo puede desalojar. El prestamista venderá la propiedad, y los nuevos dueños tendrán que ir al corte para desalojarlo. Usted puede perder la vivienda prefabricada y el terreno en que está colocada si no puede hacer los pagos de su préstamo hipotecario. Cualquier problema con su préstamo, incluyendo pagos atrasados y ejecución hipotecaria, puede ser reportado y añadido a su reporte de crédito.~~

**HAGA PREGUNTAS ANTES DE ESCOGER UN TIPO DE PRESTAMO EN PARTICULAR.** Entienda el préstamo que usted escoge.

---

~~Si usted aplica para un préstamo hipotecario, el “Real Estate Settlement Procedures Act” (la ley de Procedimientos en el Cierre de Operaciones de Bienes Raíces) requiere que se le de una copia de una Estimación de Buena Fe que describe la cantidad estimada de los costos de cierre. Si usted aplica para un préstamo de consumidor, la sección abajo se tiene que llenar para describir sus costos de cierre estimados:~~

<i>Descripción del costo</i>	<i>Cantidad estimada</i>	<i>Indique si el costo será incluido en la cantidad del préstamo o si será un costo inicial o un costo de cierre.</i>
_____	_____	_____

---

~~Si usted aplica para un préstamo de consumidor, la cantidad estimada de su pago mensual sería lo siguiente:~~

~~Capital e interés en una cantidad inicial de un préstamo de \$ \_\_\_\_\_ \$ \_\_\_\_\_~~

~~1/12 de la prima anual estimada para aseguranza \_\_\_\_\_ \$ \_\_\_\_\_~~

1/12 de los impuestos de propiedad estimados para la vivienda prefabricada \$ \_\_\_\_\_

Este estimado se basa en lo siguiente:

~~[ ] Instalación en el condado de \_\_\_\_\_ en la siguiente localización especificada e información obtenida del asesor de impuestos del condado sobre la tasa de impuestos actual aplicable en esa localización.~~

~~Localización:~~

~~[ ] Ha dicho que la vivienda se instalará en el condado de \_\_\_\_\_, pero no ha determinado donde se instalará en el condado. Por lo tanto, esta divulgación se basa en la información actual obtenida del asesor de impuestos del condado en cuanto a las tasas de interés actuales aplicadas por todo el condado. Si finalmente la vivienda está localizada en un sitio sujeto a uno o más entidades de impuestos adicionales que no son extendidos por todo el condado, sus impuestos en realidad pueden costarle más.~~

~~[ ] Ha dicho que no sabe en cual condado se instalará la vivienda. Por lo tanto, esta divulgación se basa en la información actual obtenida del asesor de impuestos del condado de \_\_\_\_\_, siendo el condado donde el negocio está localizado, en cuanto a las tasas actuales aplicadas por todo el condado. Si finalmente la vivienda está localizada en otro condado o un sitio sujeto a uno o más entidades de impuestos adicionales que no son extendidos por todo el condado, sus impuestos en realidad pueden costarle más.~~

~~NOTA: SUS IMPUESTOS DE PROPIEDAD ACTUALES PUEDEN DIFERIR. COMUNIQUESE CON EL ASESOR DE IMPUESTOS DEL CONDADO DONDE LA VIVIENDA SERA LOCALIZADA PARA OBTENER MAS INFORMACION.~~

**CONSUMIDOR:**

**~~AUNQUE SU PRESTAMISTA NO PONGA EN PLICA LOS IMPUESTOS, USTED TODAVIA SERA RESPONSABLE POR ELLOS.~~**

Otros costos estimados (describa)

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

**TOTAL ESTIMADO DE LOS COSTOS MENSUALES \$ \_\_\_\_\_**

~~SER PROPIETARIO DE UNA VIVIENDA TIENE OTROS COSTOS, TALES COMO REPARACIONES, MANTENIMIENTO, Y UTILIDADES. TAMBIEN, PUEDE HABER OTRAS COSAS QUE USTED DESEA QUE NO PUEDEN SER INCUIDAS EN EL PRECIO DE SU VIVIENDA.~~

~~[ ] Si esta caja está marcada, la persona que le está vendiendo la vivienda prefabricada o alguien afiliado con ellos también tomará parte en hacer o someter el préstamo para comprar la vivienda y recibirá compensación, como un honorario, una comisión, o una prima, por este servicio. Si solamente están originando el préstamo y vendiéndolo sin ganancia y no están recibiendo compensación adicional, esta caja no necesita ser marcada. Si está marcada, aquí está una ESTIMACION de su compensación:~~

~~Clase de compensación \_\_\_\_\_ Cantidad estimada o gama de compensación~~

~~\_\_\_\_\_ \$ \_\_\_\_\_~~

~~Adjunto también encuentre las siguientes DIVULGACIONES ADICIONALES (enumerar):~~

~~Por medio de nuestra firma, cada uno de nosotros confirmamos que esta divulgación fue proveída en la fecha indicada y que estaba completo en ese momento.~~

~~Nombre: \_\_\_\_\_ Nombre: \_\_\_\_\_~~

~~Firma: \_\_\_\_\_ Firma: \_\_\_\_\_~~

~~Fecha: \_\_\_\_\_ Fecha: \_\_\_\_\_~~

~~Al firmar abajo, confirmo que soy la persona licenciada de acuerdo con el Texas Manufactured Housing Standards Act (el Acto de Normas Para Viviendas Prefabricadas de Texas) quien proporeionó esta divulgación (incluyendo cualquier documento adjunto) a los consumidores antedichos.~~

~~Nombre: \_\_\_\_\_~~

~~Firma: \_\_\_\_\_~~

~~Fecha: \_\_\_\_\_~~

~~Número de licencia: \_\_\_\_\_~~