



Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
on March 15, 2004

Cary Yates, Chair

Jack Davis, Member

Valeri Stiers Malone, Member

Clement "Pete" Moreno, Member

Texas Department of Housing and Community Affairs
Manufactured Housing Board Meeting
March 15, 2004

ROLL CALL

	<u>Present</u>	<u>Absent</u>
Cary Yates, Chair	_____	_____
Jack Davis, Member	_____	_____
Valeri Stiers Malone, Member	_____	_____
Clement "Pete" Moreno, Member	_____	_____
Number Present	_____	
Number Absent		_____

_____, Presiding Officer

MANUFACTURED HOUSING BOARD MEETING & RULES WORKSHOP
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
507 Sabine, 4th Floor Boardroom, Austin, Texas 78701
March 15, 2004 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 of possible approval of minutes of board meeting of February 6, 2004. | Chair |
| Item 2. | Presentation, discussion and consideration of possible approval of the State Office of Administrative Hearings (SOAH) Proposal for Decision:
Approval of Manufactured Housing Case:
In the Matter of the Complaint of TDHCA vs Sunriver Homes, Inc., Docket Number: 332-04-0997, Complaint No: MHD2002001160-WHR. | Jim Hicks |
| Item 3. | Presentation, discussion and possible approval of the Living Singles/Texas Manufactured Housing Association request for approval as a Continuing Education Provider. | Tim Irvine |
| Item 4. | Presentation, discussion and possible approval of proceeding with the implementation of online license renewals via Texas Online. | Tim Irvine |
| Item 5. | Presentation, discussion and consideration to approve the remaining proposed Manufactured Housing Rules from the last meeting. | Tim Irvine |

REPORT ITEMS

- | | | |
|---------|-----------------------------|------------|
| Item 1. | Executive Director's Report | Tim Irvine |
|---------|-----------------------------|------------|

PUBLIC COMMENT

Chair

ADJOURN

Chair

To access this agenda or request information, please visit our website at www.tdhca.state.tx.us or contact Piper Smith, TDHCA, 507 Sabine, Austin, Texas 78701, 512-475-3845, piper.smith@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 Friday, February 6, 2004, at 9:00 a.m. 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") was held in the TDHCA board room on the 4th floor at 507 Sabine, Austin, Texas. Cary Yates presided, and Piper Smith recorded the minutes. The following directors, constituting a quorum, were present: Cary Yates, Presiding Officer, Jack Davis, Valeri Malone, and Pete Moreno. The following members of MHD staff were present: Tim Irvine, Cindy Bocz, Joe Garcia, Kassu Asfaw, Heidi Maldonado, Piper Smith, and Sharon Choate. Robert Seibert from the Attorney General's office was present.

The chairman called roll and declared the presence of a quorum. Upon motion of Jack Davis, duly seconded by Pete Moreno, the minutes of the previous meeting were approved as presented.

Joe Garcia, Manager of Processing & Licensing, presented a proposed order to be approved in the matter of TDHCA vs. Robert Joe and Jana Coke, Docket No. 332-03-3518. The proposal to put the ownership back into the name of the original applicant pursuant to ruling of the judge was accepted upon motion by Jack Davis and second by Valeri Malone.

Jim Hicks, Senior Investigator for Consumer Protection, presented a proposed order to be entered in the matter of TDHCA vs. Buda Housing, Inc. dba Premier Homes, Docket No. 332-03-3676, Case No's., MHD2003000537-DT and MHD2003001184-DT. As supported by the SOAH Proposal for Decision, the issuance of the order was unanimously approved upon motion by Valeri Malone and second by Jack Davis.

Tim Irvine presented to the Board for discussion and possible approval a 60 percent settlement offer from First Indemnity Insurance involving Sharon Lee's claim. The Attorney General believes that this is an appropriate settlement. Also, Tim presented a recommendation from Ron Del Vento, who runs the Bankruptcy and Collections Division of the Office of the Attorney General, to have the Board delegate ongoing authority to Tim to settle and compromise on claims, subject to the Attorney General's concurrence and promptly report all settlements to the Board. Upon motion by Jack Davis and second by Valeri Malone, both motions were approved.

Tim Irvine requested the board adopt the provisions of the proposed rules dealing with the issuance of the Statement of Ownership and Location. Motion to adopt by Jack Davis, seconded by Valeri Malone, passed.

Tim Irvine then presented for discussion the most controversial issues: failure to perform warranty work in a reasonable time (§80.127); providing the disclosure statement in Spanish, adding a statement about escrow and providing a tax grid (§80.182); providing an additional Right of Rescission notice and whether the three days to rescind is three calendar days or business days (§80.183); and payment of property taxes (§80.201).

After discussion of §80.127 regarding failure to perform warranty work in a reasonable time, there was agreement to clarify in the rule that the Department will work with the industry to devise an appropriate and reasonable response time after conducting an inspection and that if an agreement is unable to be reached, the Department will issue an appealable order. Motion was made by Pete Moreno to adopt the rules as presented, it was duly seconded by Valeri Malone, and the motion passed.

Regarding §80.182, several issues were discussed about the disclosure statement and there was agreement that the disclosure statement in Spanish not be mandatory, that a legend be added to the English version stating a Spanish version is available upon request, additional language be added to inform the consumer of their responsibility to pay taxes if the lender does not escrow taxes, and that the tax grid be removed. Motion by Pete Moreno to adopt the rule with changes, duly seconded by Valeri Malone, passed.

Regarding §80.183, after discussion it was agreed that the three days of right of rescission would be three calendar days. Motion to adopt, made by Valeri Malone and duly seconded by Jack Davis, passed. Also, it was agreed that an additional disclosure statement for right of rescission was not needed. Motion by Pete Moreno to adopt the rules as presented, seconded by Valeri Malone, passed.

Regarding §80.201, after discussing the providing of evidence of paid property taxes, it was agreed to amend the rule to emphasize that satisfactory evidence would address the taxes for years after 2001. Motion to adopt by Jack Davis, seconded by Valeri Malone, passed.

Tim Irvine presented the executive director's report explaining the Department's cost saving methods that allowed us to post an additional position for processing SOLs. Also, he informed the Board of receiving funds from HUD for SAA functions, the increase in revenue from fees, and the Department working with the Attorney General's office on enforcement issues.

There being no further business to come before the Board, the meeting was adjourned at 11:40 a.m.

Sharon Choate
Acting Secretary

Approved:

Cary Yates, Presiding Officer

Agenda Action Item No. 2



MANUFACTURED HOUSING DIVISION

Rick Perry
GOVERNOR

Timothy K. Irvine
EXECUTIVE DIRECTOR

Board Members
Presiding Officer, Cary P. Yates
Jack Davis
Valeri Stiers Malone
Clement P. Moreno
Vacant

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

FROM: Jim Hicks, Senior Investigator

THROUGH: Timothy K. Irvine, Executive Director

SUBJECT: Summary of Proposal for Decision

Sunriver Homes, Inc. (“Respondent”)

Docket Number: 332-04-0997

Complaint Number: MHD2002001160-WHR

Background

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

1. On or about January 29, 2001, Mr. and Mrs. Oman purchased a manufactured home from Sunriver Homes, Inc. (the “licensee”), and skirting for the home was not provided. The Omans requested an inspection, and on or about October 24, 2002, Mr. James Henley, an inspector with the Manufactured Housing Division (“MHD”), inspected the Omans’ home. His report of inspection assigned to the licensee responsibility to provide skirting.
2. The report of inspection was not timely sent to the licensee at its address of record. Once this error was discovered by the MHD, the report was promptly sent to the licensee, and the licensee timely raised an objection to the assigning of warranty or corrective action responsibility, stating that the contract with the Omans did not provide for skirting and alleging that the contract provided to the MHD by the Omans had been altered.
3. Addressing the requirement to show good cause, the licensee has made a written statement to MHD indicating the belief, along with the rationale for that belief, that the purchase document upon which the assignment of responsibility was based has been altered. The MHD has obtained both from Mr. Oman a statement that he has not altered

the document and certified statements from both Triad Financial Services (the party that originally made the loan) and Southtrust (the party currently holding that loan) that the copies of the contract obtained by them provided for the licensee to provide skirting. Triad has also provided a statement that the loan funds it advanced to the licensee included payment for skirting. The licensee alleges that there are inconsistencies in these documents and believed that they could establish that the document in question was altered. That was the purpose of this hearing, and it was a contested case under Chapter 2001, *Government Code*.

After proper notice, an administrative hearing was held on November 25, 2003. 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 2, 2004, finds that the Department improperly issued the inspection report requiring corrective action as the contract did not mandate that brick skirting be installed on the home.

Recommendation

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

DOCKET NO. 332-04-0997
COMPLAINT NO. MHD2002001160-WHR

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. SUNRIVER HOMES, INC.	§	HOUSING AND COMMUNITY AFFAIRS

FINAL ORDER

I. PREAMBLE

CAME ON TO BE CONSIDERED, the matter of the enforcement action identified as MHD2002001160-WHR, *In the Matter of the Complaint of the Manufactured Housing Division of the Texas Department of Housing and Community Affairs vs. Sunriver Homes, 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. Petitioner shall withdraw the original inspection report and replace it with an amended report in compliance with the requirements of Section 1201.356(d) of the Occupations Code;

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Final Order
In the Matter of Sunriver Homes, Inc.
Docket No. 332-04-0997
Complaint No. MHD2002001160-WHR

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 Manufactured Housing Division of the Texas Department of Housing and Community Affairs in the above-captioned matter is approved.

SIGNED AND ENTERED this _____ day of _____, 2004.

Cary P. Yates, 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 5166 0480), return receipt requested, to Sunriver Homes, Inc., 5802 Garden Hills Drive, Sugarland, TX 77479 on this the _____ day of _____, 2004.

Nancy Stone, Complaint Specialist

State Office of Administrative Hearings



Shelia Bailey Taylor
Chief Administrative Law Judge

February 2, 2004

Timothy Irvine
Executive Director
Texas Department of Housing and Community Affairs
507 Sabine, Ste. 400
Austin, Texas 78711-3941

VIA HAND DELIVERY

RE: Docket No. 332-04-0097; In the Matter of Sunriver Homes, Inc.

Dear Mr. Irvine:

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

By copy of this letter, I am informing the parties that under TEX. GOV'T CODE ANN. §2001.062, each party has the right to file exceptions and present briefs with respect to the Proposal for Decision. If a party files exceptions or briefs, all other parties may file replies. A copy of any exceptions, briefs, or replies must be filed with the State Office of Administrative Hearings and served on all parties.

Sincerely,

/s/

Henry D. Card
Administrative Law Judge

HDC/tll
Enclosure

xc: Docket Clerk, State Office of Administrative Hearings - **VIA HAND DELIVERY**
Jason Ray, Staff Attorney, Administrative Law Division, 14th Floor, William P. Clements - **VIA HAND DELIVERY**
Sunriver Homes, Inc., 5802 Garden Hills Drive, Sugarland, Texas 77479 - **VIA REGULAR MAIL**

Post Office Box 13025 ◆
(512) 475-4993

William P. Clements Building
300 West 15th Street, Suite 502
Docket (512) 475-3445

◆ Austin, Texas 78711-3025
Fax (512) 475-4994

DOCKET NO. 332-04-0997

MANUFACTURED HOUSING DIVISION OF	§	BEFORE THE STATE OFFICE
THE TEXAS DEPARTMENT OF HOUSING	§	
AND COMMUNITY AFFAIRS,	§	
Petitioner	§	
	§	
V.	§	OF
	§	
SUNRIVER HOMES, INC.,	§	
Respondent	§	ADMINISTRATIVE HEARINGS

PROPOSAL FOR DECISION

The Manufactured Housing Division (the Division) of the Texas Department of Housing and Community Affairs (the Department) brought this proceeding against Sunriver Homes, Inc. (Sunriver), alleging that Sunriver had violated a retailer manufactured home warranty by failing to install brick skirting in accordance with its sales contract. Because Sunriver is no longer in business, the Division seeks to have the skirting paid for by the Homeowners' Recovery Trust Fund (the Fund), with reimbursement to be taken from Sunriver's bond. Sunriver contended the Department did not have jurisdiction over this matter, that the issue had not been raised within the one-year warranty period, and that Sunriver had not contracted to provide brick skirting for the manufactured home at issue.

The Administrative Law Judge (ALJ) finds the Department has jurisdiction over this dispute and that the issue was raised within the one-year warranty period. He finds, however, that the sales contract does not require that Sunriver install brick skirting. Therefore, he recommends the Division's petition be denied.

I. DISCUSSION

A. Factual dispute and procedural history

Sunriver sold a manufactured home to Richard Oman in December 2000. Sunriver was the contracting installer. The home was installed that same time, although the final sales contract was signed January 29, 2001. Mr. Oman claims Sunriver agreed to install brick skirting as part of the purchase price. Sunriver denies brick skirting, or any skirting, was included. On October 24, 2002, Department inspector James Henley, responding to a complaint from Mr. Oman, found Sunriver should be required to install skirting. Specifically, Mr. Henley determined Sunriver was “responsible for the following warranty items”:

1. [5221f Sec 14(d)] Skirting was not delivered with the home. Two sides Front side (west) and south end are to be skirted in bricks. Two sides Backside (east) and north end are to be skirted with vinyl (imitation brick).

Brick skirting on two sides is required by the subdivision in which Mr. Oman lives.

Mr. Henley signed the report November 6, 2002. Under the Department’s rules at 10 TEX.ADMIN.CODE (TAC) §80.131(b), Sunriver was required to take corrective action within 40 days. However, the report was not delivered to Sunriver’s correct address. After the error was corrected, Sunriver timely raised an objection to the inspector’s determination.

Timely and adequate notice of the hearing at the State Office of Administrative Hearings (SOAH) was sent to all parties November 3, 2003. The hearing was held November 25, 2003, before the undersigned ALJ. Both the Division and Sunriver appeared and participated in the hearing, which was adjourned the same day.

B. Jurisdiction and burden of proof

Sunriver argued this is a contractual dispute, not a warranty dispute, and therefore beyond the Department's jurisdiction. The Division argued this is a warranty dispute, over which the Department has jurisdiction under the Texas Manufactured Housing Act, TEX. OCC. CODE ANN. Chapter 1201. Even if it were not a warranty action, the Division asserted the Department has jurisdiction under its authority to administer the Texas Deceptive Trade Practices Act as that Act relates to manufactured housing.

The Division is correct. This is a warranty action under TEX.OCC. CODE, ANN. §1201.352.¹

The relevant portions of that section state:

§1201.352. Retailer's Warranty

(a) The retailer of a new HUD-code manufactured home shall warrant to the consumer in writing that:

- (1) installation of the home at the initial homesite will be completed in accordance with all department standards, rules, orders, and requirements; and
- (2) appliances and equipment included with the sale of the home and installed by the retailer are or will be:
 - (A) installed in accordance with the instructions or specifications of the manufacturers of the appliances or equipment; and
 - (B) free from defects in materials or workmanship.

¹ This section was created by codification of the Texas Manufactured Housing Act, formerly Vernon's Ann. Civ. Stat. art. 5221f, effective June 1, 2003. The codification did not change the substance of this section, formerly found at VATCS art. 5221f, §14(d).

(b) The retailer's warranty is in effect until the first anniversary of the date of initial installation of the home at the consumer's home site.²

The Department contends that brick skirting was included in the sale of the home, but was not installed, in violation of Section 1201.352. It is authorized to enforce that section, and all portions of Chapter 1201, by TEX. OCC. CODE ANN. §1201.051.

C. Notification within one-year warranty period

The retailer's manufactured home warranty is in effect for one year from the anniversary of the installation of the manufactured home at the consumer's home site. TEX. OCC. CODE, ANN. §1201.352(b). Under 10 TEX. ADMIN. CODE §80.131, a consumer's written notification of a warranty problem

must be 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....

Both Sunriver and Mr. Oman agreed the home was installed in December of 2000, although the final contract is dated January 29, 2001. Using the earlier date, the one-year anniversary of the installation would have occurred in December, 2001. Using the later date, the anniversary would have been January 29, 2002. At the latest, Mr. Oman was required to notify Sunriver of the skirting issue by March 10, 2002. Sunriver contends he did not do so. Sunriver points out that the inspection that led to this proceeding took place October 24, 2002. Although there were three previous warranty inspections, none of those addressed the skirting issue.

Although the warranty inspections during 2001 did not mention the skirting issue, the record includes an August 3, 2001, letter from Triad Financial Services, Inc. (Triad), which originally

² Subsections (c) and (d) require description and delivery of the manufacturer's and retailer's warranties to the customers, which took place in this instance. Department Ex. A.

financed the purchase, that did address that issue. The relevant portions of that letter, which was sent to Sunriver, state:

As we discussed, Mr. Oman has requested the following items be completed in order for him to sign off on the completion of his service work as satisfactory:

* * * *

- skirting (this was financed on the original contract and must be done)

Sunriver received adequate and timely notice of the skirting issue.

D. Did the parties agree that Sunriver would provide brick skirting?

The Division contends that Sunriver contractually agreed to provide brick skirting on Mr. Oman's manufactured home. To support that contention, the Division had admitted into evidence copies of the sales contract, provided by both the original and the current mortgage holders, Triad and Southtrust Mortgage Corporation (Southtrust). Department Exs. C and D. Page three of each document showed that skirting was to be supplied, along with air conditioning and certain appliances. That line was initialed by Mr. Oman.

Sunriver also provided several copies of the sales contract - from its files, from Triad, and from Southtrust. Its copy does not match Triad's and Southtrust's.³ On Sunriver's page three, none of the equipment, including skirting, is checked. Sunriver's copy also contains a blank "Dealer Installed Options" page, while the other two have "Dealer Installed Options" pages that include "skirt" at a dealer cost of \$1200. Sunriver contended those contracts had been changed by either Mr. Oman or the mortgage companies.

Sunriver did state it had agreed, as a courtesy, to provide vinyl skirting on two sides of Mr.

³ Sunriver pointed out that the Triad and Southtrust contracts show different accrual and payment dates. The Division established that changing such dates is common and does not affect the validity of either contract.

Oman's home, presumably leaving him to provide the brick skirting on the other two sides. Sunriver witness Shaun Willett stated they did so to make Mr. Oman happy with the sale. Ms. Willett testified the usual price for vinyl skirting on four sides is \$1,200, which incorporates a 100 percent markup over cost. The usual price for brick skirting, with the same markup, is approximately \$5,000. Both she and her husband, owner Charles Willett, testified they would never have agreed to provide brick skirting in the contract, without an additional charge, because there was too little profit.

Mr. Oman denied that Sunriver had ever provided any skirting, vinyl or otherwise. Mr. and Mrs. Willett disagreed, speculating that the vinyl skirting they had put on Mr. Oman's home had blown away because he had failed to skirt the other two sides. Mr. Oman estimated the skirting required by the inspection report would cost \$4,000.

It is implausible that either Triad or Southtrust would have changed the contract. There is no evidence that Mr. Oman had access to the contract or changed it. Ms. Willett and Mr. Oman testified that they revised their contract after it was originally signed, to accommodate some concerns Mr. Oman had. The ALJ assumes the contract from Sunriver's file is an earlier version. In any event, he finds the Triad and Southtrust documents are true copies of the parties' contract.

That contract shows that skirting was to be installed. As Mr. Irvine, one of the Division's witnesses, admitted, however, the contract does not specify what type of skirting. The contract does not state that Sunriver is to install brick skirting on two sides of the manufactured home.

The Division argues that "skirting," means brick skirting because, as Mr. Oman testified, he and Sunriver discussed the issue. The Division claims also Sunriver was aware, or should have been aware, of the restrictions in Mr. Oman's subdivision. Mr. Irvine agreed, however, that he did not know whether Sunriver was actually aware of those restrictions. The Division further contends that the requirement that a home be installed in accordance with the Texas Manufactured Housing

Standards Code incorporates a requirement that the home be installed in accordance with subdivision by-laws. The Division did not cite to any particular section of the Texas Manufactured Housing Standards Code, and the ALJ has not found that requirement.

The parties did not agree in the sales contract on the type of skirting to be installed. Mr. Oman believed the skirting would be brick on two sides. But the contract does not say that, and the sales contract's "dealer cost" of \$1,200 does not jibe with the estimated cost to provide the brick skirting.

The ALJ finds that, although the sales contract calls for skirting, it does not provide for brick skirting. Therefore, the ALJ finds that the corrective action set out in the inspection report should not be required, and the Division's petition should be denied.

II. FINDINGS OF FACT

1. Sunriver Homes, Inc. (Sunriver) sold a manufactured home to Richard Oman in December 2000.
2. Sunriver was the contracting installer for the home.
3. The home was installed in December 2000, although the final sales contract was signed January 29, 2001.
4. Mr. Oman complained that Sunriver had violated its warranty by failing to install brick skirting on two sides of the home.
5. On October 24, 2002, Texas Department of Housing and Community Affairs (Department) inspector James Henley, responding to a complaint from Mr. Oman, found Sunriver should be required to install the skirting.
6. Mr. Henley determined Sunriver was "responsible for the following warranty items":

[5221f Sec 14(d)] Skirting was not delivered with the home. Two sides Front side (west) and south end are to be skirted in bricks. Two sides Backside (east) and north end are to be skirted with vinyl (imitation brick).


7. Brick skirting on two sides is required by the subdivision in which Mr. Oman lives.
8. Mr. Henley signed the report November 6, 2002.
9. Sunriver did not install the skirting, as set out in Mr. Henley's report, within 40 days.
10. Sunriver timely raised an objection to the inspector's determination.
11. On November 3, 2003, the Department's Manufactured Housing Division filed a notice of hearing with the State Office of Administrative Hearings and sent a copy to Sunriver.
12. 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.
13. The hearing was held November 25, 2003, before Administrative Law Judge (ALJ) Henry D. Card. Both the Division and Sunriver appeared and participated in the hearing, which was adjourned the same day.
14. An August 3, 2001, letter from Triad Financial Services, Inc. (Triad), which originally financed the purchase, was sent to Sunriver and addressed the skirting issue.
15. The Triad and Southtrust Mortgage Corporation (Southtrust) documents are accurate copies of the parties' contract.
16. The contract shows that skirting was to be installed.
17. The contract does not specify what type of skirting.

III. 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. Sunriver was notified of the skirting issue within the time limit established by 10 TEX. ADMIN. CODE §80.131.
5. The contract does not mandate that brick skirting is be installed on Mr. Oman's home.
6. The corrective action required by the inspection report, set out. in Finding of Fact No. 6, should not be required.
7. The Division's petition should be denied.

SIGNED February 2, 2004.



HENRY D. CARD
ADMINISTRATIVE LAW JUDGE
STATE OFFICE OF ADMINISTRATIVE HEARINGS

Agenda Action Item No. 3

To: Board of Directors
Cary Yates
Jack Davis
Valeri Malone
Pete Moreno

From: Tim Irvine

Re: Living Singles/Texas Manufactured Housing Association Request for Approval as a Continuing Education Provider

Date: March 4, 2004

'Living Singles' Ministries, Inc. ("Living Singles"), a "501(c)(3) non-profit corporation has entered into an agreement with the Texas Manufactured Housing Association ("TMHA") to provide continuing education programs for licensees involved in the sale of manufactured homes. Living Singles and TMHA are referred to jointly as Living Singles/TMHA in order to satisfy the statutory requirement of providing continuing education through a non-profit. TMHA as the entity will provide necessary course material and instructors. Living Singles/TMHA has submitted a request that addresses all of the components in the proposed rules regarding approval of continuing education providers. It has provided a description of the courses offered, a copy of the course materials, and the biographies of proposed instructors. Since these rules have not yet been adopted, there is no fee for review of and action upon this request.

Management has reviewed the submission of Living Singles/TMHA and recommends that its request be approved. The courses would be offered in segments at chapter meetings of TMHA and at its annual convention. It is anticipated that the chapter meetings through which courses would be offered would include San Antonio, Dallas, Houston, and the Rio Grande Valley.

Agenda Action Item No. 4

To: Board of Directors
Cary Yates
Jack Davis
Valeri Malone
Pete Moreno

From: Tim Irvine

Re: Texas Online

Date: March 4, 2004

For almost a year we have been in discussions with Texas Online about offering licensing renewal online, but the matter was delayed while Texas Online evaluated the desirability of proceeding with agencies such as this one that had small universes and would not result in profitable operation in the near term. On the same day as our last board meeting, Texas Online approved proceeding with such arrangements. We would like the Board's approval to proceed with implementing license renewals via Texas Online.

Although we do not foresee any ability to reduce staff as a result of implementing this proposal, we believe that it is still something that should be pursued for several reasons:

- Supporting the overall state objective of providing more access to services via online applications;
- Improving the integrity of data that is entered into our licensing records; and
- Reducing the number of payments that result in pursuit of NSF items through handling online payments with credit cards and debit cards.

Revenue from licensing fees collected will pay for Texas Online.

Approval is requested.